

Cass County, Missouri

Basic Financial Statements Year Ended December 31, 2021

KPM
CPAS & ADVISORS

Table of Contents

Independent Auditors' Report	4
Basic Financial Statements	
Statement of Net Position	7
Statement of Activities	9
Balance Sheet – Governmental Funds.....	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Net Position – Fiduciary Funds	18
Statement of Changes in Net Position – Fiduciary Funds.....	19
Notes to the Financial Statements	20
Required Supplementary Information	
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – LAGERS	56
Schedule of Contributions – LAGERS.....	57
Notes to the Schedule of Contributions – LAGERS.....	58
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios – CERF	59
Schedule of Employer Contributions – CERF	60
Notes to the Schedule of Contributions – CERF	61
Budgetary Comparison Schedule – General Fund.....	62
Budgetary Comparison Schedule – Road and Bridge Fund	64
Budgetary Comparison Schedule – Justice Center Sales Tax Fund	65
Budgetary Comparison Schedule – Assessor Fund.....	66
Budgetary Comparison Schedule - Coronavirus Relief Fund.....	67
Budgetary Comparison Schedule – ARPA Fund.....	68
Notes to the Budgetary Comparison Schedules.....	69

Supplementary Information

Combining Balance Sheet – Non-major Governmental Funds..... 71

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balance – Non-major Governmental Funds 75

Other Reporting Requirements

Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and on Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*..... 80

Independent Auditors' Report on Compliance for each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance 82

Schedule of Expenditures of Federal Awards..... 85

Notes to the Schedule of Expenditures of Federal Awards..... 87

Schedule of Findings and Questioned Costs 88

Summary Schedule of Prior Audit Findings 90



Cass County Commission
Cass County
Harrisonville, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Missouri, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Missouri, as of December 31, 2021, 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.

We did not audit the financial statements of the discretely presented component units as of December 31, 2021, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the discretely presented component units, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cass County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Cass Regional Medical Center and Cass Regional Medical Center Foundation were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2022, on our consideration of Cass County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cass County, Missouri's internal control over financial reporting and compliance.

KPM CPAs, PC

KPM CPAs, PC
Springfield, Missouri
June 20, 2022

Cass County

Statement of Net Position

December 31, 2021

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Cass Regional Medical Center</u>	<u>Cass Regional Medical Center Foundation</u>
Assets			
Current			
Cash and cash equivalents- unrestricted	\$ 19,258,033	\$ 12,458,605	\$ 93,975
Investments	17,800,000	48,562,883	-
Taxes receivable	8,220,635	-	-
Prepaid expenses	953,553	1,368,754	-
Patient accounts receivable, net	-	16,791,257	-
Contributions receivable - restricted	-	-	200,000
Other accounts receivable	644,433	129,420	-
Due from other governments	1,506,485	1,818,010	-
Estimated amounts due from third-party payers	-	834,144	-
Inventory	-	1,532,734	-
Restricted cash and investments	13,260,959	32,711,555	1,100,615
LAGERS net pension asset	7,408,734	-	-
Other assets	-	169,888	-
Capital Assets			
Non-depreciable	1,158,206	3,964,885	-
Depreciable, net	57,772,817	30,800,670	523,428
Total Assets	<u>127,983,855</u>	<u>151,142,805</u>	<u>1,918,018</u>
Deferred Outflow of Resources			
Deferred pension outflows	2,760,332	-	-
Total Deferred Outflow of Resources	<u>2,760,332</u>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements.

Cass County

Statement of Net Position

December 31, 2021

	Primary Government	Component Units	
	Governmental Activities	Cass Regional Medical Center	Cass Regional Medical Center Foundation
Liabilities			
Current			
Accounts payable	2,296,575	4,585,594	2,693
Accrued expenses	138,080	6,044,119	-
Unearned revenue	8,399,844	1,300,153	-
Accrued interest payable	367,602	-	-
Estimated amounts due to third-party payers	-	1,841,380	-
Current maturities of long-term debt	3,515,680	2,494,605	-
	<u>14,717,781</u>	<u>16,265,851</u>	<u>2,693</u>
Noncurrent			
General obligation bonds payable, net	21,296,580	-	-
Revenue bonds payable	-	22,605,000	-
Certificates of participation payable, net	25,850,687	-	-
Lease payable	1,049,816	13,505	-
CERF net pension liability	4,415,688	-	-
Compensated absences payable	568,099	-	-
	<u>53,180,870</u>	<u>22,618,505</u>	<u>-</u>
Total Liabilities	<u>67,898,651</u>	<u>38,884,356</u>	<u>2,693</u>
Deferred Inflow of Resources			
Unavailable revenue - taxes and fees	5,030,910	-	-
Deferred pension inflows	7,773,096	-	-
Total Deferred Inflow of Resources	<u>12,804,006</u>	<u>-</u>	<u>-</u>
Net Position			
Net investment in capital assets	28,266,390	8,779,965	523,428
Restricted	34,459,506	433,237	1,104,014
Unrestricted	(12,684,366)	103,045,247	287,883
Total Net Position	<u>\$ 50,041,530</u>	<u>\$ 112,258,449</u>	<u>\$ 1,915,325</u>

See accompanying notes to the financial statements.

Cass County

Statement of Activities

Year Ended December 31, 2021

	Primary Government				Net Revenues (Expenses) and Changes in Net Position	Component Units		
	Expenses	Program Revenues				Governmental Activities	Cass Regional Medical Center	Cass Regional Medical Center Foundation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				
Primary Government								
Functions/Programs								
Governmental activities								
General government	\$ (8,571,194)	\$ 4,345,882	\$ 2,163,627	\$ -	\$ (2,061,685)	\$ -	\$ -	
Judicial	(245,434)	178,197	232,942	-	165,705	-	-	
Public safety	(16,067,619)	473,469	1,026,163	-	(14,567,987)	-	-	
Public works	(70,929)	-	-	-	(70,929)	-	-	
Health and welfare	(2,122,640)	297,588	619,422	-	(1,205,630)	-	-	
Highways and roads	(9,839,950)	10,300	47,102	667,100	(9,115,448)	-	-	
Debt service	(1,078,480)	-	-	-	(1,078,480)	-	-	
Total Governmental Activities	<u>\$ (37,996,246)</u>	<u>\$ 5,305,436</u>	<u>\$ 4,089,256</u>	<u>\$ 667,100</u>	(27,934,454)	-	-	
Component Unit								
Cass Regional Medical Center	\$ (80,982,330)	\$ 86,611,998	\$ 5,338,531	\$ -	-	10,968,199	-	
Cass Regional Medical Center Foundation	(128,557)	-	82,643	410,000	-	-	364,086	
Total Component Unit	<u>\$ (81,110,887)</u>	<u>\$ 86,611,998</u>	<u>\$ 5,421,174</u>	<u>\$ 410,000</u>	-	10,968,199	364,086	
General Revenues								
Ad valorem taxes					4,493,165	-	-	
Sales taxes					31,529,324	-	-	
Payment in lieu of taxes					453,600	-	-	
Motor vehicle and gas taxes					1,688,028	-	-	
Other taxes					1,261	-	-	
Interest					200,196	-	81,005	
Other revenue					674,683	2,642,519	4,000	
Total General Revenues					<u>39,040,257</u>	<u>2,642,519</u>	<u>85,005</u>	
Special Item								
Gain on disposal of assets					357,041	-	-	
<i>Changes in Net Position</i>					11,462,844	13,610,718	449,091	
Net Position, Beginning of year, as restated					38,578,686	98,647,731	1,466,234	
Net Position, End of year					<u>\$ 50,041,530</u>	<u>\$ 112,258,449</u>	<u>\$ 1,915,325</u>	

See accompanying notes to the financial statements.

Cass County

Balance Sheet - Governmental Funds

December 31, 2021

	Special Revenue Funds					
	General Fund	Road and Bridge Fund	Justice Center Sales Tax Fund	Assessor Fund	Coronavirus Relief Fund	ARPA Fund
Assets						
Cash and cash equivalents	\$ 2,178,258	\$ 1,206,576	\$ 1,340,237	\$ 775,619	\$ -	\$ 8,399,844
Investments	4,467,000	2,475,000	2,748,000	1,590,000	-	-
Taxes receivable	1,803,327	3,983,883	2,433,425	-	-	-
Other accounts receivable	101,753	291,217	180,510	-	-	-
Intergovernmental receivable	22,300	-	50,456	915,998	-	-
Prepaid expenses	7,126	5,016	486,794	16,900	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-
Total Assets	\$ 8,579,764	\$ 7,961,692	\$ 7,239,422	\$ 3,298,517	\$ -	\$ 8,399,844
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	\$ 78,677	\$ 1,765,402	\$ 159,842	\$ 7,025	\$ -	\$ -
Accrued expenses	5,839	-	109,031	1,574	-	-
Unearned revenue	-	-	-	-	-	8,399,844
Total Liabilities	84,516	1,765,402	268,873	8,599	-	8,399,844
Deferred Inflows of Resources						
Deferred fees	-	-	-	1,349,636	-	-
Deferred taxes	45,874	3,635,400	-	-	-	-
Total Deferred Inflows of Resources	45,874	3,635,400	-	1,349,636	-	-

See accompanying notes to the financial statements.

Cass County

Balance Sheet - Governmental Funds

December 31, 2021

	Special Revenue Funds					
	General Fund	Road and Bridge Fund	Justice Center Sales Tax Fund	Assessor Fund	Coronavirus Relief Fund	ARPA Fund
Fund Balances						
Nonspendable						
Prepaid items	7,126	5,016	486,794	16,900	-	-
Restricted for						
Road and bridge	-	2,555,874	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	6,483,755	-	-	-
Elections	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Tax maintenance	-	-	-	-	-	-
Recorder	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Assigned to						
Assessment	-	-	-	1,923,382	-	-
Unassigned, reported in						
General Fund	8,442,248	-	-	-	-	-
Total Fund Balances	8,449,374	2,560,890	6,970,549	1,940,282	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,579,764	\$ 7,961,692	\$ 7,239,422	\$ 3,298,517	\$ -	\$ 8,399,844

See accompanying notes to the financial statements.

Cass County

Balance Sheet - Governmental Funds

December 31, 2021

	Debt Service Funds			Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
	Justice Center Debt Service Fund	CIA Public Works Debt Service Fund	Broadband Debt Service Fund	CIA Bond Series 2020 Fund		
	Fund	Fund	Fund	Fund		
Assets						
Cash and cash equivalents	\$ 1,188,776	\$ -	\$ -	\$ -	\$ 4,168,723	\$ 19,258,033
Investments	2,438,000	-	-	-	4,082,000	17,800,000
Taxes receivable	-	-	-	-	-	8,220,635
Other accounts receivable	-	-	-	-	70,953	644,433
Intergovernmental receivable	-	-	-	-	517,731	1,506,485
Prepaid expenses	-	-	-	-	437,717	953,553
Restricted cash and cash equivalents	-	6,761,212	-	6,499,747	-	13,260,959
Total Assets	\$ 3,626,776	\$ 6,761,212	\$ -	\$ 6,499,747	\$ 9,277,124	\$ 61,644,098
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	\$ 31,612	\$ -	\$ -	\$ 248,450	\$ 5,567	\$ 2,296,575
Accrued expenses	-	-	-	-	21,636	138,080
Unearned revenue	-	-	-	-	-	8,399,844
Total Liabilities	31,612	-	-	248,450	27,203	10,834,499
Deferred Inflows of Resources						
Deferred fees	-	-	-	-	-	1,349,636
Deferred taxes	-	-	-	-	-	3,681,274
Total Deferred Inflows of Resources	-	-	-	-	-	5,030,910

See accompanying notes to the financial statements.

Cass County

Balance Sheet - Governmental Funds

December 31, 2021

	Debt Service Funds			Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
	Justice Center Debt Service Fund	CIA Public Works Debt Service Fund	Broadband Debt Service Fund	CIA Bond Series 2020 Fund		
Fund Balances						
Nonspendable						
Prepaid items	-	-	-	-	437,717	953,553
Restricted for						
Road and bridge	-	-	-	-	433,762	2,989,636
Judicial	-	-	-	-	60,638	60,638
Public safety	-	-	-	-	2,167,787	8,651,542
Elections	-	-	-	-	60,374	60,374
Health and welfare	-	-	-	-	611,096	611,096
Tax maintenance	-	-	-	-	63,184	63,184
Recorder	-	-	-	-	346,760	346,760
Debt service	3,595,164	6,761,212	-	-	5,010,521	15,366,897
Capital projects	-	-	-	6,251,297	58,082	6,309,379
Assigned to						
Assessment	-	-	-	-	-	1,923,382
Unassigned, reported in						
General Fund	-	-	-	-	-	8,442,248
Total Fund Balances	3,595,164	6,761,212	-	6,251,297	9,249,921	45,778,689
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,626,776	\$ 6,761,212	\$ -	\$ 6,499,747	\$ 9,277,124	\$ 61,644,098

See accompanying notes to the financial statements.

Cass County

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

December 31, 2021

Fund balance - total governmental funds	\$ 45,778,689
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:	
Governmental capital assets	125,567,860
Less accumulated depreciation	<u>(66,636,837)</u>
	58,931,023
The deferred pension outflows/inflows are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Deferred outflows due to pensions	2,760,332
Deferred inflows due to pensions	<u>(7,773,096)</u>
	(5,012,764)
Net pension assets and liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
LAGERS net pension asset	7,408,734
CERF net pension liability	(4,415,688)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(367,602)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(52,280,862)</u>
Net position of governmental activities	<u>\$ 50,041,530</u>

See accompanying notes to the financial statements.

Cass County

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended December 31, 2021

	Special Revenue Funds					
	General Fund	Road and Bridge Fund	Justice Center Sales Tax Fund	Assessor Fund	Coronavirus Relief Fund	ARPA Fund
Revenues						
Taxes	\$ 11,017,631	\$ 10,959,006	\$ 14,735,153	\$ 1,395,318	\$ -	\$ -
Collector's commission	2,208,556	-	-	-	-	-
Licenses and permits	59,080	-	-	-	-	-
Intergovernmental revenue	113,656	-	1,210,477	176,552	-	1,873,419
Fees and charges	1,618,700	10,300	319,002	9,636	-	-
Other	110,526	93,575	272,450	18,606	1,324	-
Total Revenues	15,128,149	11,062,881	16,537,082	1,600,112	1,324	1,873,419
Expenditures						
Current						
General government	4,882,556	-	-	1,226,647	852,666	1,873,419
Judicial	-	-	-	-	-	-
Public safety	-	-	15,588,832	-	-	-
Public works	70,929	-	-	-	-	-
Health and welfare	183,750	-	-	-	1,009,528	-
Highways and roads	-	7,640,967	-	-	-	-
Debt service	-	391,776	10,741	-	-	-
Capital outlay	-	2,351,834	993,511	-	-	-
Total Expenditures	5,137,235	10,384,577	16,593,084	1,226,647	1,862,194	1,873,419
<i>Excess (Deficit) of Revenues Over Expenditures</i>	9,990,914	678,304	(56,002)	373,465	(1,860,870)	-
Other Financing Sources (Uses)						
Lease proceeds	-	1,514,649	-	-	-	-
Sale of assets	-	435,000	-	-	-	-
Operating transfers in (out)	(7,406,115)	(2,097,441)	2,306,677	-	(892,003)	-
Total other Financing Sources (Uses)	(7,406,115)	(147,792)	2,306,677	-	(892,003)	-
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	2,584,799	530,512	2,250,675	373,465	(2,752,873)	-
Fund Balance, January 1	5,864,575	2,030,378	4,719,874	1,566,817	2,752,873	-
Fund Balance, December 31	\$ 8,449,374	\$ 2,560,890	\$ 6,970,549	\$ 1,940,282	\$ -	\$ -

See accompanying notes to the financial statements.

Cass County

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended December 31, 2021

	Debt Service Funds			Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
	Justice Center Debt Service Fund	CIA Public Works Debt Service Fund	Broadband Debt Service Fund	CIA Bond Series 2020 Fund		
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 58,270	\$ 38,165,378
Collector's commission	-	-	-	-	-	2,208,556
Licenses and permits	-	-	-	-	-	59,080
Intergovernmental revenue	-	47,102	-	-	1,335,149	4,756,355
Fees and charges	-	-	-	-	1,080,105	3,037,743
Other	18,476	93,013	-	6,292	260,675	874,937
Total Revenues	<u>18,476</u>	<u>140,115</u>	<u>-</u>	<u>6,292</u>	<u>2,734,199</u>	<u>49,102,049</u>
Expenditures						
Current						
General government	-	-	-	-	185,273	9,020,561
Judicial	-	-	-	-	138,825	138,825
Public safety	-	-	-	-	82,243	15,671,075
Public works	-	-	-	-	-	70,929
Health and welfare	-	-	-	-	1,058,711	2,251,989
Highways and roads	-	-	-	-	726,799	8,367,766
Debt service	2,478,994	2,044,173	32	-	58,753	4,984,469
Capital outlay	13,011	-	-	1,268,569	62,850	4,689,775
Total Expenditures	<u>2,492,005</u>	<u>2,044,173</u>	<u>32</u>	<u>1,268,569</u>	<u>2,313,454</u>	<u>45,195,389</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(2,473,529)	(1,904,058)	(32)	(1,262,277)	420,745	3,906,660
Other Financing Sources (Uses)						
Lease proceeds	-	-	-	-	-	1,514,649
Sale of assets	-	-	-	-	-	435,000
Operating transfers in (out)	(842,014)	2,578,958	-	-	6,351,938	-
Total other Financing Sources (Uses)	<u>(842,014)</u>	<u>2,578,958</u>	<u>-</u>	<u>-</u>	<u>6,351,938</u>	<u>1,949,649</u>
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(3,315,543)	674,900	(32)	(1,262,277)	6,772,683	5,856,309
Fund Balance, January 1	6,910,707	6,086,312	32	7,513,574	2,477,238	39,922,380
Fund Balance, December 31	<u>\$ 3,595,164</u>	<u>\$ 6,761,212</u>	<u>\$ -</u>	<u>\$ 6,251,297</u>	<u>\$ 9,249,921</u>	<u>\$ 45,778,689</u>

See accompanying notes to the financial statements.

Cass County

Reconciliation of the Change in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended December 31, 2021

Net change in fund balances - total governmental funds	\$ 5,856,309
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Amounts reported for governmental activities in the Statement of Activities are different because:

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 on a straight line basis and reported as depreciation expense. The following is the detail of the amount by which depreciation exceeded capital outlays for the year.

Capital outlay	5,048,303
Net book value of disposed assets	(77,959)
Depreciation	(4,136,225)
	<u>834,119</u>

The issuance of long-term debt provides current financial resources to governmental funds. The repayment of the principal of long-term debt is a use of current financial resources of governmental funds. In the Statement of Activities, interest is accrued on outstanding debt whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences.

Repayment of principal on bonds, leases and loans	3,748,658
Capital lease proceeds	(1,514,649)
Amortization of bond premiums	276,989
Accrued interest payable	(119,658)
	<u>2,391,340</u>

Some expenditures reported in the governmental funds represent the use of current financial resources and were recognized in the Statement of Activities when incurred.

Change in pension related costs	2,539,931
Change in compensated absences	(158,855)
	<u>2,381,076</u>
Change in net position of governmental activities	<u>\$ 11,462,844</u>

See accompanying notes to the financial statements.

Cass County

Statement of Net Position – Fiduciary Funds

December 31, 2021

	<u>Custodial Funds</u>
Assets	
Cash	\$ 115,071,993
Total Assets	<u>115,071,993</u>
Liabilities	
Intergovernmental payables	114,888,899
Due to others	<u>183,094</u>
Total Liabilities	<u>115,071,993</u>
Net Position	
Unrestricted	-
Total Net Position	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

Cass County

Statement of Changes in Net Position – Fiduciary Funds

December 31, 2021

	Custodial Funds
Additions	
Taxes for other governments	\$ 165,459,065
Fees	1,622,840
Interest	13,644
Other	4,373,834
Total Additions	<u>171,469,383</u>
Deductions	
Taxes distributed to other governments	165,472,638
Other distributions	5,996,745
Total Deductions	<u>171,469,383</u>
<i>Excess of Additions Over Deductions</i>	-
Net Position, beginning of year	-
Net Position, end of year	<u><u>\$ -</u></u>

See accompanying notes to the financial statements.

Cass County

Notes to the Financial Statements

December 31, 2021

1. Summary of Significant Accounting Policies

Cass County, Missouri (the County) is a county of the first class and operates under a three member County Commission.

The accounting methods and procedures adopted by Cass County, Missouri, conform to accounting principles generally accepted in the United States of America as applicable to governmental entities. The following is a summary of the more significant policies.

Financial Reporting Entity

Cass County, Missouri, is a first-class county located on the west central border of the state and operates under a commission form of government. Commissioners representing the north and south districts are elected every four years. In addition, a presiding commissioner is elected at large every four years. Elected officials are responsible for the operations of certain County offices including the assessor, collector, treasurer, clerk, auditor, sheriff, public administrator, prosecuting attorney, recorder, and the circuit court with its various divisions.

The County's financial reporting entity has been determined in accordance with governmental accounting standards for defining the reporting entity and identifying entities to be included in its basic financial statements. These standards identify the County's financial accountability for potential component units as the primary, but not only, criteria for inclusion. The County is financially accountable if it appoints a voting majority of a potential component unit, or if there is a possibility for the potential component unit to provide specific financial benefits to or impose specific financial burdens on the County. The County's financial reporting entity consists of Cass County, Missouri (the primary government), and its component units. The component unit columns in the government-wide financial statements presents the financial data for the County's discretely presented component units as discussed below.

The Board of Trustees of Cass Regional Medical Center is an elected board charged with the operation of County hospital facilities in Cass County, Missouri. These facilities provide acute health care services under the name of Cass Regional Medical Center. The County is financially accountable for the Medical Center because the County Commission sets the Medical Center's tax levy and the Medical Center has issued debt in the name of the County.

Cass Regional Center Foundation (the Foundation) is discretely presented in Cass Regional Medical Center's financial statements and Cass Medical Center Improvement Corporation (the Corporation) is included in Cass Regional Medical Center's financial statements as a component unit using the blended method. The Foundation and Corporation are legally separate not-for-profit corporations that are, in substance, a part of Cass Regional Medical Center's operations and are primarily organized to benefit Cass Regional Medical Center.

Complete financial statements for the discretely presented component unit can be obtained from its administrative office as follows:

Cass Regional Medical Center
2800 E Rock Haven Road
Harrisonville, Missouri 64701

Related Organizations

The County Commissioners are also responsible for appointing the members of the Library, Mental Health (CASCO), Planning and Zoning, Emergency Services Board, and Park Board. The County's accountability for these organizations does

Cass County

Notes to the Financial Statements

December 31, 2021

not extend beyond making the appointments. Thus, these organizations are not component units of the County and, accordingly, no financial data for these organizations are included in the County's basic financial statements.

Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (the Statement of Net Position and the Statement of Activities) and fund financial statements.

Government-Wide Financial Statements

The government-wide statements display information about the government as a whole. Interfund activity has been eliminated from these statements to minimize the duplication of internal activities.

In the government-wide Statement of Net Position, the governmental activities are consolidated and presented on the full accrual, economic resources basis of accounting. The consolidated presentation incorporates long-term assets and receivables as well as long-term debt and obligations, and it provides information to improve analysis and comparability.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include charges for goods or services offered by the programs and grants and contributions that are restricted to meet operating and capital expenses of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

Separate fund financial statements report information on the County's governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Consequently, the emphasis on near-term inflows and outflows of resources do not present the long-term impact of transactions. Since the accounting differs significantly between the governmental funds financial statements and government-wide financial statements, it is necessary to convert the governmental fund data to arrive at the government-wide financial statements. Therefore, reconciliations have been provided following the Governmental Funds Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance identifying categories that required conversion from the fund statements.

The County reports the following major governmental funds:

General Fund: This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road and Bridge Fund: This accounts for the operations and maintenance of roads and bridges within the County. Financing is provided by a special road and bridge tax levy, miscellaneous sales taxes, and occasional transfers from other funds.

Justice Center Sales Tax Fund: This accounts for the sales taxes used to finance the law enforcement activities in the County.

Cass County

Notes to the Financial Statements

December 31, 2021

Assessor Fund: This accounts for the operations of the County Assessor's office, which includes the cost of performing a reassessment of all taxable real property as required by State Statute 137.750. Financing is provided by the state and a commission received from property tax collections.

Coronavirus Relief Fund: This fund is used to account for COVID-19 relief funds provided by the Treasury Department for navigating the impact of the COVID-19 outbreak.

ARPA Fund: This American Rescue Plan Act (ARPA) fund is used to account for the resources of federal grant revenue whose use is restricted for COVID-19 expenditures or the negative economic impacts of the coronavirus.

Justice Center Debt Service Fund: This accounts for the accumulation of financial resources for, and the payment of, long-term debt principal, interest, and other related costs of the County's Series 2010 Refunding Certificates of Participation on the Justice Center, Series 2017 Refunding Certificates of Participation, and Series 2018 Refunding Certificates of Participation.

CIA Public Works Debt Service Fund: This accounts for the accumulation of financial resources for, and the payment of, long-term debt principal, interest, and other related costs of the County's Series 2010, Series 2015, and Series 2011 General Obligation Bonds.

Broadband Debt Service Fund: This holds in trust the monies required as a reserve for the bonds and accumulates monies for payment of long-term debt principal, interest, and other related costs of the County's Series 2011 Certificates of Participation for construction costs of the broadband project.

CIA Bond Series 2020 Fund: This accounts for bond proceeds of the County's Series 2020 General Obligation Bonds to be used for capital projects within the county.

The County reports the following fiduciary funds:

Custodial Funds: Custodial Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other government units and other funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Cass County

Notes to the Financial Statements

December 31, 2021

Property taxes, sales and use taxes, interest associated with the current fiscal period, and certain state and federal grants and enticements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period are considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Cash and Cash Equivalents

The County considers all accounts subject to withdrawal by check or on demand to be cash and cash equivalents. All other deposits and certificates of deposit are considered to be investments.

Cash and Investments

The County pools cash resources of various funds in the County Treasurer's office in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Some County offices also hold cash and investments in their own separate bank accounts as required by state statute. The balance in the pooled cash account is available to meet current operating requirements. The County's investments include collateralized certificates of deposit.

Fair Value

The fair value measurement and disclosure framework provides for a fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There have been no significant changes from the prior year in the methodologies used to measure fair value. The levels of the fair value hierarchy are described below:

Level 1: Inputs using quoted prices in active markets for identical assets or liabilities

Level 2: Inputs using significant other observable inputs including quoted prices for similar assets or liabilities

Level 3: Inputs are significant unobservable inputs

Receivables

All receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Receivables/Unavailable Revenues

The County recognizes assets from derived tax revenue transactions (such as sales taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as deferred revenues until the period of the exchange.

Cass County

Notes to the Financial Statements

December 31, 2021

The County recognizes assets from imposed non-exchange revenue transactions (such as property taxes, licenses and permits, and fines and forfeitures) in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The County recognizes revenues from property taxes, net of refunds and estimated uncollectible amounts, in the period for which the taxes are levied.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB Statement No. 33, have been met. Any resources received before eligibility requirements are met are reported as unavailable revenues.

Charges for services in the governmental funds, which are exchange transactions and are, therefore, not subject to the provisions of GASB Statement No. 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

It is the County's policy to use the direct write-off method for amounts deemed to be uncollectible, except for the Transportation Development District (TDD) receivable (See note 19). Therefore, an allowance for doubtful accounts has not been established, except for the TDD receivable.

Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At December 31, 2021, the County did not have any interfund receivables or payables.

Capital Assets

Capital assets include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items) and are included in the governmental activities columns in the government-wide financial statements. Capital assets, excluding land, are defined by the County as assets with a cost of \$3,000 or greater and an estimated useful life of at least one year. All land purchases are capitalized regardless of cost. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Historically, governmental infrastructure assets have not been capitalized and reported in the financial statements. In conformity with GASB 34, infrastructure, such as streets and storm sewers, has been capitalized. Additionally, the County elected to depreciate its infrastructure assets.

Depreciation is provided in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The service lives by type of asset are as follows:

Buildings improvements	12-50 years
Buildings	50 years
Infrastructure	10-50 years
Major moveable equipment	5-20 years

Expenditures for maintenance and repairs are charged to expense; renewals and betterments are capitalized.

Cass County

Notes to the Financial Statements

December 31, 2021

Compensated Absences

The County has a county-wide policy on vacation and sick leave for all officeholders. Leave is taken at the discretion of each officeholder. The accumulated liability for compensated absences is reported as a long-term liability in the financial statements as the amounts are not expected to be liquidated with expendable available financial resources.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Currently, the County has one item that qualifies for reporting in this category, deferred amounts relating to the pension plan.

In addition to liabilities, the Statement of Net Position and Balance Sheet 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/fund balance 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 three items that qualify for reporting in this category, deferred pension inflows relating to the pension plan on the Statement of Net Position and deferred amounts relating to taxes and special assessments fees on the Balance Sheet. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Pensions

For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflow of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and County Employees' Retirement Fund (CERF), and additions to/deductions from LAGERS and CERF fiduciary net position have been determined on the same basis as they are reported by LAGERS and CERF. 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.

Net Position

In the government-wide statements, equity is displayed in three components as follows:

Net Investment in Capital Assets: This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted: This consists of net position that does not meet the definition of restricted or net investment in capital assets.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the County first applies restricted net position.

Cass County

Notes to the Financial Statements

December 31, 2021

Fund Balance Classification

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on constraints imposed on the use of these resources as follows:

Nonspendable fund balance: This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance: This classification reflects the constraints imposed on resources either a) externally by creditors, grantors, contributors, or laws and regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission – the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the County Commission removes the specified use by taking the same type of action imposing the commitment.

Assigned fund balance: This classification reflects the amounts constrained by the County’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance: This fund balance is the residual classification for the General Fund. It is used to report negative fund balances in other governmental funds.

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

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity, or from parties outside the County’s taxpayers, are reported as program revenues. These include various grants from the State and Federal governments. All other governmental receipts are reported as general. All taxes are classified as general revenues, even if restricted for a specific purpose.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, and are payable by January 1. Property taxes receivable collected within 60 days of year end are recognized as revenue since the taxes are measurable and available to pay current operating expenditures.

Use of Estimates

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

Cass County

Notes to the Financial Statements

December 31, 2021

Net Patient Service Revenue – Cass Regional Medical Center

The Medical Center has agreements with third-party payers that provide for payments to the Medical Center at amounts different from its established rates. These payment arrangements include:

Medicare: Inpatient acute care and substantially all outpatient services rendered to Medicare Program beneficiaries are paid based on a cost reimbursement methodology. Clinic health care services rendered to Medicare Program beneficiaries are paid based on a combination of fee schedules and a cost reimbursement methodology. The Medical Center is reimbursed for certain services at tentative rates, with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare Administrative Contractor.

Medicaid: Inpatient services rendered to Medicaid Program beneficiaries are reimbursed under a prospectively determined per diem rate, and outpatient services are reimbursed based upon the defined allowable cost. The Medical Center is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicaid Fiscal Intermediary. Medicaid settlements are recorded each year based on the estimated final settlement.

Approximately 51% of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid Programs for the year ended December 31, 2021. Laws and regulations governing the Medicare and Medicaid Programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

The Medical Center has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Medical Center under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. Payments for services provided under these agreements are generally higher than payments from Medicare and Medicaid for comparable services.

2. Cash & Cash Equivalents

State statutes require that the County's deposits be insured or collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2021, all bank balances on deposit were entirely insured or collateralized with securities.

3. Investments

The County's investments at December 31, 2021, are as follows:

Investment Type	Fair Value	Investment Maturities		
		Less Than		
		1 Year	3 Years	5 Years
Certificates of Deposit	\$ 17,800,000	\$ 14,600,000	\$ 3,200,000	\$ -

Cass County

Notes to the Financial Statements

December 31, 2021

Certificates of Deposit

Certificates of deposit with maturities in excess of three months are classified as investments, but are considered deposits for custodial risk determination. State statutes require that the County's deposits be collateralized in the name of the County by the trust department of a bank that does not hold the collateralized deposits. As of December 31, 2021, all certificates of deposit are entirely insured or collateralized with securities.

Interest Rate Risk

The County investment policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The policy also limits the investment of operating funds in shorter-term securities.

Credit Risk

Statutes authorize the County to invest in investments which are:

- a) Obligations of the United States government, the State of Missouri, this County, or;
- b) In bonds, bills, notes, debentures or other obligations guaranteed as to payment of principal and interest by the government of the United States or any agency or instrumentality thereof, the State of Missouri or this County, or;
- c) In revenue bonds of the County, or;
- d) In certificates of deposit, savings accounts as defined in Chapter 369, Revised Missouri Statutes or in interest bearing time deposits when such funds are held in United States banks, state banks, savings and loan associations operating under Chapter 369, Revised Missouri Statutes, or savings and loan associations authorized by the United States government so long as such deposits, savings accounts, and interest bearing deposits are adequately secured as discussed in Note 2, or;
- e) Banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency, or;
- f) Commercial paper issued by domestic corporations which has received the highest rating issued by a nationally recognized rating agency, or;
- g) The County's investment policy follows State Statutes which limits the types of investments by governmental entities. The County's investment policy does not place further limits on the types of investments.

Concentration of Credit Risk

The County places no limit on the amount the County may invest in any one issuer. More than 5% of the County's investments are in Certificates of Deposits and all are carried at one financial institution. These investments are 100% of the County's total investments.

Cass County

Notes to the Financial Statements

December 31, 2021

4. Investments and Investment Income – Cass Regional Medical Center

The Medical Center may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. Agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds and equity securities.

The Medical Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Medical Center has the following recurring fair value measurements as of December 31, 2021:

- Money market mutual funds in the amount of \$530,400 are valued using quoted market values (Level 1 inputs)
- Brokered certificates of deposit (brokered CDs) of \$25,909,078 are valued using a matrix pricing model (Level 2 inputs)
- U.S. Agencies obligations of \$47,339,365 are valued using a matrix pricing model (Level 2 inputs)

At December 31, 2021, the Medical Center had the following investments and maturities:

Type	Fair Value	December 31, 2021 Maturities in Years			
		Less than 1	1-5	6-10	More than 10
U.S. Agencies obligations	\$ 47,339,365	\$ 500,108	\$ 46,839,257	\$ -	\$ -
Brokered CDs	25,909,078	9,177,190	16,731,888	-	-
Money market mutual funds	530,400	530,400	-	-	-
	<u>\$ 73,778,843</u>	<u>\$ 10,207,698</u>	<u>\$ 63,571,145</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Medical Center's investment policy limits its investment portfolio to maturities of a maximum of five years. The money market mutual funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

Credit Risk: Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. It is the Medical Center's policy to limit its investments to only U.S. Treasury securities, U.S. Agency securities and collateralized Repurchase Agreements. At December 31, 2021, the Medical Center's investments in U.S. Agencies obligations not directly guaranteed by the U.S. Government and in money market mutual funds were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. At December 31, 2021, the Medical Center's investments in brokered certificates did not exceed federally insured limits.

Concentration of Credit Risk: The Medical Center's investment policy limits the amount that may be invested in U.S. Government Agencies to 75% of its investment portfolio and U.S. Government Agency callable securities and collateralized

Cass County

Notes to the Financial Statements

December 31, 2021

Repurchase Agreements to 50% of its investment portfolio. At December 31, 2021, the Medical Center's investments of U.S. Agencies constituted the following of total investments:

	<u>2021</u>
Federal Home Loan Mortgage Corporation	11%
Federal Farm Credit Bank	18%
Other U.S. Government Agency	23%
Federal National Mortgage Association	11%

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the balance sheet as follows:

	<u>2021</u>
Carrying value	
Deposits	\$ 19,954,200
Investments	73,778,843
	<u>\$ 93,733,043</u>
Included in the following balance sheet captions	
Cash and cash equivalents	\$ 12,458,605
Short-term investments	48,562,883
Noncurrent cash and investments	32,711,555
	<u>\$ 93,733,043</u>

Investment Income

Investment income for the year ended December 31, 2021, consisted of:

	<u>2021</u>
Interest and dividend income	\$ 725,722
Net increase in fair value of investments	(1,221,774)
	<u>\$ (496,052)</u>

5. Investments and Investment Income – Foundation

The Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At December 31, 2021, all of the Foundation investments are valued using quoted market values (Level 1 inputs).

Cass County

Notes to the Financial Statements

December 31, 2021

At December 31, 2021, the Foundation had the following investments:

	2021
Mutual funds	\$ 918,099
U.S. Agency Obligations	24,144
Other investments	158,372
	<u>\$ 1,100,615</u>

Investment income for the year ended December 31, 2021 consisted of:

	2021
Interest and dividend income	\$ 9,690
Net increase in fair value of investments	71,315
	<u>\$ 81,005</u>

6. Deposits – Cass Regional Medical Center

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The Medical Center's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. Agencies, or instrumentalities or the State of Missouri; bonds of any city, county, school district or special road district of the state of Missouri; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

At December 31, 2021, the Medical Center's bank balances of \$13,697,000 were exposed to custodial credit risk as uninsured and collateral held by pledging financial institution.

7. Restricted Assets

Cash and investments have been restricted for specific purposes in accordance with relevant state statutes, funding source restrictions, or County Commission instructions. These restrictions by fund and fund type as of December 31, 2021, are as follows:

CIA Public Works Debt Service Fund

Debt service reserves \$ 6,761,212

CIA Bond Series 2020 Fund

Unspent bond proceeds 6,499,747
\$ 13,260,959

Cass County

Notes to the Financial Statements

December 31, 2021

8. Patient Accounts Receivable – Cass Regional Medical Center

The Medical Center grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payer agreements. Patient accounts receivable at December 31, 2021, consisted of:

	2021
Medicare	\$ 7,090,438
Medicaid	1,101,632
Other third-party payers	7,476,645
Patients	14,288,212
	29,956,927
Less allowance for uncollectible accounts	13,165,670
	\$ 16,791,257

9. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance December 31, 2020	Additions	Deletions	Balance December 31, 2021
Governmental Activities				
Non-depreciable capital assets				
Construction in progress	\$ 17,740	\$ 279,286	\$ 17,740	\$ 279,286
Intangible assets	55,492	-	-	55,492
Land	798,257	25,171	-	823,428
	\$ 871,489	\$ 304,457	\$ 17,740	\$ 1,158,206
Depreciable capital assets				
Building and improvements	\$ 48,842,978	\$ -	\$ 32,976	\$ 48,810,002
Furniture and equipment	18,463,587	3,776,776	1,142,152	21,098,211
Infrastructure	53,618,607	984,810	101,976	54,501,441
Total Depreciable Capital Assets	120,925,172	\$ 4,761,586	\$ 1,277,104	124,409,654
Less Accumulated Depreciation	63,699,757	\$ 4,136,225	\$ 1,199,145	66,636,837
Total Depreciable Capital Assets, net	\$ 57,225,415			\$ 57,772,817

Cass County

Notes to the Financial Statements

December 31, 2021

Depreciation expense for governmental activities was charged to functions as follows:

General government	\$ 188,838
Judicial	106,609
Public safety	1,787,016
Road and bridge	2,034,019
Health and welfare	19,743
	\$ 4,136,225

10. Capital Assets – Cass Regional Medical Center

Capital assets activity for the year ended December 31, 2021, was:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Land	\$ 3,119,970	\$ -	\$ -	\$ (160,000)	\$ 2,959,970
Land improvements	2,616,045	66,765	-	-	2,682,810
Buildings and leasehold improvements	52,384,040	158,840	-	-	52,542,880
Equipment	27,450,219	2,596,794	(21,500)	56,486	30,081,999
Construction in progress	843,283	161,632	-	-	1,004,915
	86,413,557	2,984,031	(21,500)	(103,514)	89,272,574
Less accumulated depreciation					
Land improvements	1,964,948	70,414	-	-	2,035,362
Buildings and leasehold improvements	25,957,599	2,344,046	-	48,812	28,350,457
Equipment	21,775,956	2,344,702	(7,132)	7,674	24,121,200
	49,698,503	4,759,162	(7,132)	56,486	54,507,019
Capital assets, net	\$ 36,715,054	\$ (1,775,131)	\$ (14,368)	\$ (160,000)	\$ 34,765,555

11. Deferred Taxes & Fees

Deferred inflows of resources on the fund financial statements consist of receivables not collected within sixty days of year end and revenue collected within the fiscal year for future years. Deferred inflows of resources on the fund financial statements at December 31, 2021, are as follows:

General Fund	
Property taxes	\$ 45,874
Road and Bridge Fund	
Property taxes	3,635,400
Assessor Fund	
Intergovernmental fees	1,349,636
Total Deferred Taxes and Fees	\$ 5,030,910

Cass County

Notes to the Financial Statements

December 31, 2021

12. Long-Term Debt

The County issues general obligation bonds, certificates of participation, and leases to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the County.

Changes in the County's long-term debt balances for the year ended December 31, 2021, were as follows:

	Balance December 31, 2020	Additions	Retirements	Balance December 31, 2021	Amounts Due Within One Year
General Obligation Bonds					
Series 2011	\$ 925,000	\$ -	\$ 925,000	\$ -	\$ -
Series 2020A/B	19,650,000	-	415,000	19,235,000	1,240,000
Limited General Obligation Bonds					
Neighborhood Improvement Bonds	532,695	-	48,333	484,362	49,655
Plus: Premium on G.O. Bonds	3,086,633	-	219,760	2,866,873	-
	<u>24,194,328</u>	-	<u>1,608,093</u>	<u>22,586,235</u>	<u>1,289,655</u>
Certificates of Participation					
Series 2020	28,495,000	-	1,620,000	26,875,000	1,655,000
Plus: Premium on Certificates of Participation	687,916	-	57,229	630,687	-
	<u>29,182,916</u>	-	<u>1,677,229</u>	<u>27,505,687</u>	<u>1,655,000</u>
Capital Lease Obligations					
Motor Graders - 2016	64,217	-	64,217	-	-
Compactor- 2017	80,892	-	25,792	55,100	26,872
Mack Trucks - 2017	318,064	-	156,435	161,629	161,629
Motor Grader - 2017	98,799	-	48,721	50,078	50,078
Voting Equipment - 2017	54,179	-	54,179	-	-
Motor Grader - 2019	108,291	-	34,969	73,322	36,032
Motor Grader - 2019	95,223	-	30,395	64,828	31,712
Mack Trucks - 2021	-	870,829	185,342	685,487	163,337
Motor Grader - 2021	-	643,820	113,423	530,397	101,365
	<u>819,665</u>	<u>1,514,649</u>	<u>713,473</u>	<u>1,620,841</u>	<u>571,025</u>
Other Long-Term Obligations					
Sales Tax Payback	26,852	-	26,852	-	-
Compensated Absences Payable	409,244	158,855	-	568,099	-
	<u>\$ 54,633,005</u>	<u>\$ 1,673,504</u>	<u>\$ 4,025,647</u>	<u>\$52,280,862</u>	<u>\$ 3,515,680</u>

Cass County

Notes to the Financial Statements

December 31, 2021

The County's bonds and certificates of participation outstanding at December 31, 2021, consisted of the following:

\$16,495,000, October 22, 2020; Tax-Exempt General Obligation Refunding and Improvement Bonds Series 2020A and \$3,155,000 Taxable General Obligation Refunding Bonds Series 2020B issued to partially refund Series 2011 and fund the jail project. Interest is payable semi-annually on March 1 and September 1, and ranges from 3.00% to 5.00%.	\$ 19,235,000
\$532,695, August 19, 2020; Neighborhood Improvement District Limited Tax General Obligation Bonds, Series 2020. Interest is payable semi-annually on March 1 and September 1, with interest at 1.98%.	484,362
\$28,495,000, March 26, 2020; Refunding Certificates of Participation, Series 2020 issued to refund the Series 2010, Series 2017, Series 2018, and Series 2019 Certificates of Participation. Principal is due in annual installments on May 1 of each year. Interest is due semi-annually on May 1 and November 1 and is at 2.198%.	26,875,000
	\$ 46,594,362

Annual principal and interest payments applicable to long-term debt are:

Tax-Exempt General Obligation Refunding and Improvement, Series 2020A and Taxable General Obligation Refunding Bonds, Series 2020B

Year Ending December 31,	Principal	Interest	Total
2022	\$ 1,240,000	\$ 807,450	\$ 2,047,450
2023	1,300,000	745,450	2,045,450
2024	1,365,000	680,450	2,045,450
2025	1,430,000	612,200	2,042,200
2026	1,005,000	540,700	1,545,700
2027	1,055,000	490,450	1,545,450
2028	1,105,000	437,700	1,542,700
2029	1,160,000	382,450	1,542,450
2030	1,220,000	324,450	1,544,450
2031	1,280,000	263,450	1,543,450
2032	1,335,000	212,250	1,547,250
2033	1,370,000	172,200	1,542,200
2034	1,415,000	131,100	1,546,100
2035	1,455,000	88,650	1,543,650
2036	1,500,000	45,000	1,545,000
	\$ 19,235,000	\$ 5,933,950	\$ 25,168,950

Cass County

Notes to the Financial Statements

December 31, 2021

Neighborhood Improvement District Limited Tax General Obligation Bonds

The County issued Neighborhood Improvement bonds in the amount of \$532,695 to finance the Grand Oaks Farm Road project. The bonds are to be repaid through the annual assessment tax on the residents of the District. Principal and interest are due March 1 of each year. The bonds bear interest at 1.98%.

Principal and interest payments are due as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 49,655	\$ 9,099	\$ 58,754
2023	50,648	8,106	58,754
2024	51,661	7,093	58,754
2025	52,694	6,060	58,754
2026	53,748	5,006	58,754
2027	54,822	3,931	58,753
2028	55,919	2,835	58,754
2029	57,037	1,716	58,753
2030	58,178	576	58,754
	<u>\$ 484,362</u>	<u>\$ 44,422</u>	<u>\$ 528,784</u>

Refunding Certificates of Participation

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,655,000	\$ 572,524	\$ 2,227,524
2023	1,690,000	535,763	2,225,763
2024	1,735,000	498,122	2,233,122
2025	1,775,000	459,547	2,234,547
2026	1,820,000	420,038	2,240,038
2027	1,845,000	379,759	2,224,759
2028	1,895,000	338,657	2,233,657
2029	1,930,000	296,620	2,226,620
2030	1,975,000	253,704	2,228,704
2031	2,020,000	209,799	2,229,799
2032	2,065,000	164,905	2,229,905
2033	2,110,000	119,022	2,229,022
2034	2,155,000	72,149	2,227,149
2035	2,205,000	23,964	2,228,964
	<u>\$ 26,875,000</u>	<u>\$ 4,344,573</u>	<u>\$ 31,219,573</u>

Cass County

Notes to the Financial Statements

December 31, 2021

Capital Lease Obligations

The County has entered into various lease agreements for financing capital equipment. The lease agreements qualify as capital leases for accounting purposes, therefore have been recorded at the present value of their future minimum lease payments as of the inception date.

Future minimum lease payments under the capital leases together with the present value of net minimum lease payments consist of the following:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 571,025	\$ 48,171	\$ 619,196
2023	370,884	29,875	400,759
2024	280,018	18,747	298,765
2025	288,013	10,750	298,763
2026	110,901	2,521	113,422
	<u>\$ 1,620,841</u>	<u>\$ 110,064</u>	<u>\$ 1,730,905</u>

13. Claims, Judgements, & Contingencies

Federal and State Grants

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2021, significant amounts of grant expenditures have not been audited by grantor governments, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Risk Management Pool – Workers’ Compensation

The County is a member of the Missouri Association of Counties Self Insurance Workers’ Compensation and Insurance Fund (the Association), a not-for-profit organization formed by the participating Counties of the State of Missouri to operate as a group self-insurer. The Association seeks to prevent or lessen workers’ compensation claims and expense to its members. The Association is governed by a five-member board of directors elected by the members of the Association. The Association operates as a risk management pool. The County has no direct control over budgeting, financing, governing body, or management selection.

The Association is funded by member assessments and premiums calculated based on members’ payroll data multiplied by a pool assessment factor. Additionally, the articles of the Association provide for supplemental assessments in the event the annual assessment is not sufficient to meet obligations. No supplemental assessments were required by the Association during fiscal year 2021.

Cass County

Notes to the Financial Statements

December 31, 2021

Legal Matters

There are a number of claims and/or lawsuits to which the County is a party as a result of certain injuries and various other matters and complaints arising in the ordinary course of County activities. The County's management and legal counsel anticipate that the potential claims, if any, against the County resulting from such litigation would not have a material effect on the financial position of the County.

14. Employee Pension Plan – CERF

State of Missouri County Employees' Retirement Fund

General Information about the Pension Plan

Plan Description. Cass County of Missouri's defined benefit pension plan provides certain retirement and death benefits to its members. The County participates in the State of Missouri County Employees' Retirement Fund (CERF). CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government.

CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts (excluding juvenile courts) located in a first-class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF was established by an act of the Missouri General Assembly effective August 28, 1994, and administered in accordance with RSMo. 50.1000 – 50.1300. As such, it is CERF's responsibility to administer the law in accordance expressed intent of the General Assembly. The plan as amended through November 1, 2010, is in a form acceptable under the Internal Revenue Code. The responsibility for the operations and administration of CERF is vested in the CERF Board of Directors consisting of eleven members. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the CERF website at www.mocerf.org.

Benefits Provided. CERF provides retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

Cost-of-Living Adjustments (COLA). The Missouri Legislature has established a policy of providing an annual increase in the retirement benefit of the lesser of 1% and the February increase in CPI with the increase to take effect each July. The first

Cass County

Notes to the Financial Statements

December 31, 2021

increase will occur in the year following retirement so long as the retiree has been receiving benefits for at least one year on July 1st. The total of all increases shall not exceed 50% of the initial benefit.

Contributions. Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Eligible employees of the employer contribute 4% to the pension plan. The employer did not elect to make all or a portion of the required 4% contribution on behalf of the employee.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations
- Twenty dollars on each merchants and manufacturers license issued
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded
- Three sevenths of the fee on delinquent property taxes, and
- Interest earned on investment of the above collections prior to remittance to CERF

During 2021 and 2020, the County collected and remitted to CERF, employee contributions of \$507,189 and \$443,821, respectively, for the years then ended. The County's contributions to CERF were \$1,045,511 for the year ended December 31, 2021.

Pension Liability. At December 31, 2021, the County had a liability of \$4,415,688 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of December 31, 2021, and determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021, using the following actuarial assumptions. The County's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$946,596 paid to CERF for the year ended December 31, 2021, relative to the actual contributions of \$33,334,303 from all participating employers. At December 31, 2021, the County's proportionate share was 2.83971%.

Actuarial Assumptions. Actuarial valuations of the plan involve estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted for the period January 1, 2014, through December 31, 2018.

The total pension liability as of December 31, 2021, was based on the most recent actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021, using the following actuarial assumptions:

- Measurement date: December 31, 2021

Cass County

Notes to the Financial Statements

December 31, 2021

- Valuation date: December 31, 2020, rolled forward to December 31, 2021
- Actuarial cost method: Entry age normal
- Investment rate of return: 7.25%
- Inflation: 2.7%
- Compensation increases: 2.91% to 11.05%, plus merit
- Mortality rates: Pub-2010 General Employees Below Median Table, no adjustment for males and 110% scaling for females, and a one-year age set forward for both males and females. The mortality improvement scale is 75% of MP-2018.
- Fiduciary Net Position: CERF issues a publicly available financial report that can be obtained at www.mocerf.org

The long-term expected rate of return on the plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target allocation for 2020, is summarized below along with the long-term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. This method eliminates the effects created by cash flows.

Asset Class	Target Asset Allocation	Expected Real Return	Long-Term Arithmetic Basis Weighted Expected Real Return
U.S. Large Cap Equity	25.00%	7.12%	1.78%
Core Plus	20.00%	2.87%	0.57%
Non-U.S. Equity	15.00%	8.37%	1.26%
Long/Short Equity	10.00%	5.46%	0.55%
U.S. Small Cap Equity	10.00%	8.43%	0.84%
Absolute Return	10.00%	3.25%	0.33%
Core Real Estate	5.00%	6.72%	0.34%
Private Equity	5.00%	10.44%	0.52%
Total	100.00%		6.18%
		Inflation	2.50%
		Long-term expected geometric return	8.68%

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current statutory rates and that contributions from employers will be made based on the plan's revenue sources (various fees and penalties paid by the counties). Such revenue was assumed to increase at the rate of 1.0% per year. This increase assumption has been used by the plan in prior funding status projects. Historically, revenue increase has averaged more than 1.0% per year. Based on the assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit

Cass County

Notes to the Financial Statements

December 31, 2021

payments of current plan members. The projections covered an 80-year period into the future. The long-term expected rate of return on the plan's investments was applied to projected benefit payments.

Discount Rate Sensitivity. The sensitivity of the net pension liability to changes in the discount rate is presented below. The net pension liability calculated using the discount rate of 7.25% is presented as well as what the net pension liability would be using a discount rate that is 1.0% lower (6.25%) or 1.0% higher (8.25%) than the current rate.

	1.0% Decrease (6.25%)	Current Rate (7.25%)	1.0% Increase (8.25%)
Discount Rate			
Proportionate share of the Net Pension Liability	\$ 7,248,282	\$ 4,415,688	\$ 1,807,614

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

For the year ended December 31, 2021, the employer recognized pension expense of \$542,521. The employer reported deferred outflows and inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Deferred Outflows (Inflows) of Resources
Differences in experiences	\$ 108,907	\$ (41,756)	\$ 67,151
Differences in assumptions	6,680	-	6,680
Excess investment returns	-	(1,390,660)	(1,390,660)
Difference between employer contributions and proportionate share of contributions	230,292	(231,636)	(1,344)
Contributions subsequent to the measurement date*	1,065,426	-	1,065,426
	\$ 1,411,305	\$ (1,664,052)	\$ (252,747)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition/reduction to the net pension asset/liability for the year ending December 31, 2022.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (329,543)
2023	(329,543)
2024	(329,543)
2025	(329,544)
	\$ (1,318,173)

Cass County

Notes to the Financial Statements

December 31, 2021

Payable to the Pension Plan

At December 31, 2021, the County had no outstanding amounts of contributions to the pension plan required, therefore no payable was reported.

15. Employee Pension Plan – LAGERS

Missouri Local Government Employees Retirement System

General Information about the Pension Plan

Plan Description. Cass County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police) and receive a reduced allowance.

<u>2021 Valuation</u>	
Benefit multiplier	1.25% for life
Final average salary	3 years
Member contributions	0%

Benefit terms provide for annual post-retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered by Benefit Terms. At June 30, 2021, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>	<u>Total</u>
Inactive employees or beneficiaries currently receiving benefits	123	42	165
Inactive employees entitled to but not yet receiving benefits	95	45	140
Active employees	153	92	245
	<u>371</u>	<u>179</u>	<u>550</u>

Cass County

Notes to the Financial Statements

December 31, 2021

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. 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 an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 11.1% (General) and 9.0% (Police) of annual covered payroll.

Net Pension Asset. The employer's net pension asset was measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2021.

Actuarial Assumptions. The total pension liability in the February 28, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation, 2.25% price inflation
Salary increase	2.75% to 6.75% including wage inflation for general 2.75% and 6.55% including wage inflation for police
Investment rate of return	7.00% net of investment

The healthy retiree mortality tables, for post-retirement mortality, were 115% of the PubG 2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the 115% of the PUBNS 2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubS 2010 Employee Mortality Table for males and females of police, fire and public safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2021 valuation were based on the results of an actuarial experience study covering the period March 1, 2015 through February 29, 2020.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	-25.00%	-0.29%

Cass County

Notes to the Financial Statements

December 31, 2021

Discount Rate. The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
General Division			
Balance at beginning of year	\$ 23,206,292	\$ 22,364,698	\$ 841,594
Changes for the year			
Service cost	533,128	-	533,128
Interest	1,659,478	-	1,659,478
Difference between expected and actual experiences	(48,053)	-	(48,053)
Changes of assumptions	(704,261)	-	(704,261)
Contributions - employer	-	885,124	(885,124)
Net investment income	-	6,075,518	(6,075,518)
Benefit payments, including refunds	(1,178,288)	(1,178,288)	-
Pension plan administrative expenses	-	(33,598)	33,598
Other (net transfer)	-	(161,941)	161,941
<i>Net Changes</i>	<u>262,004</u>	<u>5,586,815</u>	<u>(5,324,811)</u>
Balances at end of year	<u>23,468,296</u>	<u>27,951,513</u>	<u>(4,483,217)</u>

Cass County

Notes to the Financial Statements

December 31, 2021

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Police Division			
Balance at beginning of year	14,516,282	14,511,045	5,237
Changes for the year			
Service Cost	407,777	-	407,777
Interest	1,053,913	-	1,053,913
Difference between expected and actual experiences	273,064	-	273,064
Changes of assumptions	(54,767)	-	(54,767)
Contributions - employer	-	504,020	(504,020)
Net investment income	-	4,035,094	(4,035,094)
Benefit payments, including refunds	(366,155)	(366,155)	-
Pension plan administrative expenses	-	(16,136)	16,136
Other (net transfer)	-	87,763	(87,763)
<i>Net Changes</i>	1,313,832	4,244,586	(2,930,754)
Balances at end of year	15,830,114	18,755,631	(2,925,517)
Total Plan Balances at End of Year	<u>\$ 39,298,410</u>	<u>\$ 46,707,144</u>	<u>\$ (7,408,734)</u>

Sensitivity of the Net Pension Asset to Changes in the Discount Rate. The following presents the Net Pension Asset of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Asset would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
General Division			
Total Pension Liability	\$ 26,657,101	\$ 23,468,296	\$ 20,842,909
Fiduciary Net Position	27,951,513	27,951,513	27,951,513
Net Pension (Asset) Liability	(1,294,412)	(4,483,217)	(7,108,604)
Police Division			
Total Pension Liability	18,710,173	15,830,114	13,512,424
Fiduciary Net Position	18,755,631	18,755,631	18,755,631
Net Pension (Asset) Liability	(45,458)	(2,925,517)	(5,243,207)
Total Net Pension (Asset) Liability	<u>\$ (1,339,870)</u>	<u>\$ (7,408,734)</u>	<u>\$ (12,351,811)</u>

Cass County

Notes to the Financial Statements

December 31, 2021

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

For the year ended December 31, 2021, the employer recognized pension credits of \$470,258 in the general division and \$276,530 in the police division. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
General Division			
Differences in experiences	\$ 45,703	\$ (236,950)	\$ (191,247)
Differences in assumptions	-	(535,418)	(535,418)
Excess investment returns	-	(2,900,860)	(2,900,860)
Contributions subsequent to the measurement date*	449,766	-	449,766
	<u>495,469</u>	<u>(3,673,228)</u>	<u>(3,177,759)</u>
Police Division			
Differences in experiences	580,179	(441,015)	139,164
Differences in assumptions	20,386	(45,910)	(25,524)
Excess investment returns	-	(1,948,891)	(1,948,891)
Contributions subsequent to the measurement date*	252,993	-	252,993
	<u>853,558</u>	<u>(2,435,816)</u>	<u>(1,582,258)</u>
	<u>\$ 1,349,027</u>	<u>\$ (6,109,044)</u>	<u>\$ (4,760,017)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized in the net pension asset for the year ending December 31, 2022.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	General	Police	Total
Year Ending December 31,	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources	Net Deferred Outflows of Resources
2022	\$ (1,028,192)	\$ (449,592)	\$ (1,477,784)
2023	(857,842)	(339,954)	(1,197,796)
2024	(816,334)	(483,959)	(1,300,293)
2025	(925,157)	(602,881)	(1,528,038)
2026	-	34,668	34,668
Thereafter	-	6,467	6,467
	<u>\$ (3,627,525)</u>	<u>\$ (1,835,251)</u>	<u>\$ (5,462,776)</u>

Cass County

Notes to the Financial Statements

December 31, 2021

Payable to the Pension Plan

At December 31, 2021, the County reported \$123,118 in payables to the pension plan.

16. Assessed Valuation, Tax Levy, & Legal Debt Margin

The 2021 assessed valuation of the tangible taxable property and the tax levies per \$100 assessed valuation of that property were as follows:

Assessed Valuation	
Real estate	\$ 1,505,354,500
Personal property	325,934,465
Railroad and utilities	161,207,909
Total	\$ 1,992,496,874
Tax Rate Per \$100 of Assessed Valuation	
Road and Bridge Fund	\$ 0.2137

The legal debt margin at December 31, 2021, is computed as follows:

Constitutional debt limit	\$ 199,249,687
General obligation bonds outstanding	(19,719,362)
Amount available in Debt Service Funds	10,356,376
Legal Debt Margin	\$ 189,886,701

Under Article VI, Section 26(b) and (c), Missouri Constitution, the County, by a vote of its qualified electors voting therein, may incur an indebtedness for any purpose authorized by law of the County or by any general law of the State of Missouri. The borrowings authorized by this section shall not exceed ten percent of the value of the taxable tangible property in the County.

17. Interfund Transfers

Interfund transfers for the year ended December 31, 2021, consisted of the following:

	Net Transfers In (Out)
General Fund	\$ (7,406,115)
Road and Bridge Fund	(2,097,441)
Justice Center Sales Tax Fund	2,306,677
Coronavirus Relief Fund	(892,003)
Justice Center Debt Service Fund	(842,014)
CIA Public Works Debt Service Fund	2,578,958
Non-major Governmental Funds	6,351,938
	\$ -

Cass County

Notes to the Financial Statements

December 31, 2021

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

18. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional.

Employees may contribute up to 25% of their annual base salary to a maximum limit of \$18,500 per year (participants 50 and older may contribute an additional \$6,000). The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Investments are managed by the plan's trustee and the choice of the investment option(s) is made by the participants.

19. Transportation Development District Future Receivable

In June 2015, the Cass County Transportation Development District (the District) issued \$3,305,000 in revenue bonds to construct North Cass Parkway Interchange on Highway 71. Cass County, Missouri has made the debt service payments on these bonds and funded preliminary work on the project. In future years, after development takes place at the District, the County is anticipating being reimbursed for these payments on the project. However, future reimbursements are dependent upon future development. At December 31, 2021, the County estimates it is owed approximately \$7,755,772 (which includes interest compounded at 6%) from the District. An allowance for doubtful account for the entire amount owed to the County has been recorded in the accompanying financial statements due to the ultimate uncertainty of the collectability of this receivable balance.

20. Pledged Revenues

The County has pledged its law enforcement sales tax revenues to repay the Refunding Certificates of Participation issued on March 26, 2020. The outstanding principal on these bonds as of December 31, 2021, was \$26,875,000. Total principal and interest remaining on the Certificates of Participation is \$31,219,573, with the final maturity scheduled for May 29, 2035.

The County has pledged its revenues from its capital improvement sales tax revenues to repay \$19,650,000 in General Obligation Bonds issued 2020. The outstanding principal on these bonds as of December 31, 2021, was \$19,235,000. The General Obligation Bonds were used to finance road and bridge projects in Cass County. Total principal and interest remaining on the bonds is \$25,235,000 with the final maturity scheduled for March 1, 2036.

21. Medical Malpractice Claims – Cass Regional Medical Center

The Medical Center is self-insured for the first \$25,000 per occurrence of medical malpractice risks. The Medical Center purchases commercial insurance coverage above the self-insurance limits. Losses from asserted and unasserted claims identified under the Medical Center's incident reporting system are accrued based on estimates that incorporate the Medical Center's experience, as well as other considerations, including the nature of each claim or incident and relevant trend factors. The malpractice expense accrual at December 31, 2021, was \$200,000. It is reasonably possible that the Medical Center's estimate of losses will change by a material amount in the near term.

Cass County

Notes to the Financial Statements

December 31, 2021

22. Workers' Compensation Claims - Cass Regional Medical Center

The Medical Center has obtained workers' compensation insurance through membership in the Hospitals Self-Insurance Fund of Missouri (the Fund), a trust formed for the benefit of qualified health care providers in the state of Missouri that wish to pool their resources to qualify as a group self-insurer as permitted under the Workmen's Compensation Law, Chapter 287 of the Revised Statutes of Missouri, as amended. The Fund and its members jointly fund and severally agree to assume and discharge, by payment, any lawful awards entered against any member of the Fund. Workers' compensation expense through participation in the Fund was \$501,081 for the year ended December 31, 2021. No additional liability was accrued for workers' compensation claims at December 31, 2021.

23. Employee Health Claims – Cass Regional Medical Center

Substantially all of the Medical Center's employees and their dependents are eligible to participate in the Medical Center's employee health insurance plan. The Medical Center is self-insured for health claims of participating employees and dependents up to \$100,000 per individual claim and an annual aggregate amount of \$1,000,000. Commercial stop-loss insurance coverage is purchased for claims in excess of the individual and aggregate annual amounts. A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based on consideration of prior claims experience, recently settled claims, frequency of claims and other economic and social factors. It is reasonably possible that the Medical Center's estimate will change by a material amount in the near term.

Activity in the Medical Center's accrued employee health claims liability during 2021 is summarized as follows:

	2021
Balance, beginning of year	\$ 572,097
Current year claims incurred	3,711,010
Claims and expenses paid	(3,711,010)
	\$ 572,097

24. Long-Term Obligations – Cass Regional Medical Center

The following is a summary of long-term debt transactions for the Medical Center for the year ended December 31, 2021:

	2021				
	Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
Medical Center					
Revenue bonds payable	\$ 29,490,000	\$ -	\$ 4,405,000	\$ 25,085,000	\$ 2,480,000
Capital Lease Payable	43,020	-	14,910	28,110	14,605
Total	\$ 29,533,020	\$ -	\$ 4,419,910	\$ 25,113,110	\$ 2,494,605

Cass County

Notes to the Financial Statements

December 31, 2021

Revenue Bonds Payable

The Medical Center issued Hospital Revenue Bonds (Bonds) in the original amount of \$49,905,000 dated November 7, 2007, which bear interest at 4.25% to 4.5%. In November of 2016, the Medical Center fully refunded the outstanding Series 2007 Bonds by issuing \$40,445,000 of Hospital Refunding Revenue Bonds Series 2015 bearing interest at 2.957%. The Bonds are payable in annual installments through May 1, 2032. The Bonds are collateralized by the net revenues and accounts receivable of the Medical Center and the assets restricted under the bond indenture agreement. In the event of default, for a period of at least 60 days after written notice of default, the holder can declared the principal of all bonds then outstanding to be due and payable immediately.

The debt service requirements as of December 31, 2021, are as follows:

<u>Years Ending December 31,</u>	<u>Total to be Paid</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 3,262,866	\$ 2,480,000	\$ 782,866
2023	3,259,015	2,550,000	709,015
2024	3,258,020	2,625,000	633,020
2025	3,159,807	2,605,000	554,807
2026	3,073,738	2,595,000	478,738
2027-2031	13,397,989	12,230,000	1,167,989
	<u>\$ 29,411,435</u>	<u>\$ 25,085,000</u>	<u>\$ 4,326,435</u>

25. Capital Lease Obligation – Cass Regional Medical Center

The Medical Center is obligated under financing agreements for equipment that is accounted for as capital leases. The following is a schedule by year of future minimum lease payments under the capital leases, including interest at 7.95% together with the present value of the future minimum lease payments as of December 31, 2021:

2022	\$ 16,320
2023	14,020
Total minimum lease payments	30,340
Less amount representing interest	2,230
Present value of future minimum lease payments	<u>\$ 28,110</u>

26. Operating Leases – Cass Regional Medical Center

The Medical Center has noncancellable operating leases for equipment and office facilities expiring through 2031 that require the Medical Center to pay all executory costs (property taxes, maintenance, and insurance).

Cass County

Notes to the Financial Statements

December 31, 2021

Future minimum lease payments on noncancellable leases with initial terms of more than one year at December 31, 2021, were:

<u>Year Ending</u>	
2022	\$ 1,153,481
2023	980,439
2024	933,071
2025	893,682
2026	893,682
2027-2031	3,289,087
Future minimum lease payments	<u><u>\$ 8,143,442</u></u>

Rental expense for all operating leases was \$1,274,384 in 2021.

27. Contingencies – Cass Regional Medical Center

Litigation

In the normal course of business, the Medical Center is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by commercial insurance. The Medical Center evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

28. Restricted and Designated Net Position – Cass Regional Medical Center

At December 2021, restricted expendable net position were available for the following purposes:

	<u>2021</u>
Debt service	\$ 406,773
Specific operating activities	26,464
Total restricted expendable net position	<u><u>\$ 433,237</u></u>

At December 31, 2021, \$32,154,691 of unrestricted net position has been designated by the Medical Center's board of trustees for capital acquisitions. Designated net position remains under the control of the board of trustees. The board may, at its discretion, later use the net position for other purposes.

29. Restricted and Designated Net Position – Foundation

At December 31, 2021, the Foundation's restricted expendable net position was available for the following purposes:

	<u>2021</u>
Capital acquisitions	\$ 228,636
Specific operating activities	643,823
Total restricted expendable net position	<u><u>\$ 872,459</u></u>

Cass County

Notes to the Financial Statements

December 31, 2021

At December 31, 2021, the Foundation's restricted nonexpendable net position of \$231,555 was held in perpetuity with the interest income available for specific operating activities.

At December 31, 2021, \$0 of unrestricted net position has been designated by the Foundation's board of directors for capital acquisitions. Designated net position remains under the control of the board of trustees. The board may, at its discretion, later use the net position for other purposes.

30. Management Agreement – Cass Regional Medical Center

The Medical Center has entered into a management agreement with HCA-Midwest Division (HCA). The agreement, which expires on December 1, 2026, provides for certain administrative, management, and purchasing services to be provided by HCA to the Medical Center. Payments made to HCA and its affiliates for the year ended December 31, 2021, were approximately \$1,933,112.

No amounts due to HCA were included in accounts payable at December 31, 2021.

31. Pension Plan – Cass Regional Medical Center

The Medical Center contributes to a defined contribution pension plan covering substantially all employees. Pension expense is recorded for the amount of the Medical Center's required contributions, determined in accordance with the terms of the plan. The plan is administered by the Medical Center. The plan provides for discretionary matching contributions by the Medical Center. For 2021, the Medical Center matched the employees' contributions up to 3% of compensation. Contributions actually made by plan members and the Medical Center aggregated approximately \$1,447,000 and \$777,000, respectively, during 2021.

32. Tax Abatements

As of December 31, 2021, the County did not provide tax abatements to any businesses. However, the County's taxes were reduced by agreements entered into by other governments through the following programs: the Urban Redevelopment Corporation Law (Chapter 353), Enhanced Enterprise Zones Program, Chapter 100 Industrial Development Act, and Real Property Tax Increment Allocation Redevelopment Act (Tax Incremental Financing).

- The Urban Redevelopment Corporation Law, or Chapter 353, is an economic development tool to encourage redevelopment of blighted areas. Under Sections 353.010-353.190, RSMo., the Urban Redevelopment Corporation has a tax abatement available for 25 years. During the first 10 years, the property is not subject to real property taxes except in the amount of real property taxes assessed on the land during the calendar year during with the Urban Redevelopment Corporation acquired title to the real property. For the remaining 15 years, the property may be assessed up to 50% of its true value. Payments in lieu of taxes (PILOTs) may be imposed on the Urban Redevelopment Corporation by the city to replace all or part of the real estate taxes abated. The PILOTs must be allocated based on a proportionate share to each taxing district.
- The Enhanced Enterprise Zones Program is designed to attract new or expanding businesses to the area. Under Sections 135.950-135.970, RSMo., in order for a manufacturer, distributor, or certain service industries to qualify for the 50% tax abatement for 10 years, the business must meet certain minimum criteria depending on the type of business facility. New or expanded business facilities must have two new employees and \$100,000 in new investment. Replacement business facilities must have two new employees and \$1,000,000 in new investment.

Cass County

Notes to the Financial Statements

December 31, 2021

Both types of business facilities must also offer health insurance to full-time employees in Missouri, of which at least 50% is paid by the employer.

- Tax Incremental Financing (TIF) is an economic development tool which redirects local tax revenues towards the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800-99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation resulting from the redevelopment. Real estate taxes in the redevelopment area are frozen at the current level or base valuation. The increased assessed valuation resulting from the redevelopment is referred to as payments in lieu of taxes (PILOT). PILOTs for each TIF district are collected by the county collector and distributed to the cities that authorized the TIF, these funds are then distributed to a TIF special allocation fund or other political subdivisions.

Information relevant to disclosure of these programs for the year ended December 31, 2021, is as follows:

<u>Government Entering into Agreement</u>	<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated During December 31, 2021</u>
City of Harrisonville, Missouri	Tax Increment Financing	
	Ad-valorem taxes	\$ 13,233
	Sales taxes	194,977
	Enhanced Enterprise Zones	
	Ad-valorem taxes	2,901
City of Raymore, Missouri	Tax Increment Financing	
	Ad-valorem taxes	18,487
	Sales taxes	686,032
	Chapter 353	
Ad-valorem taxes	3,755	
City of Belton, Missouri	Tax Increment Financing	
	Ad-valorem taxes	38,911
	Sales taxes	520,483
City of Pleasant Hill, Missouri	Enhanced Enterprise Zone	
	Ad-valorem taxes	277
		<u>\$ 1,479,056</u>

33. Bond Ordinances

On April 6, 2010, the County passed a \$34,750,000 bond issue for the purposes of acquiring easements and rights of way, and improving, replacing, repairing and maintaining streets, roadways and bridges of the County's. As of December 31, 2021, \$4,744,000 of the 2010 bond ordinance had not been issued.

Cass County

Notes to the Financial Statements

December 31, 2021

34. Restatement

Net position has been restated as of December 31, 2020, to include the premium on the refunding portion of the Series 2020 general obligation bonds as follows:

Net Position, as previously stated, December 31, 2020	\$ 41,234,924
Premium on G.O. bonds	<u>(2,656,238)</u>
Net Position, as restated, January 1, 2021	<u><u>\$ 38,578,686</u></u>

Required Supplementary Information

Cass County

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - LAGERS

Year Ended December 31, 2021

Missouri Local Government Employees Retirement System (LAGERS)							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability							
Service Cost	\$ 940,905	\$ 873,873	\$ 802,850	\$ 703,750	\$ 689,445	\$ 662,456	\$ 682,790
Interest on the Total Pension Liability	2,713,391	2,591,626	2,508,743	2,275,031	2,219,103	2,066,942	2,019,501
Difference between expected and actual	225,011	(348,513)	(804,813)	1,517,892	(922,715)	(619,757)	(898,326)
Changes of assumptions	(759,028)	-	-	(759,028)	-	1,172,728	-
Benefit Payments	<u>(1,544,443)</u>	<u>(1,398,913)</u>	<u>(1,398,018)</u>	<u>(1,248,078)</u>	<u>(1,195,713)</u>	<u>(1,197,952)</u>	<u>(1,083,293)</u>
<i>Net Change in Total Pension Liability</i>	1,575,836	1,718,073	1,108,762	2,489,567	790,120	2,084,417	720,672
Total Pension Liability, Beginning	<u>37,722,574</u>	<u>36,004,501</u>	<u>34,136,711</u>	<u>31,647,144</u>	<u>30,857,024</u>	<u>28,772,607</u>	<u>28,051,935</u>
Total Pension Liability, Ending	<u>39,298,410</u>	<u>37,722,574</u>	<u>35,245,473</u>	<u>34,136,711</u>	<u>31,647,144</u>	<u>30,857,024</u>	<u>28,772,607</u>
Plan Fiduciary Net Position							
Contributions - employer	1,389,144	1,278,065	1,131,192	1,092,056	996,876	1,022,032	1,046,903
Pension Plan Net Investment Income	10,110,612	472,859	2,257,744	3,800,998	3,398,526	(29,812)	547,864
Benefit Payments	(1,544,443)	(1,398,913)	(1,398,018)	(1,248,078)	(1,195,713)	(1,197,952)	(1,083,293)
Pension Plan Administrative Expense	(49,734)	(64,281)	(54,102)	(36,966)	(33,715)	(32,978)	(34,858)
Other (Net Transfer)	<u>(74,178)</u>	<u>(76,701)</u>	<u>(456,921)</u>	<u>23,625</u>	<u>155,920</u>	<u>1,726</u>	<u>158,974</u>
<i>Net Change in Plan Fiduciary Net Position</i>	9,831,401	211,029	1,479,895	3,631,635	3,321,894	(236,984)	635,590
Plan Fiduciary Net Position, Beginning	<u>36,875,743</u>	<u>36,664,714</u>	<u>35,184,819</u>	<u>31,553,184</u>	<u>28,231,290</u>	<u>28,468,274</u>	<u>27,832,684</u>
Plan Fiduciary Net Position, Ending	<u>46,707,144</u>	<u>36,875,743</u>	<u>36,664,714</u>	<u>35,184,819</u>	<u>31,553,184</u>	<u>28,231,290</u>	<u>28,468,274</u>
Employer Net Pension Liability (Asset)	<u>\$ (7,408,734)</u>	<u>\$ 846,831</u>	<u>\$ (1,419,241)</u>	<u>\$ (1,048,108)</u>	<u>\$ 93,960</u>	<u>\$ 2,625,734</u>	<u>\$ 304,333</u>
Plan fiduciary net position as a percentage of the total pension liability	118.85%	97.76%	104.03%	103.07%	99.70%	91.49%	98.94%
Covered payroll	\$ 12,853,108	\$ 11,849,025	\$ 11,116,418	\$ 10,192,344	\$ 8,757,386	\$ 9,089,433	\$ 8,561,436
Employer's net pension liability (asset) as a percentage of covered payroll	-57.64%	7.15%	-12.77%	-10.28%	1.07%	28.89%	3.55%

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Cass County

Schedule of Contributions - LAGERS

Year Ended December 31, 2021

Missouri Local Government Employees Retirement System (LAGERS)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 1,393,629	\$ 1,305,931	\$ 1,213,098	\$ 1,068,014	\$ 1,094,300	\$ 969,621	\$ 1,030,502	\$ 1,030,612	\$ 953,012	\$ 971,592
Contributions in relation to the actuarially determined contribution	<u>1,393,629</u>	<u>1,305,932</u>	<u>1,161,291</u>	<u>1,068,015</u>	<u>1,094,300</u>	<u>969,621</u>	<u>1,030,501</u>	<u>1,030,613</u>	<u>953,012</u>	<u>971,591</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 51,807</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 1</u>
Covered payroll	\$ 13,626,165	\$ 12,637,727	\$ 11,462,045	\$ 10,829,198	\$ 9,900,883	\$ 9,036,800	\$ 8,831,686	\$ 9,140,363	\$ 8,934,048	\$ 8,374,402
Contributions as a percentage of covered payroll	10.23%	10.33%	10.13%	9.86%	11.05%	10.73%	11.67%	11.28%	10.67%	11.60%

See accompanying notes to the Schedule of Contributions.

Cass County

Notes to the Schedule of Contributions - LAGERS

Year Ended December 31, 2021

Valuation Date: February 28, 2021

Notes: The roll-forward of total pension liability from February 28, 2021, to June 30, 2021, reflects expected service cost and interest reduced by actual benefit payments.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method: Entry Age Normal and Modified Terminal Funding

Amortization Method: Level Percentage of Payroll, Closed

Remaining Amortization Period: Multiple bases from 9 to 22 years (general division) and 10 to 22 years (police division)

Asset Valuation Method: 5-Year smoothed market; 20% corridor

Inflation: 2.75% wage inflation; 2.25% price inflation

Salary Increases: 2.75% to 6.75% including wage inflation for the general division and 2.75% to 6.55% including wage inflation for the police division

Investment Rate of Return: 7.00%, net of investment expenses

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition

Mortality: The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other Information: None

Cass County

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - CERF

Year Ended December 31, 2021

Year Ended	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset) (a)	Actual Covered Payroll (b)	Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/b)	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2021	2.83971%	\$ 4,415,688	\$ 15,097,351	29.25%	81.12%
12/31/2020	2.97880%	5,869,140	13,776,293	42.60%	74.92%
12/31/2019	2.83188%	7,060,692	12,638,868	55.86%	72.02%
12/31/2018	2.74792%	5,440,733	12,335,630	44.11%	72.02%
12/31/2017	2.73672%	6,158,132	10,866,518	56.67%	66.70%
12/31/2016	2.61516%	5,056,559	10,167,975	49.73%	69.11%
12/31/2015	2.71340%	3,166,506	10,281,192	30.80%	78.83%

*The data provided in the schedule is based as of the measurement date of CERFs' net pension liability, which is as of the beginning of the County's fiscal year.

Cass County

Schedule of Employer Contributions - CERF

Year Ended December 31, 2021

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2014	\$ 536,749	\$ 536,749	\$ -	\$ 9,979,798	5.38%
12/31/2015	522,210	522,210	-	10,281,192	5.08%
12/31/2016	555,297	555,297	-	10,167,975	5.46%
12/31/2017	577,048	577,048	-	10,866,518	5.31%
12/31/2018	810,770	810,770	-	12,335,630	6.57%
12/31/2019	908,530	908,530	-	12,638,868	7.19%
12/31/2020	937,286	937,286	-	13,776,293	6.80%
12/31/2021	946,596	946,596	-	15,097,351	6.27%

See accompanying notes to the Schedule of Employer Contributions.

Cass County

Notes to the Schedule of Employer Contributions - CERF

Year Ended December 31, 2021

Actuarial Methods and Assumptions: The actuarially determined contribution rates in the schedule of employers' contributions are calculated as of January 1 of the respective calendar year. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule as of December 31, 2021.

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level percent of compensation, layered periods

Amortization period: 20 years

Amortization growth rate: 2.0%

Asset Valuation Method: Actuarial value of assets with 5 year smoothing

Investment Rate of Return: 7.25%, net of investment expenses

Inflation: 2.5%

Compensation Increases: 2.7%, plus merit

Cost of Living Adjustments: 1.0% per annum; 50% cap on initial benefit

Retirement Age: Rates vary by age as shown in Appendix A of the January 1, 2021, Actuarial Valuation Report

Turnover: Select and ultimate rates based on age and service as shown in Appendix A of the January 1, 2021, Actuarial Valuation

Mortality Rates: Pub-2010 General Annuitant Below Median Table

Cass County

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes				
Property taxes	\$ 125,000	\$ 125,000	\$ 74,493	\$ (50,507)
County sales taxes	7,932,336	8,050,336	10,494,397	2,444,061
PILOT distribution tax	447,480	447,480	447,480	-
Other	1,000	1,000	1,261	261
	<u>8,505,816</u>	<u>8,623,816</u>	<u>11,017,631</u>	<u>2,393,815</u>
Collector's Commission				
Collection commissions	1,850,000	1,850,000	2,208,556	358,556
	<u>1,850,000</u>	<u>1,850,000</u>	<u>2,208,556</u>	<u>358,556</u>
Licenses and Permits				
Beverage licenses	50,000	50,000	58,734	8,734
Other licenses	300	300	346	46
	<u>50,300</u>	<u>50,300</u>	<u>59,080</u>	<u>8,780</u>
Intergovernmental Revenues				
Federal	30,000	30,000	36,149	6,149
Other	-	-	77,507	77,507
	<u>30,000</u>	<u>30,000</u>	<u>113,656</u>	<u>83,656</u>
Fees and Charges				
County clerk	1,300	1,300	980	(320)
Recorder of deeds	376,493	376,493	807,334	430,841
Codes/zoning	549,000	549,000	810,362	261,362
Other	-	-	24	24
	<u>926,793</u>	<u>926,793</u>	<u>1,618,700</u>	<u>691,907</u>
Other				
Interest income	65,000	65,000	39,409	(25,591)
Miscellaneous	23,100	48,100	71,117	23,017
	<u>88,100</u>	<u>113,100</u>	<u>110,526</u>	<u>(2,574)</u>
Total Revenues	<u>11,451,009</u>	<u>11,594,009</u>	<u>15,128,149</u>	<u>3,534,140</u>

See accompanying notes to the Budgetary Comparison Schedules.

Cass County

Budgetary Comparison Schedule – General Fund

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Current				
General Government				
County administration	11,755,654	11,425,654	2,547,443	8,878,211
Building and grounds	339,480	339,480	226,464	113,016
Codes/zoning	556,172	556,172	461,820	94,352
Auditor	244,366	244,366	190,482	53,884
County collector	449,074	449,074	462,651	(13,577)
County clerk	332,548	332,548	285,007	47,541
Voter registration	60,000	60,000	11,250	48,750
Elections	-	-	107,610	(107,610)
Recorder of deeds	387,911	387,911	373,614	14,297
County treasurer	151,508	151,508	146,615	4,893
University outreach	69,600	69,600	69,600	-
	14,346,313	14,016,313	4,882,556	9,133,757
Public Works				
Emergency management	80,747	80,747	70,929	9,818
Health and Welfare				
Medical examiner	175,000	175,000	183,750	(8,750)
Total Expenditures	14,602,060	14,272,060	5,137,235	9,134,825
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(3,151,051)	(2,678,051)	9,990,914	12,668,965
Other Financing Sources (Uses)				
Operating transfers in	504,389	504,389	552,389	48,000
Operating transfers (out)	(1,019,389)	(1,492,389)	(7,958,504)	(6,466,115)
Total other Financing Sources (Uses)	(515,000)	(988,000)	(7,406,115)	(6,418,115)
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(3,666,051)	(3,666,051)	2,584,799	6,250,850
Fund Balance, January 1	5,864,575	5,864,575	5,864,575	-
Fund Balance, December 31	\$ 2,198,524	\$ 2,198,524	\$ 8,449,374	\$ 6,250,850

See accompanying notes to the Budgetary Comparison Schedules.

Cass County

Budgetary Comparison Schedule – Road and Bridge Fund

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 9,163,167	\$ 9,163,167	\$ 10,959,006	\$ 1,795,839
Fees and charges	10,000	10,000	10,300	300
Interest	50,000	50,000	19,698	(30,302)
Other revenues	27,000	27,000	73,877	46,877
Total Revenues	9,250,167	9,250,167	11,062,881	1,812,714
Expenditures				
Current				
Road and bridge	8,259,334	8,259,334	7,640,967	618,367
Debt service	386,405	386,405	391,776	(5,371)
Capital outlay	905,059	905,059	2,351,834	(1,446,775)
Total Expenditures	9,550,798	9,550,798	10,384,577	(833,779)
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(300,631)	(300,631)	678,304	978,935
Other Financing Sources (Uses)				
Lease proceeds	-	-	1,514,649	1,514,649
Sale of assets	-	-	435,000	435,000
Operating transfers (out)	(1,496,611)	(1,496,611)	(2,097,441)	(600,830)
Total Other Financing (Uses)	(1,496,611)	(1,496,611)	(147,792)	1,348,819
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(1,797,242)	(1,797,242)	530,512	2,327,754
Fund Balance, January 1	2,030,378	2,030,378	2,030,378	-
Fund Balance, December 31	\$ 233,136	\$ 233,136	\$ 2,560,890	\$ 2,327,754

See accompanying notes to the Budgetary Comparison Schedules.

Cass County

Budgetary Comparison Schedule – Justice Center Sales Tax Fund

Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes	\$ 11,298,504	\$ 11,298,504	\$ 14,735,153	\$ 3,436,649
Fees and charges	416,500	416,500	319,002	(97,498)
Intergovernmental	1,139,651	1,139,651	1,210,477	70,826
Interest	31,500	31,500	3,550	(27,950)
Other	182,604	182,604	268,900	86,296
Total Revenues	<u>13,068,759</u>	<u>13,068,759</u>	<u>16,537,082</u>	<u>3,468,323</u>
Expenditures				
Current				
Public safety	16,509,930	16,509,930	15,588,832	921,098
Capital outlay	1,347,269	1,347,269	993,511	353,758
Total Expenditures	<u>17,857,199</u>	<u>17,857,199</u>	<u>16,593,084</u>	<u>1,264,115</u>
<i>(Deficit) of Revenues Over Expenditures</i>	(4,788,440)	(4,788,440)	(56,002)	4,732,438
Other Financing Sources				
Sale of property	155,000	155,000	-	(155,000)
Operating transfers in	3,125,536	3,125,536	2,306,677	(818,859)
Total Other Financing Sources	<u>3,280,536</u>	<u>3,280,536</u>	<u>2,306,677</u>	<u>(973,859)</u>
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures</i>	(1,507,904)	(1,507,904)	2,250,675	3,758,579
Fund Balance, January 1	4,719,874	4,719,874	4,719,874	-
Fund Balance, December 31	<u>\$ 3,211,970</u>	<u>\$ 3,211,970</u>	<u>\$ 6,970,549</u>	<u>\$ 3,758,579</u>

See accompanying notes to the Budgetary Comparison Schedules.

Cass County

Budgetary Comparison Schedule – Assessor Fund

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	\$ 1,050,000	\$ 1,050,000	\$ 1,395,318	\$ 345,318
Intergovernmental	145,164	145,164	176,552	31,388
Fees and charges	10,500	10,500	9,636	(864)
Interest	25,000	25,000	14,206	(10,794)
Total Revenues	1,230,664	1,230,664	1,600,112	369,448
Expenditures				
Current				
General government	1,630,888	1,630,888	1,171,764	459,124
Capital outlay	399,776	399,776	54,883	344,893
Total Expenditures	2,030,664	2,030,664	1,226,647	804,017
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(800,000)	(800,000)	373,465	1,173,465
Fund Balance, January 1	1,566,817	1,566,817	1,566,817	-
Fund Balance, December 31	\$ 766,817	\$ 766,817	\$ 1,940,282	\$ 1,173,465

See accompanying notes to the Budgetary Comparison Schedules.

Cass County

Budgetary Comparison Schedule – Coronavirus Relief Fund

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Interest	\$ -	\$ -	\$ 1,324	\$ 1,324
Total Revenues	-	-	1,324	1,324
Expenditures				
Current				
Government COVID-19	500,000	500,000	852,666	(352,666)
Health and wellness	1,500,000	2,260,000	1,009,528	1,250,472
Total Expenditures	2,000,000	2,760,000	1,862,194	897,806
<i>(Deficit) of Revenues Over Expenditures</i>	(2,000,000)	(2,760,000)	(1,860,870)	899,130
Other Financing (Uses)				
Operating transfers (out)	-	-	(892,003)	(892,003)
<i>(Deficit) of Revenues Over Expenditures and Other (Uses)</i>	(2,000,000)	(2,760,000)	(2,752,873)	7,127
Fund Balance, January 1	2,752,873	2,752,873	2,752,873	-
Fund Balance, December 31	\$ 752,873	\$ (7,127)	\$ -	\$ 7,127

See accompanying notes to the Budgetary Comparison Schedules.

Cass County

Budgetary Comparison Schedule – ARPA Fund

Year Ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Rescue Act Grant	\$ -	\$ 10,273,300	\$ 1,873,419	\$ (8,399,881)
Interest	-	20,000	-	(20,000)
Total Revenues	-	10,293,300	1,873,419	(8,419,881)
Expenditures				
Current				
Government COVID-19	-	10,293,300	1,873,419	8,419,881
Total Expenditures	-	10,293,300	1,873,419	8,419,881
<i>Excess of Revenues Over Expenditures</i>	-	-	-	-
Fund Balance, January 1	-	-	-	-
Fund Balance, December 31	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the Budgetary Comparison Schedules.

Cass County

Notes to the Budgetary Comparison Schedules

Year Ended December 31, 2021

Budgets and Budgetary Accounting

The County uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, Administration submits to the County Commission a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditure plans for all fund types and the proposed means of financing them.
2. One public hearing is conducted by the County Commission in late November or early December to obtain taxpayers' comments on the proposed budget.
3. Prior to January 10 in even years or January 31 in odd years, appropriation orders are passed by the County Commission which provide for legally adopted budgets for all funds of the County.
4. The County operates on a program performance budget system, with legally adopted budgets prepared by fund, program, and department. The level of budgetary control is at the department level. The County's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Commission.
5. Formal budgetary integration is employed as a management control device for all funds of the County.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budgeted amounts may be amended during the year by the County Commission.

Supplementary Information

Cass County

Combining Balance Sheet – Non-major Governmental Funds

December 31, 2021

	Special Revenue Funds							
	Federal Bridge Fund	NWCS Fund	Inmate Security Fund	Local Law Enforcement Block Grant Fund	Law Enforcement Reserve Fund	Sheriff Civil Process Fund	Sheriff Revolving Fund	Sheriff Training Fund
Assets								
Cash and cash equivalents	\$ 24,101	\$ 12,315	\$ 188,081	\$ -	\$ 351,663	\$ 348,574	\$ 409,267	\$ 15,527
Investments	-	-	-	-	722,000	-	-	-
Other accounts receivable	-	-	-	-	-	-	-	-
Intergovernmental receivable	409,661	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	433,900	-	-	-
Total Assets	<u>\$ 433,762</u>	<u>\$ 12,315</u>	<u>\$ 188,081</u>	<u>\$ -</u>	<u>\$ 1,507,563</u>	<u>\$ 348,574</u>	<u>\$ 409,267</u>	<u>\$ 15,527</u>
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable								
Prepaid items	-	-	-	-	433,900	-	-	-
Restricted for								
Road and bridge	433,762	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Public safety	-	-	188,081	-	1,073,663	348,574	409,267	15,527
Elections	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Tax maintenance	-	-	-	-	-	-	-	-
Recorder	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital projects	-	12,315	-	-	-	-	-	-
Total Fund Balances	<u>433,762</u>	<u>12,315</u>	<u>188,081</u>	<u>-</u>	<u>1,507,563</u>	<u>348,574</u>	<u>409,267</u>	<u>15,527</u>
Total Liabilities and Fund Balances	<u>\$ 433,762</u>	<u>\$ 12,315</u>	<u>\$ 188,081</u>	<u>\$ -</u>	<u>\$ 1,507,563</u>	<u>\$ 348,574</u>	<u>\$ 409,267</u>	<u>\$ 15,527</u>

Cass County

Combining Balance Sheet – Non-major Governmental Funds

December 31, 2021

	Special Revenue Funds							
	Sheriff Training Post Fund	Prosecuting Attorney Check Fee Fund	Prosecuting Attorney Contingency Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Training Fund	Law Enforcement Restitution Fund	Drug Court Fund	
Assets								
Cash and cash equivalents	\$ 9,406	\$ 9,244	\$ 2,147	\$ 23,747	\$ 13,531	\$ 24,375	\$ 87,043	\$ -
Investments	-	-	-	-	-	-	-	-
Other accounts receivable	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 9,406</u>	<u>\$ 9,244</u>	<u>\$ 2,147</u>	<u>\$ 23,747</u>	<u>\$ 13,531</u>	<u>\$ 24,375</u>	<u>\$ 87,043</u>	<u>\$ -</u>
Liabilities and Fund Balances								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	3,037	-	-	-	-
Total Liabilities	-	-	-	3,037	-	-	-	-
Fund Balances								
Nonspendable								
Prepaid items	-	-	-	-	-	-	-	-
Restricted for								
Road and bridge	9,406	-	-	-	-	-	-	-
Judicial	-	9,244	2,147	20,710	13,531	-	87,043	-
Public safety	-	-	-	-	-	24,375	-	-
Elections	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Tax maintenance	-	-	-	-	-	-	-	-
Recorder	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Total Fund Balances	<u>9,406</u>	<u>9,244</u>	<u>2,147</u>	<u>20,710</u>	<u>13,531</u>	<u>24,375</u>	<u>87,043</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 9,406</u>	<u>\$ 9,244</u>	<u>\$ 2,147</u>	<u>\$ 23,747</u>	<u>\$ 13,531</u>	<u>\$ 24,375</u>	<u>\$ 87,043</u>	<u>\$ -</u>

Cass County

Combining Balance Sheet – Non-major Governmental Funds

December 31, 2021

	Special Revenue Funds								
	HAVA Grant Fund	Clerk Training Fund	Collector Maintenance Fund	Collector		Recorder Fund	Health Fund	Law Library Fund	Courthouse Restoration Fund
				Tax Maintenance Fund	Recorder Fund				
Assets									
Cash and cash equivalents	\$ 31,979	\$ 615	\$ 62,791	\$ 393	\$ 346,760	\$ 456,239	\$ 50,617	\$ 45,767	
Investments	-	-	-	-	-	-	-	-	
Other accounts receivable	-	-	-	-	-	70,953	-	-	
Intergovernmental receivable	-	-	-	-	-	108,070	-	-	
Prepaid expenses	-	-	-	-	-	3,817	-	-	
Total Assets	<u>\$ 31,979</u>	<u>\$ 615</u>	<u>\$ 62,791</u>	<u>\$ 393</u>	<u>\$ 346,760</u>	<u>\$ 639,079</u>	<u>\$ 50,617</u>	<u>\$ 45,767</u>	
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,567	\$ -	\$ -	
Accrued expenses	-	-	-	-	-	18,599	-	-	
Total Liabilities	-	-	-	-	-	24,166	-	-	
Fund Balances									
Nonspendable									
Prepaid items	-	-	-	-	-	3,817	-	-	
Restricted for									
Road and bridge	-	-	-	-	-	-	-	-	
Judicial	-	615	-	-	-	-	50,617	-	
Public safety	-	-	-	-	-	-	-	-	
Elections	31,979	-	-	-	-	-	-	-	
Health and welfare	-	-	-	-	-	611,096	-	-	
Tax maintenance	-	-	62,791	393	-	-	-	-	
Recorder	-	-	-	-	346,760	-	-	-	
Debt Service	-	-	-	-	-	-	-	-	
Capital projects	-	-	-	-	-	-	-	45,767	
Total Fund Balances	<u>31,979</u>	<u>615</u>	<u>62,791</u>	<u>393</u>	<u>346,760</u>	<u>614,913</u>	<u>50,617</u>	<u>45,767</u>	
Total Liabilities and Fund Balances	<u>\$ 31,979</u>	<u>\$ 615</u>	<u>\$ 62,791</u>	<u>\$ 393</u>	<u>\$ 346,760</u>	<u>\$ 639,079</u>	<u>\$ 50,617</u>	<u>\$ 45,767</u>	

Cass County

Combining Balance Sheet – Non-major Governmental Funds

December 31, 2021

	Special Revenue Funds		Capital Projects Fund	Debt Service Fund	Total
	Coronavirus Election Fund	County Clerk Election Fund	NID Bond Fund	Justice Center Sinking Fund	
Assets					
Cash and cash equivalents	\$ -	\$ 4,020	\$ 9,302	\$ 1,641,219	\$ 4,168,723
Investments	-	-	-	3,360,000	4,082,000
Other accounts receivable	-	-	-	-	70,953
Intergovernmental receivable	-	-	-	-	517,731
Prepaid expenses	-	-	-	-	437,717
Total Assets	<u>\$ -</u>	<u>\$ 4,020</u>	<u>\$ 9,302</u>	<u>\$ 5,001,219</u>	<u>\$ 9,277,124</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 5,567
Accrued expenses	-	-	-	-	21,636
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,203</u>
Fund Balances					
Nonspendable					
Prepaid items	-	-	-	-	437,717
Restricted for					
Road and bridge	-	-	-	-	433,762
Judicial	-	-	-	-	60,638
Public safety	-	-	-	-	2,167,787
Elections	-	4,020	-	-	60,374
Health and welfare	-	-	-	-	611,096
Tax maintenance	-	-	-	-	63,184
Recorder	-	-	-	-	346,760
Debt Service	-	-	9,302	5,001,219	5,010,521
Capital projects	-	-	-	-	58,082
Total Fund Balances	<u>-</u>	<u>4,020</u>	<u>9,302</u>	<u>5,001,219</u>	<u>9,249,921</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 4,020</u>	<u>\$ 9,302</u>	<u>\$ 5,001,219</u>	<u>\$ 9,277,124</u>

Cass County

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-major Governmental Funds Year Ended December 31, 2021

	Special Revenue Funds							
	Federal Bridge Fund	NWCS Fund	Inmate Security Fund	Local Law Enforcement Block Grant Fund	Law Enforcement Reserve Fund	Sheriff Civil Process Fund	Sheriff Revolving Fund	Sheriff Training Fund
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	667,100	-	-	-	-	-	-	-
Fees and charges	-	12,481	17,026	-	-	50,000	96,340	6,231
Interest	-	4	153	-	934	264	410	15
Other	-	-	73,215	-	-	-	-	-
Total Revenues	667,100	12,485	90,394	-	934	50,264	96,750	6,246
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Public safety	-	-	5,443	1,936	46,926	1,218	26,720	-
Health and welfare	-	-	-	-	-	-	-	-
Road and bridge	726,799	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	25,170	-	-	-	-	54	-
Total Expenditures	726,799	25,170	5,443	1,936	46,926	1,218	26,774	-
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(59,699)	(12,685)	84,951	(1,936)	(45,992)	49,046	69,976	6,246
Other Financing Sources (Uses)								
Operating transfers in (out)	-	25,000	-	-	892,003	-	-	-
Total Other Financing Sources (Uses)	-	25,000	-	-	892,003	-	-	-
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(59,699)	12,315	84,951	(1,936)	846,011	49,046	69,976	6,246
Fund Balance, January 1	493,461	-	103,130	1,936	661,552	299,528	339,291	9,281
Fund Balance, December 31	\$ 433,762	\$ 12,315	\$ 188,081	\$ -	\$ 1,507,563	\$ 348,574	\$ 409,267	\$ 15,527

Cass County

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-major Governmental Funds Year Ended December 31, 2021

	Special Revenue Funds							
	Sheriff Training Post Fund	Prosecuting Attorney Check Fee Fund	Prosecuting Attorney Contingency Fund	Prosecuting Attorney Delinquent Tax Fund	Prosecuting Attorney Training Fund	Law Enforcement Restitution Fund	Drug Court Fund	
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-	-	48,627	-
Fees and charges	2,584	5,406	-	18,115	7,810	400	19,320	22,030
Interest	9	12	8	17	15	30	63	9
Other	-	-	-	-	-	-	-	-
Total Revenues	<u>2,593</u>	<u>5,418</u>	<u>8</u>	<u>18,132</u>	<u>7,825</u>	<u>430</u>	<u>68,010</u>	<u>22,039</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Judicial	-	3,369	20,148	-	2,821	-	57,954	-
Public safety	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	22,039
Road and bridge	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>3,369</u>	<u>20,148</u>	<u>-</u>	<u>2,821</u>	<u>-</u>	<u>57,954</u>	<u>22,039</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	2,593	2,049	(20,140)	18,132	5,004	430	10,056	-
Other Financing Sources (Uses)								
Operating transfers in (out)	-	-	20,000	-	-	-	50,000	-
Total other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	2,593	2,049	(140)	18,132	5,004	430	60,056	-
Fund Balance, January 1	6,813	7,195	2,287	2,578	8,527	23,945	26,987	-
Fund Balance, December 31	<u>\$ 9,406</u>	<u>\$ 9,244</u>	<u>\$ 2,147</u>	<u>\$ 20,710</u>	<u>\$ 13,531</u>	<u>\$ 24,375</u>	<u>\$ 87,043</u>	<u>\$ -</u>

Cass County

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-major Governmental Funds Year Ended December 31, 2021

	Special Revenue Funds								
	HAVA Grant Fund	Clerk Training Fund	Collector Maintenance Fund	Collector		Recorder Fund	Health Fund	Law Library Fund	Courthouse Restoration Fund
				Tax Maintenance Fund	Recorder Fund				
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-	-	619,422	-	-	-
Fees and charges	-	17,746	75,722	232,569	100,477	297,533	69,654	28,661	-
Interest	39	27	79	130	275	471	-	38	-
Other	-	-	-	-	-	183,229	-	-	-
Total Revenues	39	17,773	75,801	232,699	100,752	1,100,655	69,654	28,699	-
Expenditures									
Current									
General government	-	2,104	46,932	87,882	38,277	-	-	9,578	-
Judicial	-	-	-	-	-	-	54,533	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1,036,672	-	-	-
Road and bridge	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital outlay	-	34,324	-	-	-	-	-	-	-
Total Expenditures	-	36,428	46,932	87,882	38,277	1,036,672	54,533	9,578	-
<i>Excess (Deficit) of Revenues Over Expenditures</i>	39	(18,655)	28,869	144,817	62,475	63,983	15,121	19,121	-
Other Financing Sources (Uses)									
Operating transfers in (out)	-	-	(25,000)	(150,000)	-	532,618	-	-	-
Total Other Financing Sources (Uses)	-	-	(25,000)	(150,000)	-	532,618	-	-	-
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	39	(18,655)	3,869	(5,183)	62,475	596,601	15,121	19,121	-
Fund Balance, January 1	31,940	19,270	58,922	5,576	284,285	18,312	35,496	26,646	-
Fund Balance, December 31	\$ 31,979	\$ 615	\$ 62,791	\$ 393	\$ 346,760	\$ 614,913	\$ 50,617	\$ 45,767	-

Cass County

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-major Governmental Funds

Year Ended December 31, 2021

	Special Revenue Funds		Capital Projects Fund	Debt Service Fund	Total
	Coronavirus Election Fund	County Clerk Elections Fund	NID Bond Fund	Justice Center Sinking Fund	
Revenues					
Taxes	\$ -	\$ -	\$ 58,270	\$ -	\$ 58,270
Intergovernmental revenues	-	-	-	-	1,335,149
Fees and charges	-	-	-	-	1,080,105
Interest	-	5	5	1,219	4,231
Other	-	-	-	-	256,444
Total Revenues	<u>-</u>	<u>5</u>	<u>58,275</u>	<u>1,219</u>	<u>2,734,199</u>
Expenditures					
Current					
General government	500	-	-	-	185,273
Judicial	-	-	-	-	138,825
Public safety	-	-	-	-	82,243
Health and welfare	-	-	-	-	1,058,711
Road and bridge	-	-	-	-	726,799
Debt service	-	-	58,753	-	58,753
Capital outlay	-	3,302	-	-	62,850
Total Expenditures	<u>500</u>	<u>3,302</u>	<u>58,753</u>	<u>-</u>	<u>2,313,454</u>
<i>Excess (Deficit) of Revenues Over Expenditures</i>	(500)	(3,297)	(478)	1,219	420,745
Other Financing Sources (Uses)					
Operating transfers in (out)	-	7,317	-	5,000,000	6,351,938
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,317</u>	<u>-</u>	<u>5,000,000</u>	<u>6,351,938</u>
<i>Excess (Deficit) of Revenues and Other Sources Over Expenditures and Other (Uses)</i>	(500)	4,020	(478)	5,001,219	6,772,683
Fund Balance, January 1	500	-	9,780	-	2,477,238
Fund Balance, December 31	<u>\$ -</u>	<u>\$ 4,020</u>	<u>\$ 9,302</u>	<u>\$ 5,001,219</u>	<u>\$ 9,249,921</u>

Other Reporting Requirements



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Cass County Commission
Cass County, Missouri
Harrisonville, Missouri

We have audited, 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, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Cass County, Missouri, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Cass County, Missouri's basic financial statements, and have issued our report thereon, dated June 20, 2022. Our report includes a reference to other auditors who audited the financial statements of Cass Regional Medical Center and Cass Regional Medical Center Foundation as described in our report on Cass County, Missouri's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

KPM CPAs, PC

KPM CPAs PC
Springfield, Missouri
June 20, 2022



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Cass County Commission
Cass County, Missouri
Harrisonville, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cass County, Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Cass County, Missouri's major federal programs for the year ended December 31, 2021. Cass County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cass County, Missouri, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

KPM CPAs, PC

KPM CPAS, PC
Springfield, Missouri
June 20, 2022

Cass County

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number/ Identifying number</u>	<u>Pass-through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture				
Missouri Department of Health and Senior Services Special Supplemental Nutrition Program For Women, Infants, and Children (WIC)	10.557	ERS04521105 ERS04522094	\$ - - -	\$ 157,107 48,394 <u>205,501</u>
Child Nutrition Cluster Summer Food Service Program for Children Total Child Nutrition Cluster	10.559	ERS21919016	- - -	125 <u>125</u>
Total U.S. Department of Agriculture			-	<u>205,626</u>
U.S. Department of Justice				
Missouri Department of Public Safety Violence Against Women Formula Grants	16.588	2020-VAWA-021	-	62,205
Missouri Department of Social Services Crime Victim Assistance	16.575	ER13020006 ER130200016	- - -	118,601 61,484 <u>180,085</u>
Total U.S. Department of Justice			-	<u>242,290</u>
U.S. Department of Health and Human Services				
Missouri Department of Social Services Child Support Enforcement	93.563	ER10217C016	-	127,429
Missouri Department of Health and Senior Services Public Health Emergency Preparedness	93.069	DH210048679 DH210048487	- - -	21,847 62,629 <u>84,476</u>
Children's Health Insurance Program	93.767	AOC18380264 DH220050444	- - -	44,238 44,238 <u>88,476</u>
CCDF Cluster Child Care and Development Block Grant Total CCDF Cluster	93.575	DH200048107 ERS22020017	- - -	2,647 5,150 <u>7,797</u>
Maternal and Child Health Services Block Grant to the States	93.994	AOC19380209	-	30,627
COVID-19 Immunization Cooperative Agreements	93.268	DH220049849	-	109,537
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	DH210049135	-	126,105
Total U.S. Department of Health and Human Services			-	<u>574,447</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Cass County

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number/ Identifying number</u>	<u>Pass-through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security				
State Emergency Management Agency				
Emergency Management Performance Grants	97.042	EMK-2020-EP-00004-026	-	14,904
		EMK-2021-EP-00006-026	-	18,192
			-	<u>33,096</u>
Total U.S. Department of Homeland Security			-	33,096
U.S. Department of Transportation				
Missouri Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	BRO-19(33)	-	625,201
		BRO-19(35)	-	41,899
Total Highway Planning and Construction Cluster			-	<u>667,100</u>
Highway Safety Cluster				
State and Community Highway Safety	20.600	22-PT-02-076	-	1,292
		21-PT-02-005	-	4,849
Total Highway Safety Cluster			-	<u>6,141</u>
Alcohol Open Container Requirements	20.607	22-154-AL-067	-	801
		20-154-AL-002	-	2,951
		20-154-AL-037	-	763
			-	<u>4,515</u>
Total U.S. Department of Transportation			-	677,756
U.S. Department of Treasury				
Direct				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,873,419
Missouri State Treasurer				
COVID-19 Coronavirus Relief Fund	21.019	00245	852,666	2,754,197
Total U.S. Department of Treasury			<u>852,666</u>	<u>4,627,616</u>
Total Expenditures of Federal Awards			<u>\$ 852,666</u>	<u>\$ 6,360,831</u>

N/A – Not Applicable

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Cass County

Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Cass County under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Cass County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Cass County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Cass County elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. Subrecipients

The County provided \$852,666 to subrecipients in the current year.

Cass County

Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

Section I – Summary of Audit Results

Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with the GAAP:		Unmodified
Internal Control over Financial Reporting:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Noncompliance material to financial statements noted?		No
Federal Awards		
Internal control over major federal programs:		
Material weakness(es) identified?		No
Significant deficiency(ies) identified?		None Reported
Type of auditors' report issued on compliance for major federal program:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?		No
Identification of major federal program:		
Assistance Listing Number(s)	Name of Federal Program or Cluster	
21.019	COVID-19 Coronavirus Relief Fund	
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	
Dollar threshold used to distinguish between type A and type B programs:		\$750,000
Auditee qualified as low-risk auditee?		Yes

Section II – Financial Statement Findings

None

Cass County

Schedule of Findings and Questioned Costs

Year Ended December 31, 2021

Section III – Federal Award Findings and Questioned Costs

None

Cass County

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2021

Financial Statement Findings

None

Federal Award Findings

None