

MORRIS COUNTY, TEXAS

Annual Financial Report

For The Year Ended September 30, 2020



**MORRIS COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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INTRODUCTORY SECTION

**MORRIS COUNTY, TEXAS
COUNTY OFFICIALS
SEPTEMBER 30, 2020**

County Judge	Hon. Doug Reeder
Commissioner Precinct 1	Gregg Frazier
Commissioner Precinct 2	Kerry McCoy
Commissioner Precinct 3	Michael Clair
Commissioner Precinct 4	Todd Freeman
County Clerk	Scott Sartain
District Clerk	Gwen Ashworth
County Treasurer	Molly Cummings
Tax Assessor-Collector	Kim Thomasson
County Auditor	Shanna Solomon, CPA
Sheriff	Sheriff Jack Martin
County Attorney	Ricky Shelton
Justice of the Peace, Precinct 1	Judge Nikita Fridia
Justice of the Peace, Precinct 2	Judge Jennifer Easley
Constable	Billy Weatherford

FINANCIAL SECTION

Mike Ward Accounting & Financial Consulting, PLLC

Mike Ward, CPA
266 RCR 1397
Point, Texas 75472

(903) 269-6211
mward@mikewardcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Judge and County Commissioners
Morris County, Texas
500 Broadnax Street
Daingerfield, Texas 75638

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morris County, Texas ("County") as of and for the year ended September 30, 2020, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 an 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, I express no such opinion. An audit also includes assessing 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

In my 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 Morris County, Texas as of September 30, 2020, and the respective changes in financial position for the year

then ended in accordance with accounting principles generally accepted in the United States of America.

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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

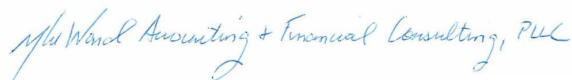
Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Morris County, Texas' basic financial statements. The introductory section and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it.

Respectfully Submitted,



Mike Ward Accounting & Financial Consulting, PLLC

Point, Texas
August 27, 2021



MANAGEMENT DISCUSSION AND ANALYSIS

MORRIS COUNTY, TEXAS

MANAGEMENT DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2020

As management of Morris County, Texas ("County"), we offer the readers of Morris County, Texas' financial statements this narrative overview and analysis of the financial activities of the County for the year ended September 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that has been furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$9,608,211 (net position). Of this amount, \$2,822,624, or 29%, is net investment in capital assets. Net position restricted for specific purposes is \$351,713, or 4%. The remaining unrestricted position of \$6,433,874, or 67% may be used to meet the County's ongoing obligations to its citizens and creditors in accordance with the County's fiscal policies.
- The County's total net position increased by \$231,385, or 2%.
- As of the close of the current year, the County's governmental funds reported combined ending fund balances of \$6,734,721, an increase of \$266,794, or 4%, in comparison with the prior year. Approximately 70% of this total amount, or \$4,681,944, is available for spending at the County's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General fund of \$4,681,944 was 115% of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Morris County, Texas' basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide financial statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Morris County, Texas.

**MORRIS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2020**

Basic Financial Statements

The first two statements (pages 20-22) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (pages 25-28) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements.

The next section of the basic financial statements are the **notes** (pages 31-42). The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **required supplemental information** (pages 45-47) is provided to show details about the County's pension plan and the budget to actual comparison.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The statement of net position presents information on all the County's assets and liabilities, with the difference between the two 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 most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like all other governmental entities in Texas, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what funds are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps them determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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 government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund 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.

**MORRIS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2020**

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 are on pages 31-42 of this report.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees. This information is found on page 45-47.

Morris County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the commissioners' court about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget; 2) the final budget as amended by the council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. Budgetary information required by the General Statutes can also be found in the Required Supplementary Information section of the report on page 47.

Supplementary Information – The combining statements referred to earlier in connection with the non-major governmental funds are presented following the required supplementary information on pensions. Combining statements and individual fund statements can be found on pages 49-59.

**MORRIS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2020**

Net Position

	Governmental Activities		Total Primary Government	
	2020	2019	2020	2019
Current and other assets	\$ 7,371,482	\$ 6,628,197	\$ 7,371,482	\$ 6,628,197
Capital assets	2,822,624	2,878,023	2,822,624	2,878,023
Total assets	10,194,106	9,506,220	10,194,106	9,506,220
Total deferred outflows of resources	1,222,802	1,806,195	1,222,802	1,806,195
Current liabilities	115,400	135,013	115,400	135,013
Noncurrent liabilities	35,016	1,474,353	35,016	1,474,353
Total liabilities	150,416	1,609,366	150,416	1,609,366
Total deferred inflows of resources	1,658,281	326,223	1,658,281	326,223
Net position:				
Net investment in capital assets	2,822,624	2,878,023	2,822,624	2,878,023
Restricted	351,713	309,353	351,713	309,353
Unrestricted	6,433,874	6,189,450	6,433,874	6,189,450
Total net position	\$ 9,608,211	\$ 9,376,826	\$ 9,608,211	\$ 9,376,826

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the County exceeded liabilities by \$9,608,211, as of September 30, 2020. The County's net position increased by \$231,385, for the year ended September 30, 2020.

Net investment in capital assets:

The second largest portion of the County's net position, \$2,822,624, or 29%, reflects the County's investment in capital (i.e. land, buildings, machinery and equipment) less any debt still outstanding that was issued to acquire those items. The County uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending, although the County's investment in its capital assets is reported net of the outstanding related debt, the resources need to repay debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. As of September 30, 2020, the County has no debt obligations.

Restricted net position:

The restricted portion of the County's net position, \$351,713, or 4%, reflects the portion of net assets that contains external constraints placed on the use of resources, or imposed by enabling legislation.

Unrestricted net position:

Unrestricted net position in the amount of \$6,433,874, or 67%, was available to fund the County's programs to citizens and obligations to creditors.

**MORRIS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2020**

Changes in Net Position

	Governmental Activities		Totals	
	2020	2019	2020	2019
Revenues:				
Program Revenues:				
Charges for services	\$ 894,526	\$ 876,452	\$ 894,526	\$ 876,452
Operating grants and contributions	82,651	42,758	82,651	42,758
General Revenues:				
Property taxes	4,001,415	3,909,972	4,001,415	3,909,972
Sales tax	464,961	550,685	464,961	550,685
Intergovernmental	77,342	65,465	77,342	65,465
Investment income	60,527	167,915	60,527	167,915
Miscellaneous	182,194	176,781	182,194	176,781
Total Revenues	<u>5,763,616</u>	<u>5,790,028</u>	<u>5,763,616</u>	<u>5,790,028</u>
Expenses:				
Program Expenses				
General government	1,392,352	1,398,957	1,392,352	1,398,957
Public safety	1,765,676	1,654,407	1,765,676	1,654,407
Public works	1,169,042	1,175,400	1,169,042	1,175,400
Judicial	825,630	774,721	825,630	774,721
Health and public welfare	379,531	329,057	379,531	329,057
Total Expenses	<u>5,532,231</u>	<u>5,332,542</u>	<u>5,532,231</u>	<u>5,332,542</u>
Increase (decrease) in net position	231,385	457,486	231,385	457,486
Increase (decrease) in net position	231,385	457,486	231,385	457,486
Net position - January 1	9,376,826	8,919,340	9,376,826	8,919,340
Net position - December 31	<u>\$ 9,608,211</u>	<u>\$ 9,376,826</u>	<u>\$ 9,608,211</u>	<u>\$ 9,376,826</u>

**MORRIS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2020**

Financial Analysis of the County's Funds

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

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

As of the close of the current fiscal year, the governmental funds reported combined ending fund balances of \$6,734,721, an increase of \$266,794, or 4%, in comparison with the prior year. Of this amount, \$4,681,944, or 70%, constitutes unassigned fund balance, which is available for spending at the County's discretion. The County has assigned fund balances of \$1,701,064, or 25% and a total restricted fund balance of \$351,713, or 5%.

The general fund is the chief operating fund of Morris County, Texas. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,681,944. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total expenditures. Unassigned fund represents 115% of total general fund expenditures.

General Fund Budgetary Highlights: During the fiscal year, the County made no adjustments to the budget. Generally budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

**MORRIS COUNTY, TEXAS
MANAGEMENT DISCUSSION AND ANALYSIS (continued)
SEPTEMBER 30, 2020**

Capital Asset and Debt Administration

Capital Assets - Morris County, Texas' investment in capital assets for its governmental funds, as of September 30, 2020, totals \$2,822,624 (net of accumulated depreciation). These assets include land, buildings, improvements, infrastructure, machinery and equipment. This amount represents a net decrease of (\$55,399), or (2%), (decrease net of accumulated depreciation) over the prior year.

**Capital Assets
As of September 30, 2020
(net of depreciation)**

	Governmental		Total	
	2020	2019	2020	2019
Land	\$ 97,550	\$ 77,550	\$ 97,550	\$ 77,550
Infrastructure	1,465,028	1,611,532	1,465,028	1,611,532
Buildings & Improvements	1,065,644	1,133,067	1,065,644	1,133,067
Machinery & Equipment	194,402	55,874	194,402	55,874
Total	\$ 2,822,624	\$ 2,878,023	\$ 2,822,624	\$ 2,878,023

More detailed information about the County's capital assets is presented in Note 5 to the financial statements.

Requests for Information

This financial report is designed to provide an overview of the County's finances for those with an interest in the County's finances. If you have any questions about this report, or need additional information, contact Morris County, 500 Broadnax Street, Daingerfield, Texas 75638.



BASIC FINANCIAL STATEMENTS
Government-wide Financial Statements



**MORRIS COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	Primary Government	
	Governmental Activities	Total
ASSETS		
Cash and cash equivalents	\$ 6,337,997	\$ 6,337,997
Receivables (net of allowance for uncollectibles)	586,907	586,907
Prepaid expenses	45,627	45,627
Restricted assets:		
Cash and cash equivalents	400,951	400,951
Capital assets not depreciated:		
Land	97,550	97,550
Capital assets net of accumulated depreciation:		
Infrastructure	1,465,028	1,465,028
Buildings	1,065,644	1,065,644
Machinery and equipment	194,402	194,402
Total Assets	10,194,106	10,194,106
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows from pensions	1,222,802	1,222,802
Total Deferred Outflows of Resources	1,222,802	1,222,802
LIABILITIES		
Accounts payable	103,879	103,879
Other liabilities	11,521	11,521
Net pension liability	35,016	35,016
Total Liabilities	150,416	150,416
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from pensions	1,658,281	1,658,281
Total Deferred Inflows of Resources	1,658,281	1,658,281
NET POSITION		
Net investment in capital assets	2,822,624	2,822,624
Restricted for:		
Debt service	20,542	20,542
Court	329,170	329,170
Public safety	2,001	2,001
Unrestricted	6,433,874	6,433,874
Total Net Position	\$ 9,608,211	\$ 9,608,211

The accompanying notes to the financial statements are an integral part of this financial statement.

**MORRIS COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Function/Program Activities	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 1,392,352	\$ 326,377	\$ 81,491	\$ -
Public Safety	1,765,676	15,615	1,160	-
Public Works	1,169,042	413,384	-	-
Judicial	825,630	139,150	-	-
Health and Public Welfare	379,531	-	-	-
Total Governmental Activities	<u>5,532,231</u>	<u>894,526</u>	<u>82,651</u>	<u>-</u>
Total Primary Government	<u>5,532,231</u>	<u>894,526</u>	<u>82,651</u>	<u>-</u>

General Revenues:

Property taxes
Sales taxes
Intergovernmental income
Investment income
Miscellaneous
Transfers
Total general revenues
Change in net position
Net position - beginning
Net position - ending

The accompanying notes to the financial statements are an integral part of this financial statement.

**Net (Expense) Revenue
and Changes in Net Position**

Primary Government

Governmental		
Activities		Total
\$ (984,484)	\$ (984,484)	
(1,748,901)	(1,748,901)	
(755,658)	(755,658)	
(686,480)	(686,480)	
(379,531)	(379,531)	
<u>(4,555,054)</u>	<u>(4,555,054)</u>	
<u>(4,555,054)</u>	<u>(4,555,054)</u>	
\$ 4,001,415	\$ 4,001,415	
464,961	464,961	
77,342	77,342	
60,527	60,527	
182,194	182,194	
-	-	
<u>4,786,439</u>	<u>4,786,439</u>	
231,385	231,385	
9,376,826	9,376,826	
<u>\$ 9,608,211</u>	<u>\$ 9,608,211</u>	

The accompanying notes to the financial statements are an integral part of this financial statement.



BASIC FINANCIAL STATEMENTS
Governmental Fund Financial Statements

MORRIS COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,703,425	\$ 1,682,123	\$ 353,400	\$ 6,738,948
Receivables (net of allowances for uncollectible)	481,359	104,468	1,079	586,906
Prepaid expenses	35,895	8,963	769	45,627
Total Assets	<u>5,220,679</u>	<u>1,795,554</u>	<u>355,248</u>	<u>7,371,481</u>
LIABILITIES				
Accounts payable	97,151	3,437	3,290	103,878
Other liabilities	11,521	-	-	11,521
Total Liabilities	<u>108,672</u>	<u>3,437</u>	<u>3,290</u>	<u>115,399</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	430,063	91,053	245	521,361
Total Deferred Inflows of Resources	<u>430,063</u>	<u>91,053</u>	<u>245</u>	<u>521,361</u>
Fund Balances				
Restricted for:				
Court	-	-	329,170	329,170
Debt Service	-	-	20,542	20,542
Public Safety	-	-	2,001	2,001
Assigned for:				
Road & bridge	-	1,701,064	-	1,701,064
Unassigned	4,681,944	-	-	4,681,944
Total Fund Balances	<u>4,681,944</u>	<u>1,701,064</u>	<u>351,713</u>	<u>6,734,721</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,220,679</u>	<u>\$ 1,795,554</u>	<u>\$ 355,248</u>	<u>\$ 7,371,481</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

**MORRIS COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Total fund balances - governmental funds balance sheet	\$ 6,734,721
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	14,667,392
Accumulated depreciation is not included in the governmental fund financial statements.	(12,280,246)
Long-term liabilities, including net pension liability, are not due and payable in the current period, and, therefore, are not reported in the fund financial statements.	(35,016)
Some of the County's revenues, including fines and property taxes, will be collected after year-end, but are not available soon enough to pay current year's expenditures; therefore, they are deferred in the governmental funds balance sheet.	521,360
Net position of governmental activities - statement of net position	<u>\$ 9,608,211</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

MORRIS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Road and Bridge Fund	Nonmajor Governmental Funds	Total
REVENUES				
Property taxes	\$ 3,308,567	\$ 700,491	\$ 1,888	\$ 4,010,946
Sales tax collected	463,448	-	-	463,448
Beverage	1,513	-	-	1,513
Charge for services	362,137	391,860	101,900	855,897
Fines and forfeitures	22,989	-	1,437	24,426
Licenses and permits	-	-	-	-
Intergovernmental - state & local	75,438	14,204	1,904	91,546
Grant revenue	82,651	-	-	82,651
Investment income	60,375	-	152	60,527
Miscellaneous	135,989	40,205	6,000	182,194
Total Revenues	<u>4,513,107</u>	<u>1,146,760</u>	<u>113,281</u>	<u>5,773,148</u>
EXPENDITURES				
Current:				
General government	1,353,369	-	15,023	1,368,392
Health and public welfare	379,531	-	-	379,531
Public safety	1,686,575	-	1,301	1,687,876
Judicial	609,807	-	162,341	772,148
Road and bridge	-	1,018,288	-	1,018,288
Capital Outlays:				
Road and bridge	-	244,595	-	244,595
Public safety	35,524	-	-	35,524
Total Expenditures	<u>4,064,806</u>	<u>1,262,883</u>	<u>178,665</u>	<u>5,506,354</u>
Excess (deficiency) of revenues over (under) expenditures	448,301	(116,123)	(65,384)	266,794
Other Revenues and Financing Sources (uses)				
Transfers	(89,240)	-	89,240	-
Total Other Financing Sources (uses)	<u>(89,240)</u>	<u>-</u>	<u>89,240</u>	<u>-</u>
Net Change in Fund Balance	359,061	(116,123)	23,856	266,794
Fund Balances, January 1	4,322,883	1,817,187	327,857	6,467,927
Fund Balances, December 31	<u>\$ 4,681,944</u>	<u>\$ 1,701,064</u>	<u>\$ 351,713</u>	<u>\$ 6,734,721</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

**MORRIS 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, 2020**

Net change in fund balances - statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 266,794
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense in the current period exceed capital outlays.	280,119
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's depreciation is to decrease net position.	(335,517)
Governmental funds report all payments to pension benefits as expenditures. However, in the government-wide statement of activities, the pension expense is actuarially determined. This amount is the total of the net change in pension liability during the year.	29,521
Revenues in the statement of activities, property taxes, that do not provide current financial resources, are not reported as revenues in the governmental funds.	(9,532)
Change in net position - statement of activities	<u><u>\$ 231,385</u></u>

The accompanying notes to the financial statements are an integral part of this financial statement.



NOTES TO THE FINANCIAL STATEMENTS

**MORRIS COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 1. Summary of Significant Accounting Policies

General Statement

The accounting and reporting policies of Morris County, Texas, (The "County") relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America ("GAAP"), applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB") and the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments-Audit and Accounting Guide*. The more significant policies of the County are described below:

Financial Reporting Entity

The Commissioners' court, a five member group constituting an ongoing entity, is the level of government which has governance responsibilities over all activities within the jurisdiction of Morris County, Texas. The court receives funding from local, state, and federal sources and must comply with the concomitant requirements of these funding source entities. However, the Commissioners' court is not included in any other governmental "reporting entity" as defined in Section 2100, Codification Accounting and Financial Reporting Standards, since Commissioners' court members are elected by the public and have the decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

As required by accounting principles generally accepted in the United States of America, the financial statements of the County include the primary government and organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The County is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and can either impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government can impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial reports to, the organization; (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. No component units were identified requiring inclusion within the basic financial statements:

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. The effect of interfund activity, within the governmental activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from any business-type activities, which rely, to a significant extent, on fees and charges for support. No known business type activities were identified.

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

Fund Financial Statements

The County segregates transactions related to certain functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Each major fund is reported as a separate column on the fund financial statements; all nonmajor funds are presented in a combined single column.

**MORRIS COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balances of current financial resources. The County has presented the following major fund:

General Fund

The General Fund is the operating fund of the County. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Measurement Focus and Basic of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers all revenues as available if they are collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgements which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The revenues susceptible to accrual are property and sales taxes and interest income. Other receipts (special assessments) become measurable and available when cash is received by the County and are recognized as revenue at that time.

Cash, Cash Equivalents, and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County may invest in certificates of deposit and authorized investment pools and funds.

Accounts Receivables

Trade and property tax receivables are shown net of an allowance for uncollectible.

Prepaid Items

Prepaid balances are for payments made by the County for which benefits extend beyond the current fiscal period, and the reserve for prepaid items has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures. Prepaid items are recorded using the consumption method.

Interfund Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. The County did not have any interfund balances at the end of the current fiscal period.

**MORRIS COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Capital Assets

Capital assets, which include land, buildings, equipment, and improvements, purchased or acquired, are reported in the governmental column in the government-wide financial statements. The County defines capital assets as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if historical cost is not available. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of business-like activities is included as part of the capitalized value of the assets constructed. The County did not capitalize any interest during the current fiscal year.

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

Infrastructure	30 - 40
Buildings	30 - 40
Building Improvements	10
Machinery and Vehicles	7 - 20

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. The 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 (expenses/expenditures) until then. The County only has one item that qualifies for reporting in this category. The County's pension plan contributions made from the measurement date of the pension plan to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year end. Also, the change in actuarial assumptions are amortized as a component of the pension expense over a five-year period beginning with the period in which the difference occurred.

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 two items that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. Deferred revenue from property taxes are shown as deferred inflow of resource. The amount is deferred and recognized as inflows of resources in the period that the amounts become available. As a component of implementing GASB Statement No. 68, a deferred inflow is also recorded in the government-wide statement of net position and fund level financials for the proprietary statement of net position for the difference in projected and actual investment and economic experience in the actuarial measurement of the total pension liability not recognized in the current year. The amount is deferred and amortized over a period of years determined by the plan actuary. The differences are amortized over the average remaining service life of all participants in the respective pension plan and recorded as a component of pension expense beginning with the period in which they are incurred.

Property Taxes

The County's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and certain personal property located within the County. Appraised values are established by Morris County Appraisal District at 100% of estimated market value and certified by the Appraisal Review Board. Taxes are due January 31st, and are delinquent February 1. The combined tax rate to finance general governmental services for the year ended September 30, 2020, was \$.448256 per \$100 of assessed valuation.

**MORRIS COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Compensated absences

It is the County's policy to permit employees to accumulate earned but unused vacation. There is no liability for unpaid accumulated sick leave since the County's policy states that upon separation an employee will not be paid for accumulated sick leave. The current liability for unpaid vacation time was considered immaterial and therefore was not accrued at the close of the fiscal year.

Pension Plan

In government-wide financial statements, retirement plans (pension) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amounts recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the County recognized a net pension liability, which represents the County's proportionate share of the excess of the total pension liability over the fiduciary net position reflected in the actuarial report provided by the Texas County and District Retirement System ("TCDRS"). The net pension liability is measured as of December 31, 2019. Changes in the net pension liability are recorded as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability (asset) that are recorded as deferred inflow of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) will be amortized over the weighted average remaining service life of all participants and are recorded as a component of pension expense beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred inflows/outflows of resources relating to pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by TCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Projected earnings on pension investments are recognized as components of pension expense. The difference between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflow of resources and will be amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed five-year period of recognition.

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows and outflows. Net investment in capital assets consisted 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 through either legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance

Fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal or compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The County classifies governmental fund balance as follows:

Nonspendable - amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (b) imposed by law through constitutional provisions or enabling legislation.

**MORRIS COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Committed - amounts that can only be used for specific purposes determined by ordinance by the County Commissioners and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned - amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established by the County Commissioners.

Unassigned - includes the residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned to those specific purposes.

The County Commissioners establish, modify or rescind fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year. Committed funds will be used first followed by assigned funds.

Fund Balance Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned or unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

Comparative Data/Reclassification

Comparative total data for the current year to budget have been presented in the required supplementary information section of the financial statements in order to provide an understanding of budget to actual. Also, certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

Program Revenues

Certain revenues such as charges for services are included in program revenues.

Program Expenses

Certain indirect costs such as administrative costs are included in the program expense reported for individual functional activities.

**MORRIS COUNTY, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 2. Budgets and Budgetary Accounting

Annual budgets are adopted on a modified accrual basis. Annual appropriated budgets are legally adopted for the General Fund. All annual appropriations lapse at fiscal year end.

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

Prior to September 1, the County Auditor prepares 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. Public hearings are conducted to obtain taxpayer comments.

The budget is legally enacted by the County Commissioners through passage of an ordinance prior to the beginning of the fiscal year to which it applies, which can be amended by the County Commissioners. Formal budgetary integration, using the modified accrual basis, and employed as a management control device during the year for the General Fund.

Note 3. Deposits Investments and Investment Policies

The County's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect the County's funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository banks' dollar amount of the Federal Deposit Insurance Corporation ("FDIC") coverage.

Cash Deposits

At September 30, 2020, the carrying amount of the County's deposits (cash and interest-bearing savings accounts) was \$6,738,948 and the bank balance was \$6,973,382. The County's cash deposits, at September 30, 2020 and during the year ended September 30, 2020, were entirely covered by FDIC insurance or by pledged collateral or insurance held by the County's agent bank in the County's name.

Statement of Net Position:

Primary Government	
Cash and Cash Equivalents	\$ 6,337,997
Restricted Assets-Cash and Cash Equivalents	400,951
Total Cash and Cash Equivalents	<u>\$ 6,738,948</u>

Governmental-Restricted Cash

Court	367,853
Debt Service	20,339
Grants	12,759
Total	<u>\$ 400,951</u>

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the general purpose financial statements, disclosed that in the areas of investment practices, management reports an establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

Investment Accounting Policy

The County's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at market value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "non-participating" means that the investments' value does not vary with market interest rate changes. Non-negotiable certificates of deposits are examples of nonparticipating interest-earning investment contracts.

**MORRIS COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the County would manage its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days, thus, reducing the interest rate risk. The County monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. As of September 30, 2020, the County had no investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool equal to at least the bank balance, less the FDIC insurance, at all times.

Note 4. Accounts Receivables

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

	<u>Governmental</u>	<u>Total</u>
Receivables:		
Taxes	\$ 529,127	\$ 529,127
Fees and charges	149,373	149,373
Gross Receivables	<u>678,500</u>	<u>678,500</u>
Less: Allowance for uncollectibles	<u>(91,593)</u>	<u>(91,593)</u>
Net Total Receivables	<u>\$ 586,907</u>	<u>\$ 586,907</u>

**MORRIS COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 5. Capital Assets

Capital asset activity for the period ended September 30, 2020 was as follows:

	<u>Beginning Balances</u>	<u>Transfers</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 77,550	\$ -	\$ 20,000	\$ -	\$ 97,550
Total capital assets, not being depreciated	77,550	-	20,000	-	97,550
Capital assets, being depreciated:					
Buildings & Improvements	3,073,341	-	-	-	3,073,341
Infrastructure	7,325,175	-	-	-	7,325,175
Machinery & Equipment	2,688,405	-	260,118	-	2,948,523
Total capital assets, being depreciated	13,086,921	-	260,118	-	13,347,039
Less accumulated depreciation for:					
Buildings & Improvements	(1,940,274)	-	(67,423)	-	(2,007,697)
Infrastructure	(5,713,643)	-	(146,504)	-	(5,860,147)
Machinery & Equipment	(2,632,531)	-	(121,590)	-	(2,754,121)
Total accumulated depreciation	(10,286,448)	-	(335,517)	-	(10,621,965)
Total capital assets being depreciated, net	2,800,473	-	(75,399)	-	2,725,074
Governmental activities capital assets, net	\$ 2,878,023	\$ -	\$ (55,399)	\$ -	\$ 2,822,624

Note 6. Pension Plan

The County provides retirement benefits for all its regular full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System ("TCDRS"). The Board of Trustees of TCDRS responsible for the administration of the statewide agent multiple-employer retirement system. TCDRS issues a comprehensive annual financial report ("CAFR") on a calendar year basis. The CAFR is available on their website at www.TCDRS.org.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plan are pooled for investment purposes but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the plan be constructed and administered in a manner that the retirement system will be considered qualified under Section 401(a) of the Internal Revenue Code. All full-time 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.

TCDRS does not receive funding from the State of Texas. Each plan is funded by employers, members, and investment earnings. TCDRS is administered by a nine-person board of trustees appointed by the governor and confirmed by the Texas Senate. The board appoints a director, who is responsible for the day-to-day operations, and a chief investment officer, who oversees investment operations.

Benefits Provided

TCDRS provides retirement, disability, and survivor benefits. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

At retirement, retirees elect to receive their monthly lifetime benefit by choosing from one of the seven payment options. Employers may allow partial lump-sum payments. This allows for the retiring member to receive an immediate lump-sum payment not to exceed their account balance, and choose a reduced lifetime benefit from the payment options.

Plan provisions for the County were as follows:

	<u>Plan Year 2019</u>
Employee deposit rate	7%
Employer contribution rate	11.78%
Years required for vesting	8 years
Rule of age for retirement	80
Service years for retirement of any age	30 years
Partial lump-sum payment option	No

**MORRIS COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Plan Membership

At the December 31, 2019 valuation and measurement date, the following number of employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	68
Inactive employees entitled to but not yet receiving benefits	47
Active employees	76
Total	<u><u>191</u></u>

Contributions

The contribution rates for employees in TCDRS is 4%, 5%, 6%, or 7% of employee's gross earnings, and the County is required by law, to contribute at actuarially determined rates that are determined annually. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees of the County were required to contribute 7% of their annual earnings during the fiscal year. The contribution rate for the County was 12% for the calendar years 2019. The County's contribution to TCDRS for the current fiscal year was \$256,435.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2019, and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

TCDRS system-wide economic assumptions:

Real rate of return	5.25%
Inflation	2.75%
Long-term investment return	8.00%

Employer-specific economic assumptions:

Growth in membership	0.00%
Payroll growth for funding calculations	2.25%

The County has no automatic cost of living adjustment ("COLA") and one is not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculation or in the following valuation.

The annual salary increase rates for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.25% (made up of 2.75% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.6% per year for a career employee. Salary increases were based on a service-related table.

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 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 Health 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.

The actuarial cost method was Entry Age Normal, as required by GASB 68. The amortization method was a level percentage of payroll, closed.

MORRIS COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

The 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 - December 31, 2016, except where required to be different by GASB 68.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation of expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown 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 following target asset allocation was adopted by the TCDRS board in June 2020. The geometric real rate of return is net of inflation, assumed at 1.80%, per Cliffwater LLC's 2020 capital market assumptions.

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected Minus Inflation)
US Equities	14.50%	5.20%
Private Equity	20.00%	8.20%
Global Equities	2.50%	5.50%
International Equities-Developed	7.00%	5.20%
International Equities-Emerging	7.00%	5.70%
Investment-Grade Bonds	3.00%	-0.20%
Strategic Credit	12.00%	3.14%
Direct Lending	11.00%	7.16%
Distressed Debt	4.00%	6.90%
REIT Equities	3.00%	4.50%
Master Limited Partnerships	2.00%	8.40%
Private Real Estate Partnerships	6.00%	5.50%
Hedge Funds	8.00%	2.30%

Discount Rate

The discount rate used to measure the Total Pension Liability was 8.10%. This rate reflected the long-term rate of return funding valuation assumption of 8.00% plus 0.10% adjustment to be gross of administrative expense as required by GASB 68.

The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the rate of 8.10%, as well as what the County's net position liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
	7.10%	8.10%	9.10%
Total pension liability	19,379,225	17,557,293	15,984,184
Fiduciary net position	17,522,277	17,522,277	17,522,277
Net pension liability/(asset)	1,856,948	35,016	(1,538,093)

**MORRIS COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Change in Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/18	17,162,585	15,688,232	1,474,353
Changes for the year:			
Service cost	309,779	-	309,779
Interest on Total Pension Liability	1,365,889	-	1,365,889
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	(37,687)	-	(37,687)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(55,360)	(55,360)	-
Benefit payments	(1,187,914)	(1,187,914)	-
Administrative expenses	-	(13,353)	13,353
Member contributions	-	189,888	(189,888)
Net investment income	-	2,577,039	(2,577,039)
Employer contributions	-	351,104	(351,104)
Other	-	(27,360)	27,360
Balance at 12/31/19	<u>17,557,292</u>	<u>17,522,276</u>	<u>35,016</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. This report may be obtained on the TCDRS website at www.TCDRS.org.

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

For the year ended December 31, 2019, the County recognized pension expense of \$212,377.

At December 31, 2019, the County reported deferred outflows and inflows related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	-	190,795
Changes in actuarial assumptions	32,485	-
Differences between projected and actual investment earnings	-	464,144
Contributions subsequent to the measurement date of December 31, 2019	186,975	-
Total	<u>219,460</u>	<u>654,939</u>

County contributions subsequent to the measurement date of \$186,975 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflow of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2020	(261,463)
2021	(144,710)
2022	50,877
2023	(267,158)
2024	-
Thereafter	-

Note 7. Health Care Coverage

During the year ended September 30, 2020, employees of the County were covered by a health insurance plan ("Plan"). The County paid 100% of the premium per pay period, per employee, and 0% of the cost for dependents. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All contributions were paid to Texas Municipal League Intergovernmental Benefits Pool. The Plan was authorized by article 3.51-2, of the Texas Insurance Code and was documented by contractual agreement.

**MORRIS COUNTY, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

The County also pays the premium for a \$10,000 life insurance policy for each employee. Employees may, at their option, obtain coverage for cancer, dental, vision and additional life insurance through the Plan. Employees pay 100% of the premiums for any such additional coverage.

The contract between the County and the other participants of the self-funded pool is renewable October 1 and the terms of coverage and premium cost are included in the contract provision.

Additional assessments cannot be made by the Plan during the year. Because of the terms of agreement with the Plan, no reserve for self-insurance has been established.

Note 8. Insurance Coverage

In accordance with state statute, the County was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Texas Municipal League, a commercial insurer licensed or eligible to do business in Texas, in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$125,000, and for aggregate loss. According to the latest actuarial opinion, dated October 1, 2018, the unfunded claim benefit obligation included no reported claims that were unpaid and no estimated claims incurred, but not reported.

Note 9. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County had general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The County pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The County continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

Note 10. Litigation

The County is a defendant in a lawsuit. Although the outcome of this lawsuit is not determinable, it is the opinion of the County that resolution to this matter will have not have a material adverse effect on the financial condition of the County.

Note 11. Transfers

	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Totals</u>
Governmental Funds	\$ (89,240)	\$ 89,240	\$ -
Total	\$ (89,240)	\$ 89,240	\$ -

Transfers between the General Fund and Non-major governmental funds.

Note 12. Related Party Transactions

There were no related party transactions noted during the fiscal year.

Note 13. Subsequent Events

The County has evaluated all events or transactions that occurred after September 30, 2020 up through August 27, 2021 the date the financial statements were available to be issued. During this period, management noted no subsequent events requiring disclosure.



REQUIRED SUPPLEMENTARY INFORMATION

**MORRIS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**SCHEDULE OF CONTRIBUTIONS
LAST FISCAL YEAR (UNAUDITED)**

	<u>2020*</u>
Actuarially determined contribution	\$ 256,435
Contributions in relation to the actuarially determined contribution	\$ 256,435
Contributions deficiency (excess)	\$ -
Covered employee payroll	\$ 2,114,655
Contributions as a percentage of covered- employee payroll	12.13%

*GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, information for additional years will be presented as it becomes available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	5.1 years (based on contribution rate calculated in 12/31/2019 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	Varies by age and service, 4.9% average over career, including inflation.
Investment Rate of Return	8.00%, 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 Annuitant 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.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions*	2015: No changes in plan provisions were reflected in this 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. 2018: No changes in plan provisions were reflected in the Schedule.

* Only changes that affect the benefit amount and that are effective 2015 and later are shown in the Notes to Schedule.

**MORRIS COUNTY, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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

	<u>2019*</u>
Total Pension Liability	
Service cost	\$ 309,779
Interest (on the Total Pension Liability) ⁽¹⁾	1,365,889
Effect of plan changes ⁽²⁾	-
Effect of economic/demographic gains and losses	(37,687)
Effect of assumptions changes or inputs	-
Benefit payments, including refunds of employee contributions	<u>(1,243,275)</u>
Net Change in Total Pension Liability	394,706
Total Pension Liability - Beginning	<u>17,162,585</u>
Total Pension Liability - Ending	<u><u>\$ 17,557,291</u></u>
 Plan Fiduciary Net Position	
Contribution - employer	\$ 351,104
Contribution - employee	189,888
Net investment income	2,577,039
Benefit payments, including refunds of employee contributions	(1,243,274)
Administrative expense	(13,353)
Other ⁽³⁾	<u>(27,361)</u>
Net Change in Plan Fiduciary Net Position	1,834,043
Plan Fiduciary Net Position - Beginning	<u>15,688,232</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 17,522,275</u></u>
 Net Pension Liability - Ending	 \$ 35,016
 Plan Fiduciary Net Position as a percentage of Total Pension Liability	 99.80%
 Covered employee payroll	 \$ 2,712,684
 Net Pension Liability as a percentage of covered employee payroll	 1.29%

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

(2) No plan changes valued.

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

*GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, information for additional years will be presented as it becomes available.

MORRIS COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUE				
Property taxes	\$ 3,129,264	\$ 3,129,264	\$ 3,308,567	\$ 179,303
Sales tax	400,000	400,000	463,448	63,448
Beverage	3,800	3,800	1,513	(2,287)
Charge for services	355,600	355,600	362,137	6,537
Licenses and permits	-	-	-	-
Intergovernmental - state & local	44,000	44,000	75,438	31,438
Investment income	93,000	93,000	60,375	(32,625)
Miscellaneous	32,000	32,000	135,989	103,989
Total Revenues	4,139,664	4,139,664	4,513,107	373,443
EXPENDITURES				
Current:				
General government	1,473,656	1,473,656	1,353,369	120,287
Health and public welfare	382,012	382,012	379,531	2,481
Public safety	1,794,604	1,794,604	1,722,099	72,505
Judicial	638,627	638,627	609,807	28,820
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Total Expenditures	4,288,899	4,288,899	4,064,806	224,093
Excess (deficiency) of revenues over (under) expenditures	(149,235)	(149,235)	448,301	597,536
Other Revenues and Financing Sources (uses)				
Transfers	(89,240)	(89,240)	(89,240)	-
Total Other Financing Sources (uses)	(89,240)	(89,240)	(89,240)	-
Net change in Fund Balances	(238,475)	(238,475)	359,061	
Fund Balances/Equity, beginning of year	4,322,883	4,322,883	4,322,883	
Fund Balances/Equity, end of year	\$ 4,084,408	\$ 4,084,408	\$ 4,681,944	

The accompanying notes to the financial statements are an integral part of this financial statement.

OTHER SUPPLEMENTARY INFORMATION

MORRIS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 ROAD AND BRIDGE FUNDS
 SEPTEMBER 30, 2020

	Road and Bridge Fund # 1	Road and Bridge Fund # 2	Road and Bridge Fund # 3	Road and Bridge Fund # 4	Countywide Road & Bridge	Total Road and Bridge Funds
ASSETS						
Cash and Investments:						
Unrestricted	\$ 534,914	\$ 648,608	\$ 144,202	\$ 340,042	\$ 14,358	\$ 1,682,124
Restricted	-	-	-	-	-	-
Prepaid expenses	2,444	1,630	2,444	2,444	-	8,962
Receivables (net of allowances for uncollectible)	26,577	25,637	24,341	27,914	-	104,469
Total Assets	<u>563,935</u>	<u>675,875</u>	<u>170,987</u>	<u>370,400</u>	<u>14,358</u>	<u>1,795,555</u>
LIABILITIES						
Accounts Payable	1,574	816	975	71	-	3,436
Other Liabilities	-	-	-	-	-	-
Total Liabilities	<u>1,574</u>	<u>816</u>	<u>975</u>	<u>71</u>	<u>-</u>	<u>3,436</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property tax	23,164	22,344	21,215	24,329	-	91,052
Total Deferred Inflows of Resources	<u>23,164</u>	<u>22,344</u>	<u>21,215</u>	<u>24,329</u>	<u>-</u>	<u>91,052</u>
FUND BALANCES						
Assigned:						
Road and bridge	539,197	652,715	148,797	346,000	14,358	1,701,067
Total Fund Balances	<u>539,197</u>	<u>652,715</u>	<u>148,797</u>	<u>346,000</u>	<u>14,358</u>	<u>1,701,067</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 563,935</u>	<u>\$ 675,875</u>	<u>\$ 170,987</u>	<u>\$ 370,400</u>	<u>\$ 14,358</u>	<u>\$ 1,795,555</u>

**MORRIS COUNTY, TEXAS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - ROAD AND BRIDGE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Road and Bridge Fund # 1	Road and Bridge Fund # 2	Road and Bridge Fund # 3	Road and Bridge Fund # 4	Countywide Road & Bridge	Total Road and Bridge Funds
REVENUE						
Property taxes	\$ 178,205	\$ 171,901	\$ 163,215	\$ 187,171	\$ -	\$ 700,492
Charges for services	99,689	96,162	91,304	104,705	-	391,860
Intergovernmental revenue	3,614	3,486	3,310	3,795	-	14,205
Interest on investments	-	-	-	-	-	-
Miscellaneous	5,537	5,571	5,123	19,020	4,955	40,206
Total Revenues	<u>287,045</u>	<u>277,120</u>	<u>262,952</u>	<u>314,691</u>	<u>4,955</u>	<u>1,146,763</u>
EXPENDITURES						
Current:						
Public works	239,800	76,155	273,169	416,966	12,198	1,018,288
Capital outlay:						
Public works	38,150	186,445	20,000	-	-	244,595
Total Expenditures	<u>277,950</u>	<u>262,600</u>	<u>293,169</u>	<u>416,966</u>	<u>12,198</u>	<u>1,262,883</u>
Excess (deficiency) of revenues over (under) expenditures	9,095	14,520	(30,217)	(102,275)	(7,243)	(116,120)
Fund Balances/Equity, beginning of year	530,102	638,195	179,014	448,275	21,601	1,817,187
Prior Period Adjustments	-	-	-	-	-	-
Fund Balances/Equity, end of year	<u>\$ 539,197</u>	<u>\$ 652,715</u>	<u>\$ 148,797</u>	<u>\$ 346,000</u>	<u>\$ 14,358</u>	<u>\$ 1,701,067</u>

**MORRIS COUNTY, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	County Law Library	Sherriff Seizure & Forfeiture	Technology Fund	Records Preservation
ASSETS				
Cash and Investments:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Restricted	5,758	753	11,365	100,766
Receivables (net of allowances for uncollectible)	-	631	-	-
Prepaid expenses	-	-	-	-
Total Assets	5,758	1,384	11,365	100,766
LIABILITIES				
Accounts payable	3,178	55	-	-
Other liabilities	-	-	-	-
Total Liabilities	3,178	55	-	-
FUND BALANCES				
Restricted for:				
Court	2,580	-	11,365	100,766
Debt service	-	-	-	-
Public Safety	-	1,329	-	-
Total Fund Balances	2,580	1,329	11,365	100,766
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,758	\$ 1,384	\$ 11,365	\$ 100,766

MORRIS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020

	<u>Courthouse Security</u>	<u>Records Archive</u>	<u>Records Management</u>	<u>Jury Fund</u>	<u>District Attorney Fees</u>
ASSETS					
Cash and Investments:					
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	9,433	128,598	43,577	6,984	14,165
Receivables (net of allowances for uncollectible)	-	-	-	-	-
Prepaid expenses	769	-	-	-	-
Total Assets	<u>10,202</u>	<u>128,598</u>	<u>43,577</u>	<u>6,984</u>	<u>14,165</u>
LIABILITIES					
Accounts payable	57	-	-	-	-
Other liabilities	-	-	-	-	-
Total Liabilities	<u>57</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Court	10,145	128,598	43,577	6,984	14,165
Debt service	-	-	-	-	-
Public Safety	-	-	-	-	-
Total Fund Balances	<u>10,145</u>	<u>128,598</u>	<u>43,577</u>	<u>6,984</u>	<u>14,165</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 10,202</u>	<u>\$ 128,598</u>	<u>\$ 43,577</u>	<u>\$ 6,984</u>	<u>\$ 14,165</u>

MORRIS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020

	District Attorney Seizure & Forfeiture	District Attorney Pretrial	Constable Seizure & Forfeiture	Specialty Court Fund	Time Payment Fund
ASSETS					
Cash and Investments:					
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 105
Restricted	910	9,350	672	40	-
Receivables (net of allowances for uncollectible)	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total Assets	910	9,350	672	40	105
LIABILITIES					
Accounts payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Total Liabilities	-	-	-	-	-
FUND BALANCES					
Restricted for:					
Court	910	9,350	-	40	105
Debt service	-	-	-	-	-
Public Safety	-	-	672	-	-
Total Fund Balances	910	9,350	672	40	105
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 910	\$ 9,350	\$ 672	\$ 40	\$ 105

MORRIS COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020

	Truancy Prevention	Total	Debt Service Fund Interest & Sinking	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments:				
Unrestricted	\$ -	\$ 105	\$ -	\$ 105
Restricted	585	332,956	20,339	353,295
Receivables (net of allowances for uncollectible)	-	631	448	1,079
Prepaid expenses	-	769	-	769
Total Assets	585	334,461	20,787	355,248
LIABILITIES				
Accounts payable	-	3,290	-	3,290
Other liabilities	-	-	245	245
Total Liabilities	-	3,290	245	3,535
FUND BALANCES				
Restricted for:				
Court	585	329,170	-	329,170
Debt service	-	-	20,542	20,542
Public Safety	-	2,001	-	2,001
Total Fund Balances	585	331,171	20,542	351,713
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 585	\$ 334,461	\$ 20,787	\$ 355,248

MORRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	County Law Library	Sherriff Seizure & Forfeiture	Technology Fund	Records Preservation
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charge for services	6,547	-	2,099	30,093
Fines and forfeitures	-	1,437	-	-
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>6,547</u>	<u>1,437</u>	<u>2,099</u>	<u>30,093</u>
EXPENDITURES				
Current:				
General government	-	-	-	11,388
Public safety	-	1,301	-	-
Judicial	50,984	-	799	-
Total Expenditures	<u>50,984</u>	<u>1,301</u>	<u>799</u>	<u>11,388</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,437)</u>	<u>136</u>	<u>1,300</u>	<u>18,705</u>
Other Revenues and Financing Sources (uses)				
Transfers	47,000	-	-	-
Total Other Financing Sources (uses)	<u>47,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,563	136	1,300	18,705
Fund Balances, January 1	<u>17</u>	<u>1,193</u>	<u>10,065</u>	<u>82,061</u>
Prior Period Adjustments				
Fund Balances, December 31	<u>\$ 2,580</u>	<u>\$ 1,329</u>	<u>\$ 11,365</u>	<u>\$ 100,766</u>

MORRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Courthouse Security	Records Archive	Records Management	Jury Fund
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charge for services	5,425	20,833	2,743	14
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Intergovernmental	-	-	-	1,904
Miscellaneous	-	-	-	-
Total Revenues	5,425	20,833	2,743	1,918
EXPENDITURES				
Current:				
General government	-	-	3,635	-
Public safety	-	-	-	-
Judicial	50,904	-	-	2,070
Total Expenditures	50,904	-	3,635	2,070
Excess (deficiency) of revenues over (under) expenditures	(45,479)	20,833	(892)	(152)
Other Revenues and Financing Sources (uses)				
Transfers	42,240	-	-	-
Total Other Financing Sources (uses)	42,240	-	-	-
Net Change in Fund Balance	(3,239)	20,833	(892)	(152)
Fund Balances, January 1	13,384	107,765	44,469	7,136
Prior Period Adjustments				
Fund Balances, December 31	\$ 10,145	\$ 128,598	\$ 43,577	\$ 6,984

**MORRIS COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	District Attorney Fees	District Attorney Seizure & Forfeiture	District Attorney Pretrial	Constable Seizure & Forfeiture
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charge for services	529	1,389	31,500	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	6,000	-	-	-
Total Revenues	<u>6,529</u>	<u>1,389</u>	<u>31,500</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Judicial	6,929	2,619	48,036	-
Total Expenditures	<u>6,929</u>	<u>2,619</u>	<u>48,036</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(400)</u>	<u>(1,230)</u>	<u>(16,536)</u>	<u>-</u>
Other Revenues and Financing Sources (uses)				
Transfers	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(400)	(1,230)	(16,536)	-
Fund Balances, January 1	14,565	2,140	25,886	672
Prior Period Adjustments				
Fund Balances, December 31	<u>\$ 14,165</u>	<u>\$ 910</u>	<u>\$ 9,350</u>	<u>\$ 672</u>

**MORRIS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Specialty Court Fund	Time Payment Fund	Truancy Prevention	Total
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charge for services	40	105	585	101,902
Fines and forfeitures	-	-	-	1,437
Investment income	-	-	-	-
Intergovernmental	-	-	-	1,904
Miscellaneous	-	-	-	6,000
Total Revenues	<u>40</u>	<u>105</u>	<u>585</u>	<u>111,243</u>
EXPENDITURES				
Current:				
General government	-	-	-	15,023
Public safety	-	-	-	1,301
Judicial	-	-	-	162,341
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,665</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40</u>	<u>105</u>	<u>585</u>	<u>(67,422)</u>
Other Revenues and Financing Sources (uses)				
Transfers	-	-	-	89,240
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,240</u>
Net Change in Fund Balance	40	105	585	21,818
Fund Balances, January 1	-	-	-	309,353
Prior Period Adjustments				
Fund Balances, December 31	<u>\$ 40</u>	<u>\$ 105</u>	<u>\$ 585</u>	<u>\$ 331,171</u>

**MORRIS COUNTY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Debt Service Fund	Total Non-major Governmental Funds
	Interest & Sinking	
REVENUES		
Property taxes	\$ 1,888	\$ 1,888
Charge for services	-	101,902
Fines and forfeitures	-	1,437
Investment income	152	152
Intergovernmental	-	1,904
Miscellaneous	-	6,000
Total Revenues	2,040	113,283
EXPENDITURES		
Current:		
General government	-	15,023
Public safety	-	1,301
Judicial	-	162,341
Total Expenditures	-	178,665
Excess (deficiency) of revenues over (under) expenditures	2,040	(65,382)
Other Revenues and Financing Sources (uses)		
Transfers	-	89,240
Total Other Financing Sources (uses)	-	89,240
		-
Net Change in Fund Balance	2,040	23,858
Fund Balances, January 1	18,502	327,855
Prior Period Adjustments		
Fund Balances, December 31	\$ 20,542	\$ 351,713