

COMANCHE COUNTY, TEXAS

BASIC FINANCIAL STATEMENTS - CASH BASIS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

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Clerk, County Court Comanche Co., Texas

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COMANCHE COUNTY, TEXAS
BASIC FINANCIAL STATEMENTS - CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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Financial Section

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RUTLEDGE CRAIN & COMPANY,PC
CERTIFIED PUBLIC ACCOUNTANTS
2401 Garden Park Court, Suite B
Arlington, Texas 76013

Independent Auditors' Report

To the Honorable County Judge and Commissioners
comprising the Commissioners Court of Comanche County, Texas
Comanche, Texas

We have audited the accompanying basic financial statements – cash basis of the governmental activities, each major fund and the aggregate remaining fund information of Comanche County, Texas (the “County”), for the year ended September 30, 2020 and the related notes to financial statements which collectively comprise the County’s basic financial statements – cash basis as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

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

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

Basis of Accounting

As discussed in Note 1, Comanche County, Texas, prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of Comanche County, Texas, as of September 30, 2020, and the receipts it received and the disbursements it paid for the year then ended, on the basis of accounting described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Comanche County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Supplementary Information

The management's discussion and analysis and other information are not a required element of cash basis accounting and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.


May 25, 2021

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Basic Financial Statements - Cash Basis

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COMANCHE COUNTY, TEXAS**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Disbursements	Program Receipts		Net (Disb), Receipts, and Changes in Cash
		Charges for Services	Operating Grants and Contributions	
Primary government:				
<i>General administration</i>	\$ 2,063,436	\$ 687,928	\$ 2,278	\$ --
<i>Administration of justice</i>	3,588,355	412,840	82,516	--
<i>Public welfare</i>	673,238	42,654	287,381	--
<i>Health and sanitation</i>		4,615	72,061	2,419
<i>State extension service</i>	101,926	3,846	--	--
<i>Road and bridges</i>	3,728,501	626,656	--	1,865,642
<i>Principal and interest paid on long-term debt</i>	45,790	--	--	--
Total disbursements	<u>10,181,246</u>	<u>1,778,539</u>	<u>444,236</u>	<u>1,868,061</u>
Total Primary Government	\$ <u>10,181,246</u>	\$ <u>1,778,539</u>	\$ <u>444,236</u>	\$ <u>1,868,061</u>
General Receipts:				
<i>Property taxes</i>				6,513,069
<i>Sales taxes</i>				646,296
<i>Alcoholic beverage taxes</i>				5,445
<i>Unrestricted investment earnings</i>				57,589
<i>Miscellaneous revenue</i>				<u>102,920</u>
Total General Receipts and Transfers				<u>7,325,319</u>
Change in Cash				<u>1,234,909</u>
Cash - Beginning				<u>8,290,571</u>
Cash - Ending				<u>\$ 7,534,582</u>

The accompanying notes are an integral part of this statement.

COMANCHE COUNTY, TEXAS

**STATEMENT OF RECEIPTS,, DISBURSEMENTS, AND CHANGES
IN CASH - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>Road and Bridge Number One</u>	<u>Road and Bridge Number Two</u>
Receipts:			
<i>Taxes</i>	\$ 4,287,874	\$ 537,521	\$ 535,077
<i>Sales tax</i>	646,296	=	=
<i>State shared revenues</i>	5,445	129,298	128,842
<i>Fees of office</i>	418,316	=	=
<i>Tax Assessor/Collector</i>	17,993	=	=
<i>Fines</i>	139,092	6,506	6,483
<i>Intergovernmental</i>	2,586	629,446	14,116
<i>Miscellaneous</i>	256,616	1,021	2,254
<i>Arrest fees</i>	21,191	=	=
<i>Interest income</i>	28,148	7,702	668
Total receipts	<u>5,823,557</u>	<u>1,311,494</u>	<u>687,440</u>
Disbursements:			
Current:			
<i>General administration</i>	1,804,550	=	=
<i>Administration of justice</i>	3,185,830	=	=
<i>Public welfare</i>	279,299	=	=
<i>State extension service</i>	101,926	=	=
<i>Road and bridges</i>	191,875	814,659	844,382
Debt service:			
<i>Principal</i>	=	=	=
<i>Interest and fiscal charges</i>	=	=	=
Total disbursements	<u>5,563,480</u>	<u>814,659</u>	<u>844,382</u>
Excess (deficiency) of receipts over (under) disbursements	260,077	496,835	(156,942)
Other financing sources (uses):			
<i>Transfers in</i>	=	=	=
<i>Transfers out</i>	<u>(373,032)</u>	<u>(21,977)</u>	<u>(21,977)</u>
Total other financing sources (uses)	<u>(373,032)</u>	<u>(21,977)</u>	<u>(21,977)</u>
Change in cash	(112,955)	474,858	(178,919)
Cash, October 1	<u>1,745,064</u>	<u>797,710</u>	<u>319,553</u>
Cash, September 30	<u>\$ 1,632,109</u>	<u>\$ 1,272,568</u>	<u>\$ 140,634</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-2

Road and Bridge Number Three	Road and Bridge Number Four	Other Governmental Funds	Total Governmental Funds
\$ 597,321	\$ 553,084	\$ 2,192	\$ 6,513,069
161,351	158,447	29,714	646,296
		90,313	613,097
			508,629
8,118			17,993
1,271,822	(49,742)	41,603	201,802
17,388	15,539	544,205	2,412,433
		131,238	424,056
			21,191
6,135	10,533	4,403	57,589
<u>2,062,135</u>	<u>687,861</u>	<u>843,668</u>	<u>11,418,155</u>
		258,886	2,063,436
		382,525	3,568,355
		393,939	673,238
			101,926
956,038	823,484	98,063	3,728,501
		43,743	43,743
		2,047	2,047
<u>956,038</u>	<u>823,484</u>	<u>1,179,203</u>	<u>10,181,246</u>
1,106,097	(135,623)	(335,535)	1,234,909
		483,814	483,814
(21,977)	(21,977)	(22,874)	(483,814)
<u>(21,977)</u>	<u>(21,977)</u>	<u>460,940</u>	
1,084,120	(157,600)	125,405	1,234,909
<u>232,024</u>	<u>1,667,731</u>	<u>1,537,591</u>	<u>6,299,873</u>
<u>\$ 1,316,144</u>	<u>\$ 1,510,131</u>	<u>\$ 1,662,996</u>	<u>\$ 7,534,582</u>

COMANCHE COUNTY, TEXAS

EXHIBIT A-3

GENERAL FUND

Page 1 of 2

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH - BUDGET (CASH BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
<i>Taxes</i>	\$ 4,327,052	\$ 4,327,052	\$ 4,287,874	\$ (39,178)
<i>Sales taxes</i>	652,623	652,623	646,296	(6,327)
<i>State Shared Revenues</i>	5,982	5,982	5,445	(537)
<i>Fees of Office</i>	431,131	431,131	418,316	(12,815)
<i>Tax Assessor/Collector</i>	17,629	17,629	17,993	364
<i>Fines</i>	121,919	121,919	139,092	17,173
<i>Intergovernmental</i>	3,842	3,842	2,586	(1,256)
<i>Miscellaneous</i>	224,093	224,093	256,616	32,523
<i>Arrest fees</i>	18,702	18,702	21,191	2,489
<i>Interest Income</i>	46,352	46,352	28,148	(18,204)
Total receipts	<u>5,849,325</u>	<u>5,849,325</u>	<u>5,823,557</u>	<u>(25,768)</u>
Disbursements:				
Current				
<i>General administration</i>				
<i>County Judge</i>	166,351	166,351	164,942	1,409
<i>County Clerk</i>	341,553	341,553	304,282	37,271
<i>Non-Departmental</i>	389,355	397,755	373,943	23,812
<i>County Auditor</i>	134,529	134,529	131,699	2,830
<i>County Treasurer</i>	138,919	138,919	126,313	12,606
<i>County Tax Assessor/Collector</i>	399,699	399,699	363,025	36,674
<i>Courthouse</i>	379,530	379,530	340,346	39,184
Total General administration	<u>1,949,936</u>	<u>1,958,336</u>	<u>1,804,550</u>	<u>153,786</u>
<i>Administration of justice</i>				
<i>County Court</i>	21,150	23,894	21,030	2,864
<i>Juvenile Court</i>	50,818	50,818	18,986	31,832
<i>District Clerk</i>	306,081	314,626	248,242	66,384
<i>Justice of the Peace Number One</i>	143,414	144,714	136,659	8,055
<i>Constable Number One</i>	148,495	148,495	137,360	11,135
<i>County Attorney</i>	159,478	159,478	155,204	4,274
<i>County Jail</i>	1,346,032	1,379,032	1,282,554	96,478
<i>Sheriff</i>	1,128,691	1,128,691	948,749	179,942
<i>Department of Public Safety</i>	25,060	25,060	15,838	9,222
<i>220th Judicial District</i>	190,901	190,901	190,901	-
<i>Probation</i>	30,307	30,307	30,307	-
Total Administration of justice	<u>3,550,427</u>	<u>3,596,016</u>	<u>3,185,830</u>	<u>410,186</u>
<i>Public welfare</i>				
<i>Veterans Service Officer</i>	37,213	37,213	36,209	1,004
<i>Social Welfare</i>	1,900	1,900	475	1,425
<i>Contributions</i>	243,907	245,307	242,615	2,692
Total Public welfare	<u>283,020</u>	<u>284,420</u>	<u>279,299</u>	<u>5,121</u>
<i>State extension service</i>				
<i>Agri-Health and Education</i>	108,423	108,423	101,926	6,497
Total State extension service	<u>108,423</u>	<u>108,423</u>	<u>101,926</u>	<u>6,497</u>
<i>Road and bridges</i>	191,875	191,875	191,875	-
Total disbursements	<u>6,083,681</u>	<u>6,139,070</u>	<u>5,563,480</u>	<u>575,590</u>
Excess (deficiency) of receipts over (under) disbursements	(234,356)	(289,745)	260,077	549,822

COMANCHE COUNTY, TEXAS

GENERAL FUND

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH - BUDGET (CASH BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

EXHIBIT A-3

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
<i>Transfers in</i>	103,105	103,105		(103,105)
<i>Transfers out</i>	<u>(373,032)</u>	<u>(373,032)</u>	<u>(373,032)</u>	
Total other financing sources (uses)	<u>(269,927)</u>	<u>(269,927)</u>	<u>(373,032)</u>	<u>(103,105)</u>
Change in cash	(504,283)	(559,672)	(112,955)	446,717
Cash, October 1	1,745,064	1,745,064	1,745,064	
Cash, September 30	<u>\$ 1,240,781</u>	<u>\$ 1,185,392</u>	<u>\$ 1,632,109</u>	<u>\$ 446,717</u>

The accompanying notes are an integral part of this statement.

COMANCHE COUNTY, TEXAS

EXHIBIT A-4

**ROAD AND BRIDGE NUMBER ONE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH - BUDGET (CASH BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
<i>Taxes</i>	\$ 535,707	\$ 535,707	\$ 537,521	\$ 1,814
<i>State Shared Revenues</i>	123,118	123,118	129,298	6,180
<i>Fines</i>	7,141	7,141	6,506	(635)
<i>Intergovernmental</i>			629,446	629,446
<i>Miscellaneous</i>	2,500	2,500	1,021	(1,479)
<i>Interest income</i>	2,500	2,500	7,702	5,202
Total receipts	<u>670,966</u>	<u>670,966</u>	<u>1,311,494</u>	<u>640,528</u>
Disbursements:				
Current				
<i>Road and bridges</i>	1,146,083	1,146,082	814,659	331,423
Total disbursements	<u>1,146,083</u>	<u>1,146,082</u>	<u>814,659</u>	<u>331,423</u>
Excess (deficiency) of receipts over (under) disbursements	(475,117)	(475,116)	496,835	971,951
Other financing sources (uses):				
<i>Transfers out</i>	(21,977)	(21,977)	(21,977)	
Total other financing sources (uses)	<u>(21,977)</u>	<u>(21,977)</u>	<u>(21,977)</u>	
Change in cash	(497,094)	(497,093)	474,858	971,952
Cash, October 1	797,710	797,710	797,710	
Cash, September 30	<u>\$ 300,616</u>	<u>\$ 300,617</u>	<u>\$ 1,272,568</u>	<u>\$ 971,951</u>

The accompanying notes are an integral part of this statement.

COMANCHE COUNTY, TEXAS

EXHIBIT A-5

**ROAD AND BRIDGE NUMBER TWO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH - BUDGET (CASH BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
<i>Taxes</i>	\$ 533,270	\$ 533,270	\$ 535,077	\$ 1,807
<i>State Shared Revenues</i>	122,684	122,684	128,842	6,158
<i>Fines</i>	7,116	7,116	6,483	(633)
<i>Intergovernmental</i>			14,116	14,116
<i>Miscellaneous</i>	2,500	2,500	2,254	(246)
<i>Interest income</i>	2,250	2,250	668	(1,582)
Total receipts	<u>667,820</u>	<u>667,820</u>	<u>687,440</u>	<u>19,620</u>
Disbursements:				
Current				
<i>Road and bridges</i>	1,006,431	1,038,744	844,382	194,362
Total disbursements	<u>1,006,431</u>	<u>1,038,744</u>	<u>844,382</u>	<u>194,362</u>
Excess (deficiency) of receipts over (under) disbursements	(338,611)	(370,924)	(156,942)	213,982
Other financing sources (uses):				
<i>Transfers out</i>	(21,977)	(21,977)	(21,977)	
Total other financing sources (uses)	<u>(21,977)</u>	<u>(21,977)</u>	<u>(21,977)</u>	
Change in cash	(360,588)	(392,901)	(178,919)	213,982
Cash, October 1	319,553	319,553	319,553	
Cash, September 30	<u>\$ (41,035)</u>	<u>\$ (73,348)</u>	<u>\$ 140,634</u>	<u>\$ 213,982</u>

The accompanying notes are an integral part of this statement.

COMANCHE COUNTY, TEXAS

EXHIBIT A-6

**ROAD AND BRIDGE NUMBER THREE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH - BUDGET (CASH BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts:				
<i>Taxes</i>	\$ 595,303	\$ 595,303	\$ 597,322	\$ 2,019
<i>State Shared Revenues</i>	153,640	153,640	161,351	7,711
<i>Fines</i>	8,911	8,911	8,118	(793)
<i>Intergovernmental</i>			1,271,822	1,271,822
<i>Miscellaneous</i>	2,500	2,500	17,388	14,888
<i>Interest income</i>	8,250	8,250	6,135	(2,115)
Total receipts	<u>768,604</u>	<u>768,604</u>	<u>2,062,136</u>	<u>1,293,532</u>
Disbursements:				
Current				
<i>Road and bridges</i>	<u>1,671,676</u>	<u>1,671,676</u>	<u>956,039</u>	<u>715,637</u>
Total disbursements	<u>1,671,676</u>	<u>1,671,676</u>	<u>956,039</u>	<u>715,637</u>
Excess (deficiency) of receipts over (under) disbursements	(903,072)	(903,072)	1,106,097	2,009,169
Other financing sources (uses):				
<i>Transfers out</i>	<u>(21,977)</u>	<u>(21,977)</u>	<u>(21,977)</u>	
Total other financing sources (uses)	<u>(21,977)</u>	<u>(21,977)</u>	<u>(21,977)</u>	
Change in cash	(925,049)	(925,049)	1,084,120	2,009,169
Cash, October 1	<u>232,024</u>	<u>232,024</u>	<u>232,024</u>	
Cash, September 30	<u>\$ (693,025)</u>	<u>\$ (693,025)</u>	<u>\$ 1,316,144</u>	<u>\$ 2,009,169</u>

The accompanying notes are an integral part of this statement.

COMANCHE COUNTY, TEXAS

EXHIBIT A-7

**ROAD AND BRIDGE NUMBER FOUR
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH - BUDGET (CASH BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
<i>Taxes</i>	\$ 551,215	\$ 551,215	\$ 553,084	\$ 1,869
<i>State Shared Revenues</i>	151,709	151,709	158,447	6,738
<i>Intergovernmental</i>		=	(49,742)	(49,742)
<i>Miscellaneous</i>	5,000	5,000	15,539	10,539
<i>Interest income</i>	2,500	2,500	10,533	8,033
Total receipts	<u>710,424</u>	<u>710,424</u>	<u>687,861</u>	<u>(22,563)</u>
Disbursements:				
Current				
<i>Road and bridges</i>	980,395	1,200,394	823,484	376,910
Total disbursements	<u>980,395</u>	<u>1,200,394</u>	<u>823,484</u>	<u>376,910</u>
Excess (deficiency) of receipts over (under) disbursements	(269,971)	(489,970)	(135,623)	354,347
Other financing sources (uses):				
<i>Transfers out</i>	(21,977)	(21,977)	(21,977)	
Total other financing sources (uses)	<u>(21,977)</u>	<u>(21,977)</u>	<u>(21,977)</u>	<u>-</u>
Change in cash	(291,948)	(511,947)	(157,600)	354,347
Cash, October 1	1,667,731	1,667,731	1,667,731	
Cash, September 30	<u>\$ 1,375,783</u>	<u>\$ 1,155,784</u>	<u>\$ 1,510,131</u>	<u>\$ 354,347</u>

The accompanying notes are an integral part of this statement.

Comanche County, Texas

Notes to Financial Statements – Cash Basis

September 30, 2020

1 - SUMMARY OF SIGNIFICANT POLICIES

The financial statements of the County have been prepared in conformity with the cash basis of accounting. Receipts are recorded when cash is received; disbursements are recorded when cash is disbursed. The more significant of the County's accounting policies are described below.

A. Reporting Entity

The County is governed by four commissioners and a county judge who comprise the commissioners court. Comanche County operates under the laws of the State of Texas and subsequent court orders providing the following services: general administration, administration of justice, public welfare, state extension service, and road and bridge maintenance and construction.

For financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability - The primary government is deemed to be financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board. There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the basic financial statements present the County only.

Joint Venture:

Comanche County Cooperative Dispatch - The County participates in a central dispatch/911 joint venture with the three largest cities located within the County boundaries. The three member Operating Committee, which has responsibility for the daily operations and management of the facility, has one member each appointed by the County Commissioners Court and the City Council of the two largest cities. The annual budget must be approved by majority vote of venturers who may withdraw from the venture upon 12 months' notice. The County provides a physical location within the County Sheriff's Department facilities; financial services are provided by the County Treasurer and County Auditor. Costs of operations are shared based on the relative populations residing within each venturer. As the County has a 49% interest and is not able to significantly influence the venture, it accounts for its contributions to the venture through the General Fund. Information on the financial position and results of operations of the venture are available from the County Auditor.

B. Government-wide and Fund Financial Statements

The **government-wide financial statements** (i.e., Exhibit A-1, the statement of activities – cash basis) reports information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

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

The fund financial statements (i.e., Exhibit A-2) include the General Fund and Road and Bridge Funds One, Two, Three, and Four which meet the criteria as *major governmental funds*. These funds are reported in a separate column. Non-major funds include Special Revenue, and Debt Service funds. The combined amounts for these funds are reflected in a single column. Detailed statements for nonmajor funds are presented within Combining and Individual Fund Statements and Schedules.

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

Government-wide and governmental fund financial statements are reported using the cash basis of accounting. Receipts and disbursements are recorded when cash is received or disbursed.

The County reports the following major governmental funds:

The General Fund is the County’s general operating fund and is always classified as a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Major revenue sources include property and other taxes, intergovernmental revenues, charges for services, and investment of idle funds. Primary expenditures are for general administration, judicial and legal, public facilities and road and bridge maintenance and construction, public safety, and health and welfare.

Special Revenue Funds:

Road and Bridge Precinct #1 - This fund is used to account for the County’s receipts and disbursements related to the construction and maintenance of roads and bridges within County Precinct #1.

Comanche County, Texas
Notes to Financial Statements – Cash Basis
September 30, 2020

Road and Bridge Precinct #2 - This fund is used to account for the County's receipts and disbursements related to the construction and maintenance of roads and bridges within County Precinct #2.

Road and Bridge Precinct #3 - This fund is used to account for the County's receipts and disbursements related to the construction and maintenance of roads and bridges within County Precinct #3.

Road and Bridge Precinct #4 - This fund is used to account for the County's receipts and disbursements related to the construction and maintenance of roads and bridges within County Precinct #4.

Additionally, the County reports the following fund types:

Special Revenue Funds account for specific revenue sources that are legally restricted to disbursements for specific purposes (not including expendable trusts or major capital projects).

Debt Service Funds account for the accumulation of resources to be used for the payment of principal and interest.

The County's Fiduciary funds (agency funds) are omitted because they are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and other fiduciary funds. Agency funds do not involve a formal trust agreement, are custodial in nature (assets equal liabilities), and do not involve measurement of results of operations.

D. Budgetary Data

The budget is prepared using the cash basis of accounting. The County Judge serves as the budget officer for the Commissioners Court. The County Judge submits a budget for approval where the legal level of control is by department. Following is a summary of the budget calendar:

1. The proposed budget is filed with the County Clerk and made available for public inspection.
2. The Commissioners Court holds a public hearing on the proposed budget and subsequently makes changes and approves the budget including the adoption of a property tax levy which is effective on October 1.
3. The approved budget is filed with the County Clerk
4. During the course of the budget year, it may be necessary to amend the budget. The Commissioners Court may, by order, authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use

Comanche County, Texas
Notes to Financial Statements – Cash Basis
September 30, 2020

of reasonable diligent thought and attention. The Commissioners Court may issue an order to amend the budget by transferring an amount budgeted for one line item to another budgeted line item without authorizing an emergency expenditure.

Amendments to Budget – As shown on the budgetary comparison for the Road & Bridge (Number Two and Four) major special revenue funds on pages 11 and 13, the County made significant amendments to appropriations for account for increased costs of road and bridge repairs for damage caused by rainstorms that occurred during September 2018.

E. Cash and Cash Equivalents

1. Cash

Cash consists of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

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

Investments maturing within one year of date of purchase are stated at cost or amortized cost; all other investments are stated at fair value which is based on quoted market prices. All investment income is recognized in the appropriate fund's statement of activity and or statement of revenues, expenditures, and changes in fund balance.

II. DEPOSITS, INVESTMENTS, AND INVESTMENT POLICIES

A. Deposits - Cash and Cash Equivalents

At year end, the carrying amount of the County's cash and cash equivalents were \$7,687,727 (including agency funds of \$153,145) and the bank balance was \$6,913,880. At year end, the County's depository had pledged securities, with a par value of \$10,321,347 and fair value of \$10,594,002.

B. Classification of Cash

GASB-54 requires classification of fund balances as nonspendable, restricted, committed, assigned or unassigned. The County uses the cash basis OCBOA for financial presentation of its fund financial statements rather than modified accrual. Ending cash balances are reported rather than fund balance. Accordingly, cash has been reported below in the various classifications:

	Restricted	Committed	Unassigned	Total
Major Funds				
General Fund	\$ —	\$ —	\$ 1,632,109	\$ 1,632,109
Road and Bridge #1	1,272,568	—	—	1,272,568
Road and Bridge #2	140,634	—	—	140,634
Road and Bridge #3	1,316,144	—	—	1,316,144
Road and Bridge #4	1,510,131	—	—	1,510,131
Nonmajor Governmental Funds	1,662,996	—	—	1,662,996
	<u>\$ 5,902,473</u>	<u>\$ —</u>	<u>\$ 1,632,109</u>	<u>\$ 7,534,582</u>

III. PROPERTY TAX

The County's property tax is levied each October 1, on the assessed value listed as of the prior January 1, for all real and certain personal property located in the County. The appraisal of property within the County is the responsibility of Comanche County Appraisal District as required by legislation passed by the Texas Legislature. The appraisal district is required under such legislation to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios.

The value of property within the appraisal district must be reviewed every five years; however, the County may, at its own expense, require annual reviews of appraised values. The County may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

Property taxes attach as an enforceable lien on property as of July 1, following the levy date. Taxes are due by January 31, following the levy date and interest begins to accrue on unpaid taxes on February 1.