

COMANCHE INDEPENDENT SCHOOL DISTRICT

*ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED AUGUST 31, 2020*

*Introductory Section*

Comanche Independent School District  
Annual Financial Report  
For The Year Ended August 31, 2020

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Annual Financial Report  
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CERTIFICATE OF BOARD

Comanche Independent School District  
Name of School District

Comanche  
County

047-901  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one)  approved  disapproved for the year ended August 31, 2020, at a meeting of the board of trustees of such school district on the 15<sup>th</sup> day of December, 2020

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President

If the board of trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):  
(attach list as necessary)

*Financial Section*

**Burl D. Lowery**  
Certified Public Accountant  
311 Center Avenue  
Brownwood, Texas 76801

### **Independent Auditor's Report**

To the Board of Trustees  
Comanche Independent School District  
200 East Highland  
Comanche, Texas 76442

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Comanche Independent School District ("the District") as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Comanche Independent School District as of August 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Comanche Independent School District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards 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 other supplementary information 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.

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



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2020 on our consideration of Comanche Independent School District'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 District'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 Comanche Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



Burl D. Lowery  
Certified Public Accountant

Brownwood, TX  
December 4, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Comanche Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2020. Please read it in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$23,713,768 at August 31, 2020.
- During the year, the District's expenses were \$2,685,023, less than the 19,668,968 generated in taxes and other revenues for governmental activities.
- The total cost of the District's programs increased by \$1,494,357 and its revenues increased by \$2,293,881 during the current year.
- The general fund reported a fund balance this year of \$14,066,154.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts-*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as food service.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

### Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report information about the District's net assets and how they have changed. Net assets-the difference between the District's assets and liabilities- is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant *funds*-not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*-Most of the District's basic services are included in governmental funds, which focus on (1) how *cash* and *other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*-Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The District has no Proprietary Fund Types.
- We use *internal service funds* to report activities that provide workers compensation insurance for the District's other programs and activities.
- *Fiduciary funds*-The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that-because of a trust arrangement-can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We excluded these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations. These funds consist of student activity funds and a scholarship fund and belong to the individual clubs and organizations.

## **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Net assets. The District's combined net positions were \$ 23,713,768 at August 31, 2020 and \$21,028,743 at August 31, 2019.

The District has restricted net assets of \$147,320, which are restricted to future debt payments and state and federal programs, which leaves \$5,601,615 of unrestricted net assets at August 31, 2020. The \$5,601,615 of unrestricted net assets represents resources available to fund the programs of the District next year.

**Changes in net assets.** The District's total revenues were \$19,668,968. A significant portion, 28%, of the District's revenue comes from taxes. 49.4% comes from state available and foundation grants, while only 1.08% relates to charges for services.

The total cost of all programs and services was \$16,983,945; 62% of these costs are for instruction and instructional related services. (Expenditure Functions 11 and 12).

### **Governmental Activities**

- Property tax rates decreased slightly for maintenance and increased slightly for debt service in the current year. Property values increased generating tax revenues of \$5,461,020.

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

Revenues from governmental fund types in the individual funds totaled \$17,887,996, an increase of 4.4% over the preceding year. State foundation revenue fluctuates with student enrollment. The District's average daily attendance in 2019-2020 was approximately the same as 2018-2019.

### **General Fund Budgetary Highlights**

Over the course of the year, the District revised its budget several times. Even with these adjustments, actual expenditures were \$5,607,810 below final budget amounts of the General Fund.

On the other hand, resources available were \$490,671 less than the final budgeted amount.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of 2020, the District had invested \$47,464,013 in a broad range of capital assets, including land, equipment buildings, and vehicles. This amount represents a net increase (including additions and deductions) of \$2,957,976 or 6.65% over last year.

More detailed information about the District's capital assets is presented in the notes to the financial statements.

## **Long Term Debt**

At year-end the District had \$1,641,000 in notes outstanding, \$7,695,000 of bonds outstanding, and capital leases outstanding of \$82,722. More detailed information about the District's debt is presented in the notes to the financial statements.

The District has adopted GASB 68 and is reflecting a net pension liability of \$3,284,181 at August 31, 2020. The District adopted GASB 75 OPEB in the current year and is reflecting a net OPEB liability of \$4,829,385 at August 31, 2020.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Appraised value used for the 2020-2021 budget preparation is approximately the same as the prior year.
- General operating fund spending decreases in the 2020-2021 budget from \$21,665,464 to \$20,425,079. This is a 5.7% increase.
- The District's 2020-2021 refined average daily attendance is expected to be approximately the same as 2019-2020 refined average daily attendance.

These indicators were taken into account when adopting the general fund budget for 2020-2021. Amounts available for appropriation in the general fund budget are \$14,299,175, a decrease of 8 percent over the final 2019-2020 budget of \$15,572,512. State revenue will increase or decrease as the student population changes in size.

General fund expenditures are budgeted to increase nearly 5.7% to \$20,425,079 in the 2020-2021 budget. The District has added no major new programs or initiatives to the 2020-2021 general fund budget, but as budgeted \$5,952,214 for construction of an events center.

If these estimates are realized, the District's budgetary general fund balance is expected to decrease due to self-funded construction included in the 2020-2021 budget in the 2020-2021 fiscal year.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Services Department.

**COMANCHE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS - TABLES  
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**TABLE 1**

	Governmental Activities	
	2020	2019
<b>Current Assets:</b>		
Cash and cash equivalents	\$13,758,640	\$13,555,820
Due from other governments	\$1,354,111	\$1,444,092
Property taxes receivable net of uncollectible	\$185,428	\$159,162
Other receivables	\$310	\$21,547
<b>Total Current Assets</b>	<b>\$15,298,489</b>	<b>\$15,180,621</b>
<b>Noncurrent Assets:</b>		
Land	\$355,614	\$355,614
Buildings	\$40,290,305	\$40,290,305
Equipment and vehicles	\$3,752,046	\$3,588,530
Construction in progress	\$3,066,048	\$271,588
	<u>\$47,464,013</u>	<u>\$44,506,037</u>
Less accumulated depreciation	\$19,684,016	\$18,781,542
<b>Total Noncurrent Assets</b>	<b>\$27,779,997</b>	<b>\$25,724,495</b>
<b>Deferred Outflows of Resources</b>	<b>\$2,547,156</b>	<b>\$2,848,793</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$45,625,642</b>	<b>\$43,753,909</b>
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$673,411	\$659,656
Due to other funds		
<b>Total Current Liabilities</b>	<b>\$673,411</b>	<b>\$659,656</b>
<b>Long-term Liabilities:</b>		
Bonds payable	\$7,695,000	\$8,145,000
Notes payable	\$1,641,000	\$2,072,000
Capital leases payable	\$82,722	\$165,015
Unamortized premium on bonds	\$396,443	\$435,808
Net OPEB liability	\$4,829,385	\$5,476,530
Net pension liability	\$3,288,181	\$3,647,533
<b>Total Long-term Liabilities</b>	<b>\$17,932,731</b>	<b>\$19,941,886</b>
<b>Total Liabilities</b>	<b>\$18,606,142</b>	<b>\$20,601,542</b>
<b>Deferred Inflows of Resources</b>	<b>\$3,309,733</b>	<b>\$2,123,624</b>
<b>Net Assets:</b>		
Invested in capital assets	\$17,964,833	\$14,906,672
Restricted for state and federal programs	\$126,812	\$93,325
Restricted for debt service	\$20,508	\$5,446
Unrestricted	\$5,601,615	\$6,023,300
<b>Total Net Position</b>	<b>\$23,713,768</b>	<b>\$21,028,743</b>

**COMANCHE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - TABLES  
TABLE 2**

**CHANGES IN NET ASSETS**

	Governmental Activities	
	2020	2019
Program Revenues:		
Charges for services	\$212,879	\$296,695
Operating grants and contributions	\$2,611,423	\$2,753,344
Capital grants and contributions		
General Revenues:		
Property taxes	\$5,461,020	\$4,914,361
State aid	\$9,721,066	\$8,747,722
Investment earnings	\$178,162	\$221,827
Other revenues	\$332,376	\$441,138
Extraordinary item in	\$1,152,042	\$0
<b>Total Revenues</b>	<b>\$19,668,968</b>	<b>\$17,375,087</b>
Expenditures:		
Instruction	\$10,528,117	\$8,940,728
Instructional resources and media services	\$60,217	\$81,178
Curriculum and staff development	\$9,254	\$28,304
Instructional leadership	\$19,007	\$0
School leadership	\$657,922	\$628,743
Guidance and counseling services	\$457,260	\$380,690
Social work services	\$0	\$0
Health services	\$121,680	\$98,700
Student transportation	\$498,216	\$550,041
Food services	\$1,020,182	\$1,033,782
Cocurricular/Extracurricular activities	\$674,589	\$704,159
General administration	\$498,103	\$469,599
Plant maintenance & operation	\$1,484,112	\$1,572,999
Security and monitoring services	\$45,249	\$68,496
Data processing services	\$171,876	\$165,096
Community services	\$0	\$0
Debt services	\$325,835	\$345,505
Payments to fiscal agent/member districts SSA	\$224,723	\$243,071
Other intergovernmental charges	\$187,603	\$178,497
<b>Total Expenditures</b>	<b>\$16,983,945</b>	<b>\$15,489,588</b>
Excess (Deficiency) Before Other Resources, Uses, and Transfers	\$2,685,023	\$1,885,499
Other Resources (Uses)		
Transfers In (Out)	\$0	\$0
Increase (Decrease) in Net Assets	\$2,685,023	\$1,885,499
Net Position - Beginning	\$21,028,745	\$19,137,636
Prior period adjustments	\$0	\$5,608
<b>Net Position - Ending</b>	<b>\$23,713,768</b>	<b>\$21,028,743</b>

**COMANCHE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - TABLES  
TABLE 3**

**CAPITAL ASSETS**

	Governmental Activities	
	2020	2019
Land	\$355,614	\$355,614
Construction in progress	\$3,066,048	\$271,588
Buildings and improvements	\$40,290,305	\$40,290,305
Equipment and vehicles	\$3,752,046	\$3,588,530
<b>Total Capital Assets</b>	<b>\$47,464,013</b>	<b>\$44,506,037</b>
<b>Total Accumulated Depreciation</b>	<b>\$19,684,016</b>	<b>\$18,781,542</b>
<b>Net Capital Assets</b>	<b>\$27,779,997</b>	<b>\$25,724,495</b>

**TABLE 4**

**LONG-TERM DEBT**

	Governmental Activities	
	2020	2019
Bonds payable	\$7,695,000	\$8,145,000
Unamortized bond premiums	\$396,443	\$435,808
Notes payable	\$1,641,000	\$2,072,000
Capital lease payable	\$82,722	\$165,015
Net OPEB Liability	\$4,829,385	\$5,476,530
Net pension liability	\$3,284,181	\$3,647,533
<b>Total Long-term Debt</b>	<b>\$17,928,731</b>	<b>\$19,941,886</b>



*Basic Financial Statements*

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2020**

Data Control Codes	1	Governmental Activities
<b>ASSETS:</b>		
1110	<i>Cash and Cash Equivalents</i>	\$ 13,575,585
1120	<i>Current Investments</i>	183,055
1225	<i>Property Taxes Receivable (Net)</i>	185,428
1240	<i>Due from Other Governments</i>	1,354,111
1290	<i>Other Receivables (Net)</i>	310
Capital Assets:		
1510	<i>Land</i>	355,616
1520	<i>Buildings and Improvements, Net</i>	23,580,138
1530	<i>Furniture and Equipment, Net</i>	778,196
1580	<i>Construction in Progress</i>	3,066,048
1000	Total Assets	<u>43,078,487</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
	<i>Deferred Outflow of Resources - Undesignated</i>	126,264
	<i>Deferred Outflow Related to Pensions</i>	1,792,861
	<i>Deferred Outflow Related to OPEB</i>	628,031
1700	Total Deferred Outflows of Resources	<u>2,547,156</u>
<b>LIABILITIES:</b>		
2110	<i>Accounts Payable</i>	16,811
2165	<i>Accrued Liabilities</i>	656,600
Noncurrent Liabilities:		
2501	<i>Due Within One Year</i>	791,723
2502	<i>Due in More Than One Year</i>	9,023,442
2540	<i>Net Pension Liability</i>	3,284,181
2545	<i>Net OPEB Liability</i>	4,829,385
2000	Total Liabilities	<u>18,602,142</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
	<i>Deferred Revenue</i>	37,606
	<i>Deferred Inflow Related to Pensions</i>	764,322
	<i>Deferred Inflow Related to OPEB</i>	2,507,805
2600	Total Deferred Inflows of Resources	<u>3,309,733</u>
<b>NET POSITION:</b>		
3200	Net Investment in Capital Assets	17,964,833
Restricted For:		
3820	State and Federal Programs	126,812
3850	Debt Service	20,508
3900	Unrestricted	5,601,615
3000	Total Net Position	<u>\$ 23,713,768</u>

The accompanying notes are an integral part of this statement.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

Data Control Codes	Functions/Programs	1	3	4	Net (Expense) Revenue and Changes in Net Position
		Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Governmental Activities
	<b>Governmental Activities:</b>				
11	<i>Instruction</i>	\$ 10,528,117	\$ --	\$ 1,279,794	\$ (9,248,323)
12	<i>Instructional Resources and Media Services</i>	60,217	--	293	(59,924)
13	<i>Curriculum and Staff Development</i>	9,254	--	6,312	(2,942)
21	<i>Instructional Leadership</i>	19,007	--	93	(18,914)
23	<i>School Leadership</i>	657,922	--	3,119	(654,803)
31	<i>Guidance, Counseling, &amp; Evaluation Services</i>	457,260	--	2,174	(455,086)
33	<i>Health Services</i>	121,680	--	572	(121,108)
34	<i>Student Transportation</i>	498,216	--	2,400	(495,816)
35	<i>Food Service</i>	1,020,182	171,178	604,533	(244,471)
36	<i>Cocurricular/Extracurricular Activities</i>	674,589	41,701	3,172	(629,716)
41	<i>General Administration</i>	498,103	--	2,414	(495,689)
51	<i>Facilities Maintenance and Operations</i>	1,484,112	--	7,321	(1,476,791)
52	<i>Security and Monitoring Services</i>	45,249	--	233	(45,016)
53	<i>Data Processing Services</i>	171,876	--	678,446	506,570
72	<i>Interest on Long-term Debt</i>	323,383	--	19,317	(304,066)
73	<i>Bond Issuance Costs and Fees</i>	2,452	--	--	(2,452)
93	<i>Payments Related to Shared Services Arrangements</i>	224,723	--	1,230	(223,493)
99	<i>Other Intergovernmental Charges</i>	187,603	--	--	(187,603)
TG	Total Governmental Activities	16,983,945	212,879	2,611,423	(14,159,643)
TP	Total Primary Government	\$ 16,983,945	\$ 212,879	\$ 2,611,423	(14,159,643)
	<b>General Revenues:</b>				
MT	<i>Property Taxes, Levied for General Purposes</i>				4,705,571
DT	<i>Property Taxes, Levied for Debt Service</i>				755,449
IE	<i>Investment Earnings</i>				178,162
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>				9,721,066
MI	<i>Miscellaneous</i>				332,376
	<b>Special and Extraordinary Items:</b>				
E1	<i>Extraordinary Item Inflow</i>				1,152,042
TR	Total General Revenues				16,844,666
CN	Change in Net Position				2,685,023
NB	Net Position - Beginning				21,028,745
NE	Net Position - Ending				\$ 23,713,768

The accompanying notes are an integral part of this statement.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**AUGUST 31, 2020**

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ 13,874,425	\$ (318,535)	\$ 13,555,890
1120	Current Investments	2,835	409	3,244
1225	Taxes Receivable, Net	167,808	17,620	185,428
1240	Due from Other Governments	753,217	600,894	1,354,111
1290	Other Receivables	--	310	310
1000	<b>Total Assets</b>	<b>14,798,285</b>	<b>300,698</b>	<b>15,098,983</b>
<b>LIABILITIES:</b>				
Current Liabilities:				
2160	Accrued Wages Payable	\$ 552,973	\$ 85,223	\$ 638,196
2200	Accrued Expenditures	11,350	7,054	18,404
2000	<b>Total Liabilities</b>	<b>564,323</b>	<b>92,277</b>	<b>656,600</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
	Deferred Revenue	167,808	55,225	223,033
2600	<b>Total Deferred Inflows of Resources</b>	<b>167,808</b>	<b>55,225</b>	<b>223,033</b>
<b>FUND BALANCES:</b>				
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	126,812	126,812
3480	Retirement of Long-Term Debt	--	20,508	20,508
3490	Other Restrictions of Fund Balance	--	5,876	5,876
Committed Fund Balances:				
3510	Construction	7,500,000	--	7,500,000
3530	Capital Expenditures for Equipment	500,000	--	500,000
3600	Unassigned	6,066,154	--	6,066,154
3000	<b>Total Fund Balances</b>	<b>14,066,154</b>	<b>153,196</b>	<b>14,219,350</b>
4000	<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 14,798,285</b>	<b>\$ 300,698</b>	<b>\$ 15,098,983</b>

The accompanying notes are an integral part of this statement.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**AUGUST 31, 2020**

Total fund balances - governmental funds balance sheet	\$ 14,219,350
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	27,779,998
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	185,428
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	182,694
Payables for bond principal which are not due in the current period are not reported in the funds.	(7,695,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(82,722)
Payables for notes which are not due in the current period are not reported in the funds.	(1,641,000)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	126,264
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(3,284,181)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(764,322)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	1,792,861
Bond premiums are amortized in the SNA but not in the funds.	(396,443)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(4,829,385)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(2,507,805)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	628,031
Rounding difference	<u>1</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 23,713,768</u>

The accompanying notes are an integral part of this statement.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

Data Control Codes	10 General Fund	Other Governmental Funds	98 Total Governmental Funds
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 5,228,438	\$ 929,733	\$ 6,158,171
5800 <i>State Program Revenues</i>	9,593,223	211,327	9,804,550
5900 <i>Federal Program Revenues</i>	260,180	1,665,095	1,925,275
5020 <b>Total Revenues</b>	<u>15,081,841</u>	<u>2,806,155</u>	<u>17,887,996</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	8,043,246	1,253,053	9,296,299
0012 <i>Instructional Resources and Media Services</i>	53,847	--	53,847
0013 <i>Curriculum and Staff Development</i>	2,425	6,287	8,712
0021 <i>Instructional Leadership</i>	16,589	--	16,589
0023 <i>School Leadership</i>	570,868	--	570,868
0031 <i>Guidance, Counseling, &amp; Evaluation Services</i>	397,416	--	397,416
0033 <i>Health Services</i>	104,541	948	105,489
0034 <i>Student Transportation</i>	579,065	--	579,065
0035 <i>Food Service</i>	26,964	906,230	933,194
0036 <i>Cocurricular/Extracurricular Activities</i>	607,525	--	607,525
0041 <i>General Administration</i>	441,041	--	441,041
0051 <i>Facilities Maintenance and Operations</i>	1,338,960	--	1,338,960
0052 <i>Security and Monitoring Services</i>	42,598	--	42,598
0053 <i>Data Processing Services</i>	152,778	--	152,778
0071 <i>Principal on Long-term Debt</i>	431,000	450,000	881,000
0072 <i>Interest on Long-term Debt</i>	40,798	303,913	344,711
0073 <i>Bond Issuance Costs and Fees</i>	1,206	1,246	2,452
0081 <i>Capital Outlay</i>	2,794,461	--	2,794,461
0093 <i>Payments to Shared Service Arrangements</i>	224,723	--	224,723
0099 <i>Other Intergovernmental Charges</i>	187,603	--	187,603
6030 <b>Total Expenditures</b>	<u>16,057,654</u>	<u>2,921,677</u>	<u>18,979,331</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	<u>(975,813)</u>	<u>(115,522)</u>	<u>(1,091,335)</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	--	164,000	164,000
8911 <i>Transfers Out</i>	(164,000)	--	(164,000)
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>(164,000)</u>	<u>164,000</u>	<u>--</u>
<b>EXTRAORDINARY ITEM:</b>			
7919 <i>Extraordinary Item (Resource)</i>	1,152,042	--	1,152,042
1200 <b>Net Change in Fund Balances</b>	<u>12,229</u>	<u>48,478</u>	<u>60,707</u>
0100 <b>Fund Balances - Beginning</b>	14,053,925	104,718	14,158,643
3000 <b>Fund Balances - Ending</b>	<u>\$ 14,066,154</u>	<u>\$ 153,196</u>	<u>\$ 14,219,350</u>

The accompanying notes are an integral part of this statement.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

Net change in fund balances - total governmental funds	\$ 60,707
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,957,977
The depreciation of capital assets used in governmental activities is not reported in the funds.	(902,474)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	26,266
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	450,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	82,292
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	431,000
The net revenue (expense) of internal service funds is reported with governmental activities.	6,042
Bond premiums are reported in the funds but not in the SOA.	21,328
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(450,569)
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	<u>2,453</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 2,685,023</u>

The accompanying notes are an integral part of this statement.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUND**  
**AUGUST 31, 2020**

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
	<b>ASSETS:</b>	
	Current Assets:	
1110	<i>Cash and Cash Equivalents</i>	\$ 19,694
1120	<i>Investments</i>	<u>179,811</u>
	Total Current Assets	<u>199,505</u>
1000	Total Assets	<u>199,505</u>
	<b>LIABILITIES:</b>	
	Current Liabilities:	
2110	<i>Accounts Payable</i>	\$ <u>16,811</u>
	Total Current Liabilities	<u>16,811</u>
2000	Total Liabilities	<u>16,811</u>
	<b>NET POSITION:</b>	
3900	<i>Unrestricted</i>	182,694
3000	Total Net Position	<u>\$ 182,694</u>

The accompanying notes are an integral part of this statement.



**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET POSITION - INTERNAL SERVICE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

Data Control Codes		Nonmajor Internal Service Fund
		Insurance Fund
	<b>OPERATING REVENUES:</b>	
5700	<i>Local and Intermediate Sources</i>	\$ 6,758
5020	Total Revenues	<u>6,758</u>
	<b>OPERATING EXPENSES:</b>	
6400	<i>Other Operating Costs</i>	<u>716</u>
6030	Total Expenses	<u>716</u>
1300	Change in Net Position	6,042
0100	Total Net Position - Beginning	176,652
3300	Total Net Position - Ending	<u>\$ 182,694</u>

The accompanying notes are an integral part of this statement.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>	
<i>Cash Received from Customers</i>	\$ --
<i>Cash Received from Grants</i>	--
<i>Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds</i>	4,515
<i>Cash Payments to Employees for Services</i>	--
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(5,231)
<i>Cash Payments for Grants to Other Organizations</i>	--
<i>Other Operating Cash Receipts (Payments)</i>	--
Net Cash Provided (Used) by Operating Activities	<u>(716)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>	
<i>Proceeds (Payments) from (for) Borrowings</i>	--
<i>Operating Grants Received</i>	--
<i>Transfers From (To) Primary Government</i>	--
<i>Transfers From (To) Other Funds</i>	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
<i>Proceeds from Issuance of Long-term Debt</i>	--
<i>Principal and Interest Paid</i>	--
<i>Acquisition or Construction of Capital Assets</i>	--
<i>Proceeds from Sale of Capital Assets</i>	--
<i>Contributed Capital</i>	--
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>--</u>
<b>Cash Flows from Investing Activities:</b>	
<i>Purchase of Investment Securities</i>	--
<i>Proceeds from Sale and Maturities of Securities</i>	--
<i>Interest and Dividends on Investments</i>	2,243
Net Cash Provided (Used) for Investing Activities	<u>2,243</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,527
Cash and Cash Equivalents at Beginning of Year	197,978
Cash and Cash Equivalents at End of Year	<u>\$ 199,505</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ 6,042
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
<i>Depreciation</i>	--
<i>Provision for Uncollectible Accounts</i>	--
Change in Assets and Liabilities:	
<i>Interest on Investments</i>	(2,243)
<i>Decrease (Increase) in Inventories</i>	--
<i>Decrease (Increase) in Prepaid Expenses</i>	--
<i>Increase (Decrease) in Accounts Payable</i>	(4,515)
<i>Increase (Decrease) in Unearned Revenue</i>	--
Total Adjustments	<u>(6,758)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (716)</u>

The accompanying notes are an integral part of this statement.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**AUGUST 31, 2020**

Data Control Codes	Private-purpose Trust Fund	Agency Fund
ASSETS:	Private-Purpose Trust Fund	Student Activity
1110 <i>Cash and Cash Equivalents</i>	\$ --	\$ 88,857
1120 <i>Current Investments</i>	1,154,586	--
1000 Total Assets	<u>1,154,586</u>	<u>88,857</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2190 <i>Due to Student Groups</i>	\$ --	\$ 88,857
2000 Total Liabilities	<u>--</u>	<u>88,857</u>
<b>NET POSITION:</b>		
3800 <i>Held in Trust</i>	1,154,586	--
3000 Total Net Position	<u>\$ 1,154,586</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

	Private Purpose Trusts
<b>Additions:</b>	
Investment Income	\$ 24,453
Net (Decrease) in Fair Value of Investments	--
Employer Contributions	--
Plan Member Contributions	--
<b>Total Additions</b>	<u>24,453</u>
<b>Deductions:</b>	
Scholarship Awards	23,750
Benefits	--
Refunds of Contributions	--
Administrative Expenses	--
<b>Total Deductions</b>	<u>23,750</u>
<b>Change in Net Position</b>	703
Net Position-Beginning of the Year	1,153,883
Net Position-End of the Year	<u>\$ 1,154,586</u>

The accompanying notes are an integral part of this statement.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED AUGUST 31, 2020*

A. Summary of Significant Accounting Policies

The basic financial statements of Comanche Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

**Government-wide Financial Statements:** The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

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

In addition, the District reports the following fund types:

**Internal Service Funds:** These funds are used to account for revenues and expenses related to services provided

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

**Private-Purpose Trust Funds:** These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

**Custodial Funds:** These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. **Measurement Focus, Basis of Accounting**

**Government-wide, Proprietary, and Fiduciary Fund Financial Statements:** These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. **Financial Statement Amounts**

a. **Cash and Cash Equivalents**

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

b. **Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) 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 and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

g. Interfund Activity

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

h. Use of Estimates

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

i. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

j. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

**Nonspendable Fund Balance** - represents amounts that cannot be spent because they are either not spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

**Restricted Fund Balance** - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

**Committed Fund Balance** - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

**Assigned Fund Balance** - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

**Unassigned Fund Balance** - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.



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k. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

l. Fund Balance Flow Assumptions

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

4. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. 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.

5. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to / deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

6. Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

7. Future Implementation of New Standards

In order to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* is currently in effect to postpone the effective dates of certain provisions in Statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later.

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The effective dates for the following pronouncements are postponed by one year:

Statement No. 84, *Fiduciary Activities*

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

Statement No. 90, *Majority Equity Interests*

Statement No. 91, *Conduit Debt Obligations*

Statement No. 92, *Omnibus 2020*

Statement No. 93, *Replacement of Interbank Offered Rates*

The effective dates for the following pronouncements are postponed by 18 months:

Statement No. 87, *Leases*

**B. Compliance and Accountability**

**1. Finance-Related Legal and Contractual Provisions**

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

**2. Deficit Fund Balance or Fund Net Position of Individual Funds**

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

**C. Deposits and Investments**

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

**1. Cash Deposits:**

At August 31, 2020, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$15,001,380 and the bank balance was \$1,531,649. The District's cash deposits at August 31, 2020 and during the year ended August 31, 2020, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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**2. Investments:**

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

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

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The District's investment at August 31, 2020 is shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Certificates of Deposit	Short Term	\$ 1,183,055
		--
Total Investments		\$ <u>1,183,055</u>

**3. Analysis of Specific Deposit and Investment Risks**

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

**a. Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

At August 31, 2020, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

Certificates of Deposit                      \$1,183,055    Secured by FDIC & pledged securities

**b. Custodial Credit Risk**

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

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c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy

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

D. Capital Assets

Capital asset activity for the year ended August 31, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 355,614	\$ --	\$ --	\$ 355,614
Construction in progress	271,588	2,794,461	--	3,066,048
Total capital assets not being depreciated	<u>627,202</u>	<u>2,794,461</u>	<u>--</u>	<u>3,421,663</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	40,290,305	--	--	40,290,305
Equipment	3,588,530	163,516	--	3,752,046
Vehicles	--	--	--	--
Total capital assets being depreciated	<u>43,878,836</u>	<u>163,516</u>	<u>--</u>	<u>44,042,351</u>
Less accumulated depreciation for:				
Buildings and improvements	(15,922,434)	--	787,733	(16,710,167)
Equipment	(2,859,109)	--	114,741	(2,973,850)
Vehicles	--	--	--	--
Total accumulated depreciation	<u>(18,781,542)</u>	<u>--</u>	<u>902,474</u>	<u>(19,684,016)</u>
Total capital assets being depreciated, net	<u>25,097,293</u>	<u>163,516</u>	<u>902,474</u>	<u>24,358,335</u>
Governmental activities capital assets, net	<u>\$ 25,724,495</u>	<u>\$ 2,957,976</u>	<u>\$ 902,474</u>	<u>\$ 27,779,998</u>

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Depreciation was charged to functions as follows:

Instruction	\$	575,847
Instructional Resources and Media Services		3,351
Curriculum and Staff Development		542
Instructional Leadership		1,032
School Leadership		35,529
Guidance, Counseling, & Evaluation Services		24,734
Health Services		6,565
Student Transportation		36,040
Food Services		58,080
Extracurricular Activities		37,811
General Administration		27,449
Plant Maintenance and Operations		83,333
Security and Monitoring Services		2,651
Community Services		9,509
	\$	<u>902,474</u>

**E. Interfund Balances and Activities**

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2020, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ --	Short-term loans
General Fund	Major fund (specify fund name)	--	For transfer of federal receipts
Major fund (specify fund name)	General Fund	--	Capital projects expenditures
Other Governmental Funds	General Fund	--	Specify purpose here
	Other Balances	--	
	Total	<u>\$ --</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2020, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General fund	Debt service fund	\$ --	Provide resources for repayment of certificates of participation
General fund	Other Governmental Funds	--	Pay debt service on health insurance financing bonds
General fund	Other Governmental Funds	164,000	Supplement other funds sources
Major fund (specify fund name)	General Fund	--	Reimburse expenditures
Other Governmental Funds	Other Governmental Funds	--	Supplement other funds sources
	Total	<u>\$ 164,000</u>	

**F. Short-Term Debt Activity**

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources. The District has no short-term debt.

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**G. Long-Term Obligations**

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

**1. Long-Term Obligation Activity**

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2020, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 8,145,000	\$ --	\$ 450,000	\$ 7,695,000	\$ 465,000
Capital leases	165,015	--	82,293	82,722	82,722
Notes	2,072,000	--	431,000	1,641,000	244,000
Premiums on bonds	435,808	--	39,365	396,443	--
Compensated absences *	--	--	--	--	--
Claims and judgments *	--	--	--	--	--
Net Pension Liability *	3,647,533	--	363,352	3,284,181	--
Net OPEB Liability	5,476,530	--	647,145	4,829,385	--
Notes from Direct Borrowings and Direct Placements	--	--	--	--	--
Total governmental activities	\$ 19,941,886	\$ --	\$ 2,013,155	\$ 17,928,731	\$ 791,722

Interest on bonds ranges from 2.0% to 4.25%.

Interest rates on loans range from 1.25% to 4.35%.

The District has deferred outflows of \$126,264 related to a prior year's refunding bond issue.

**\* Other long-term liabilities**

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	N/A
Claims and judgments	Governmental	General
Net Pension Liability *	Governmental	General
Compensated absences	Business-type	N/A
Claims and judgments	Business-type	N/A

**2. Debt Service Requirements**

Debt service requirements on long-term debt at August 31, 2020, are as follows:

Year Ending August 31,	Governmental Activities				
	Bonds		Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2021	\$ 791,722	322,908	--	\$ --	\$ 1,114,630
2022	731,000	302,235	--	--	1,033,235
2023	748,000	280,435	--	--	1,028,435
2024	660,000	256,500	--	--	916,500
2025	683,000	234,764	--	--	917,764
2026-2030	3,630,000	795,013	--	--	4,425,013
2031-2035	2,175,000	285,576	--	--	2,460,576
Totals	\$ 9,418,722	\$ 2,477,432	\$ --	\$ --	\$ 11,896,154

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3. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of August 31, 2020, as follows:

<u>Year Ending August 31:</u>	
2021	\$ 85,154
2022	--
2023	--
2024	--
2025	--
2026-2030	--
2031-2035	--
2036-2040	--
Total Minimum Rentals	<u>\$ 85,154</u>
Rental Expenditures in 2020	<u>\$ 85,154</u>

The effective interest rate on capital leases is 0.522%.

H. Commitments Under Noncapitalized Leases

The District has no noncapitalized leases.

I. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2020, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

J. Pension Plan

1. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting About TRS then Publications then

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Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (1.) above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

In May, 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

4. Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

**Contribution Rates**

	2019	2020
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
District's 2019 Employer Contributions	\$ 275,949	
District's 2019 Member Contributions	\$ 718,794	
2019 NECE On-Behalf Contributions (state)	\$ 436,453	

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual



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compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non(OASDI) surcharge that was in effect in fiscal year 2019.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution

5. Actuarial Assumptions

The total pension liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2019	2.63%
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2018.

6. Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was

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based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan 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 inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

<b>Asset Class</b>	<b>FY 2019 Target Allocation *</b>	<b>New Target Allocation **</b>	<b>Long-Term Expected Geometric Real Rate of Return ***</b>
<b>Global Equity</b>			
USA	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.4%
<b>Stable Value</b>			
U.S. Treasuries ****	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Absolute Return	0.0%	0.0%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds ****	3.0%	-	-
Real Estate	14.0%	15.0%	8.5%
Energy, Natural Resources & Infrastructure	5.0%	6.0%	7.3%
Commodities	0.0%	0.0%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	8.0%	5.8%/6.5%*****
<b>Leverage</b>			
Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage	-	-6.0%	2.7%
<b>Expected Return</b>	<b>100.0%</b>	<b>100.0%</b>	<b>7.23%</b>

\* Target allocations are based on the Strategic Asset Allocation as of FY2019  
\*\* New allocations are based on the Strategic Asset Allocation to be implemented FY2020  
\*\*\* 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%  
\*\*\*\* New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds  
\*\*\*\*\* 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility

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7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
District's proportionate share of the net pension liability:	\$ 5,048,263	\$ 3,284,181	\$ 1,854,934

8. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2020, the District reported a liability of \$3,284,181 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 3,284,181
State's proportionate share that is associated with District	<u>6,482,396</u>
Total	<u>\$ 9,766,577</u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was 0.0063177824%. which was an increase (decrease) of (0.0003090176%) from its proportion measured as of August 31, 2018.

**Changes Since the Prior Actuarial Valuation -**

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas Legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

For the year ended August 31, 2020, the District recognized pension expense of \$1,018,293 and revenue of \$1,018,293 for support provided by the State.

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At August 31, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 13,796	\$ 114,032
Changes in actuarial assumptions	1,018,914	421,064
Difference between projected and actual investment earnings	32,977	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	451,225	229,226
Contributions paid to TRS subsequent to the measurement date	<u>275,949</u>	<u>--</u>
Total	<u>\$ 1,792,861</u>	<u>\$ 764,322</u>

The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense Amount
2021	\$ 237,358
2022	\$ 196,843
2023	\$ 191,702
2024	\$ 125,880
2025	\$ 37,721
Thereafter	\$ (36,912)

**K. Defined Other Post-Employment Benefit Plans**

1. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

2. OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf>, selecting About TRS then Publications then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698.

3. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent

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coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table.

TRS-Care Monthly Premium Rates		
	Medicare	Non-Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

4. Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates		
	2019	2020
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%
District's 2020 Employer Contributions	\$	70,013
District's 2020 Member Contributions	\$	60,677
2019 NECE On-Behalf Contributions (state)	\$	96,300

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When hiring a TRS

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retiree, employers are required to pay TRS-Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

5. Actuarial Assumptions

The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation *
Healthcare Trend Rates	7.30% **
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. ***
Ad Hoc Post-Employment Benefit Changes	None

\* Includes inflation at 2.5%.

\*\*7.3% for FY2020, 7.4% for FY 2021, 7.0% for FY 2022, decreasing 0.5% per year to an ultimate rate of 4.5% for FY 2027 and later years.

\*\*\* 25% of pre-65 retirees are assumed to discontinue coverage at age 65.

6. Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability. There was an increase of 1.06% in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the

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OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used in measuring the net OPEB liability.

	1% Decrease in Discount Rate (1.63%)	Current Single Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
District's proportionate share of net OPEB liability	\$ 5,830,617	\$ 4,829,384	\$ 4,046,120

8. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2020, the District reported a liability of \$(325,545) for its proportionate share of the TRS's Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 4,829,385
State's proportionate share that is associated with the District	<u>\$ 6,417,172</u>
Total	<u>\$ 11,246,557</u>

The Net OPEB liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2020 the District's proportion of the collective net OPEB liability was 0.0102120095, compared to 0.0109682% at August 31, 2019.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed 8.5% rate is used.

	1% Decrease in Healthcare Trend Rate (7.5%)	Current Single Healthcare Trend Rate (8.5%)	1% Increase in Healthcare Trend Rate (9.5%)
District's proportionate share of net OPEB liability	\$ 3,939,642	\$ 4,829,384	\$ 6,021,230

9. Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability (TOL) since the prior measurement period:

- The discount rate was changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.

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- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the TOL.
- Change of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2020, the District recognized OPEB expense of \$169,130 and revenue of \$169,130 for support provided by the State.

At August 31, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 236,922	\$ 790,278
Changes in actuarial assumptions	268,235	1,298,986
Differences between projected and actual investment earnings	521	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	36,149	418,541
Contributions paid to TRS subsequent to the measurement date	<u>86,204</u>	
Total	<u>\$ 628,031</u>	<u>\$ 2,507,805</u>

The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended August 31,	OPEB Expense Amount
2021	\$ (313,423)
2022	\$ (313,423)
2023	\$ (313,591)
2024	\$ (313,688)
2025	\$ (313,661)
Thereafter	\$ (398,192)

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the current fiscal year ended August 31, 2020, the subsidy payment received by TRS-Care on behalf of the District was \$42,929.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

L. Employee Health Care Coverage

During the year ended August 31, 2020, employees of the District were covered the TRS Health Care Plan. The District paid total premiums of approximately \$378,047 to this plan during the 2019-2020 fiscal year.

M. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the District at August 31, 2020.

N. Shared Services Arrangements

Shared Services Arrangement - Membership

The District participates in a shared services arrangement ("SSA") for a special education cooperative with the following districts:

Member Districts

Comanche ISD  
De Leon ISD - Fiscal Agent  
Cros PLains ISD  
Sidney ISD  
Gustine ISD  
May ISD

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, De Leon ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, school name, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

O. Subsequent Events

Management reviewed all transactions and events from August 31, 2020 to December 4, 2020. There were no items noted that are required to be disclosed as subsequent events.

P. Workers Compensation Insurance

The District is a participant in the North Texas Educational Insurance Workers' Compensation Self-Insurance Fund. The purpose of the Fund is to provide statutory benefits for the fund members'

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED AUGUST 31, 2020*

employees through self-insurance of workers' compensation prescribed by Article 8309h, revised Civil Statutes of Texas as amended.

The interlocal agreement between the Comanche Independent School District and the North Texas Educational Insurance Association Workers Compensation Self-Insurance Fund is for a term beginning September 1, 2019 and terminating on September 1, 2020. Either party may terminate the agreement upon 60 days notice with the termination becoming effective at the end of the plan currently in force.

The required contribution for each fund member is based on the State Board of Insurance workers' compensation rates for the various payroll classification included in the fund member's annual payroll. The interlocal agreement states that the Comanche Independent School District's fixed cost for the 2019-2020 year is \$54,543, which is recorded in the District's records as insurance expense. The District has recorded a liability for estimated claims of \$16,811 as a liability in its self-insurance fund.

The "pooled risk" self-insurance fund is managed by a six member board. Any excess to the cumulative contributions and the investment earnings of all fund sponsors are available for reduction of the annual contributions. The Fund retains \$225,000 for any one accident or occurrence and purchases stop loss protection for all other claims.

The Board reserved the right in the interlocal agreement to adjust this stop loss provision in the event that the fiscal soundness of the fund would justify such an adjustment and/or result in savings to fund members. All Claims are processed and paid by the pool through a servicing contractor employed by the Fund. The District had estimated unpaid claims of \$16,811 at August 31, 2019.

**Q. Property/Casualty Insurance**

During the year ended August 31, 2020, the Comanche Independent School District participated in the TASB Risk Management Fund's (the Fund's) Property Casualty Program with coverage in:

Property  
Auto Liability  
Auto Physical Damage  
Equipment Breakdown  
General Liability

The Fund was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop loss coverage for protection against catastrophic and larger than anticipated claims for the Property Casualty Program. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2020, the Fund anticipates the District has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2018, are available at the TASB website and have been filed with the Texas Department of Insurance in Austin.

**R. Unemployment Compensation**

During the year ended August 31, 2020, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management (the Fund). The Fund was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by

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Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued each month until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific aggregate stop loss coverage for Unemployment Compensation. For the year ended August 31, 2018, the Fund anticipates that the Comanche ISD has no additional liability beyond the contractual obligation for payment of contribution.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The fund's audited financial statements as of August 31, 2019, are available at the TASB offices and have been filed with the Texas Department of Insurance in Austin.

**S. Due from Other Governments**

The following is a summary of amounts due from other governmental entities as of August 31, 2020:

	State Revenue Sources	Federal Revenue Sources	Total
General Fund	\$753,217		\$753,217
Special Revenue Funds	\$175,388	\$425,506	\$600,894
Total Due from Other Governmental Entities	<u>\$928,605</u>	<u>\$425,506</u>	<u>\$1,354,111</u>

**T. Unearned Revenue in Individual Funds**

The District has unearned revenue in the individual funds at August 31, 2020 as follows:

Property tax revenue:		
General Fund		\$167,808
Debt Service Fund		\$17,619
Food Service Fund:		
Prepaid meals		<u>\$37,606</u>
Total		<u>\$223,033</u>

**U. Committed Fund Balances**

The Board of Trustees at the August, 2019 regular board meeting committed available fund balances as follows:

Committed for future construction and rehabilitation	\$7,500,000
Committed for equipment Replacement	\$500,000

**V. Property Tax Abatement**

On December 16, 2013, the Comanche ISD Board of Trustees approved an agreement with Logan's Gap Wind I for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes pursuant to Chapter 313 of the Texas Tax Code, i.e., the Texas economic Development Act, as set forth in Chapter 313 of the Texas Tax Code, as amended. Logan's wind Gap I qualified for a tax limitation agreement under Texas Tax Code 313.024(b)(5), as a renewable energy electric generation project.

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Value limitation agreements are a part of a state program, originally created in 2001 which allows school districts to limit the taxable value of an approved project for Maintenance and Operations for a period of years specified in statute. The project(s) under the Chapter 313 agreement must be consistent with the state's goal to "encourage large scale capital investments in this state." Chapter 31 of the Tax Code grants eligibility to companies engaged in manufacturing, research and development, renewable electric energy production, clean coal projects, nuclear power generation and data centers.

In order to qualify for a value limitation agreement, each applicant, including Logan's Gap Wind I has been required to meet a series of capital investment, job creation, and wage requirements specified by state law. At the time of the application's approval, the agreement was found to have done so by both the District's Board of Trustees and the Texas Comptroller's Office, which recommended approval of the project. The application, the agreements and state reporting requirement documentation can be reviewed at the Texas Comptroller's website: <https://www.comptroller.texas.gov/economy/local/ch313/agreement-docs.php>. The agreement and all supporting documentation was assigned Texas Comptroller Application No. 335.

After approval, the applicant company must maintain a viable presence in the district for the entire period of the value limitation plus a period of years thereafter. In addition, there are specific reporting requirements, which are monitored on an annual and biennial basis in order to ensure relevant job, wage, and operational requirements are being met.

In the event that Logan's Gap Wind I terminates this Agreement without consent of the District, or in the event that the company or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, on that recaptured ad valorem tax revenue. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code 33.01(c), or its successor statute. The agreement provides an administrative procedure to determine any company liability. Ultimately, enforcement of any payment obligation is through the local district court.

As of December 1, 2019, the applicant company was in full compliance with all of its obligations under law and the agreement itself.

Below is the GASB 77 information for maintenance and operations purposes. It includes the net benefit to the District but does not include any Interest & Sinking impact.

Project: Logan's Gap Wind I (Application #335)  
 First Year Value Limitation: 2016

Project Value 2019	\$132,133,340
Project's Value Limitation Amount 2019	\$10,000,000
Amount of Applicant's M & O Taxes 2019	\$1,06835
Company Revenue Loss Payment to District 2019	--
Company Supplemental Payment to District 2019	\$114,728
Net Benefit (Loss) to District 2019	\$1,190,084

**W. Extraordinary Items In**

The District settled with a building contractor on the construction of a schoolbuilding in a prior year. The District received \$1,152,042 as settlement for construction issues. The settlement is recorded as an extraordinary item in The building in question has been in service and was in service in the 2019-2020 fiscal year.

### *Required Supplementary Information*

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

**EXHIBIT G-1**  
Page 1 of 2

Data Control Codes	1		2	3	Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	Actual	
	Original	Final			
<b>REVENUES:</b>					
5700	<i>Local and Intermediate Sources</i>	\$ 4,945,062	\$ 5,310,062	\$ 5,228,438	\$ (81,624)
5800	<i>State Program Revenues</i>	9,554,303	9,982,450	9,593,223	(389,227)
5900	<i>Federal Program Revenues</i>	30,000	280,000	280,180	(19,820)
5020	<b>Total Revenues</b>	<u>14,529,365</u>	<u>15,572,512</u>	<u>15,081,841</u>	<u>(490,671)</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction & Instructional Related Services:					
0011	<i>Instruction</i>	8,483,112	8,549,711	8,043,246	506,465
0012	<i>Instructional Resources and Media Services</i>	63,181	63,181	53,847	9,334
0013	<i>Curriculum and Staff Development</i>	18,989	18,989	2,425	16,564
	<b>Total Instruction &amp; Instr. Related Services</b>	<u>8,565,282</u>	<u>8,631,881</u>	<u>8,099,518</u>	<u>532,363</u>
Instructional and School Leadership:					
0021	<i>Instructional Leadership</i>	--	20,000	16,589	3,411
0023	<i>School Leadership</i>	579,000	579,000	570,868	8,132
	<b>Total Instructional &amp; School Leadership</b>	<u>579,000</u>	<u>599,000</u>	<u>587,457</u>	<u>11,543</u>
Support Services - Student (Pupil):					
0031	<i>Guidance, Counseling and Evaluation Services</i>	400,115	400,115	397,415	2,699
0033	<i>Health Services</i>	109,904	109,904	104,541	5,363
0034	<i>Student (Pupil) Transportation</i>	858,747	858,747	579,065	279,682
0035	<i>Food Services</i>	24,029	28,029	26,964	1,065
0036	<i>Cocurricular/Extracurricular Activities</i>	718,550	718,550	607,525	111,025
	<b>Total Support Services - Student (Pupil)</b>	<u>2,111,345</u>	<u>2,115,345</u>	<u>1,715,511</u>	<u>399,834</u>
Administrative Support Services:					
0041	<i>General Administration</i>	467,212	532,212	441,041	91,171
	<b>Total Administrative Support Services</b>	<u>467,212</u>	<u>532,212</u>	<u>441,041</u>	<u>91,171</u>
Support Services - Nonstudent Based:					
0051	<i>Plant Maintenance and Operations</i>	1,656,643	1,656,643	1,338,960	317,683
0052	<i>Security and Monitoring Services</i>	53,000	53,000	42,598	10,402
0053	<i>Data Processing Services</i>	152,031	155,031	152,778	2,253
	<b>Total Support Services - Nonstudent Based</b>	<u>1,861,674</u>	<u>1,864,674</u>	<u>1,534,336</u>	<u>330,338</u>
Debt Service:					
0071	<i>Principal on Long-Term Debt</i>	431,000	431,000	431,000	--
0072	<i>Interest on Long-Term Debt</i>	42,138	42,138	40,798	1,340
0073	<i>Bond Issuance Costs and Fees</i>	8,000	8,000	1,206	6,794
	<b>Total Debt Service</b>	<u>481,138</u>	<u>481,138</u>	<u>473,004</u>	<u>8,134</u>
Capital Outlay:					
0081	<i>Capital Outlay</i>	7,000,000	7,000,000	2,794,461	4,205,539
	<b>Total Capital Outlay</b>	<u>7,000,000</u>	<u>7,000,000</u>	<u>2,794,461</u>	<u>4,205,539</u>
Intergovernmental Charges:					
0093	<i>Payments to Fiscal Agent/Member Dist.-SSA</i>	252,814	252,814	224,723	28,091
0099	<i>Other Intergovernmental Charges</i>	210,900	188,400	187,603	797
	<b>Total Intergovernmental Charges</b>	<u>463,714</u>	<u>441,214</u>	<u>412,326</u>	<u>28,888</u>
6030	<b>Total Expenditures</b>	<u>21,529,365</u>	<u>21,665,464</u>	<u>16,057,654</u>	<u>5,607,810</u>

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

**EXHIBIT G-1**  
Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(7,000,000)	(6,092,952)	(975,813)	5,117,139
	Other Financing Sources (Uses):				
7915	Transfers In	7,000,000	5,062,952	--	(5,062,952)
8911	Transfers Out	--	(170,000)	(164,000)	6,000
7080	Total Other Financing Sources and (Uses)	7,000,000	4,892,952	(164,000)	(5,056,952)
	EXTRAORDINARY ITEM:				
7919	Extraordinary Item (Resource)	--	1,200,000	1,152,042	(47,958)
1200	Net Change in Fund Balance	--	--	12,229	12,229
0100	Fund Balance - Beginning	14,053,925	14,053,925	14,053,925	--
3000	Fund Balance - Ending	\$ 14,053,925	\$ 14,053,925	\$ 14,066,154	\$ 12,229

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE**  
**SHARE OF THE NET PENSION LIABILITY**  
**TEXAS TEACHER RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS \***

EXHIBIT G-2

	Fiscal Year					
	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.0063177824%	0.0066267666%	0.0065632459%	0.0072316869%	0.0058118000%	0.0031791000%
District's proportionate share of the net pension liability (asset)	\$ 3,284,181	\$ 3,647,533	\$ 2,098,573	\$ 2,732,747	\$ 2,054,394	\$ 849,182
State's proportionate share of the net pension liability (asset) associated with the District	6,482,396	7,130,879	4,370,338	5,060,613	4,654,560	4,216,673
<b>Total</b>	<b>\$ 9,766,577</b>	<b>\$ 10,778,412</b>	<b>\$ 6,468,911</b>	<b>\$ 7,793,360</b>	<b>\$ 6,708,954</b>	<b>\$ 5,065,855</b>
District's covered-employee payroll	\$ 8,201,390	\$ 8,095,136	\$ 7,963,021	\$ 7,723,141	\$ 6,940,818	\$ 6,804,258
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	40.04%	45.05%	26.35%	35.38%	29.60%	12.48%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	76.23%	78.43%	82.50%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.



**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**TEXAS TEACHER RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS \***

EXHIBIT G-3

	Fiscal Year					
	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 275,949	\$ 221,130	\$ 223,875	\$ 214,541	\$ 191,688	\$ 168,607
Contributions in relation to the contractually required contribution	(275,949)	(221,130)	(223,875)	(214,541)	(191,688)	(168,607)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 9,335,008	\$ 8,201,390	\$ 8,095,136	\$ 7,963,021	\$ 7,723,141	\$ 6,940,018
Contributions as a percentage of covered-employee payroll	2.96%	2.70%	2.77%	2.69%	2.48%	2.43%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE**  
**SHARE OF THE NET OPEB LIABILITY**  
**TEXAS TEACHER RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS \***

EXHIBIT G-4

	Measurement Year Ended		
	2019	2018	2017
District's proportion of the collective net OPEB liability	0.0102120095%	0.0109682141%	0.0010892648%
District's proportionate share of the collective net OPEB liability	\$ 4,829,385	\$ 5,476,530	\$ 4,736,804
State proportionate share of the collective net OPEB liability associated with the District	\$ 6,417,172	\$ 6,603,343	\$ 5,957,110
Total	<u>\$ 11,246,557</u>	<u>\$ 12,079,873</u>	<u>\$ 10,693,914</u>
District's covered-employee payroll	\$ 8,201,390	\$ 8,095,136	\$ 7,963,021
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	58.88%	67.65%	59.49%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.41%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS**  
**TEXAS TEACHER RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS \***

EXHIBIT G-5

	Fiscal Year Ended		
	2020	2019	2018
Statutorily or contractually required District contribution	\$ 86,204	\$ 72,478	\$ 61,120
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	(86,204)	(72,478)	(61,120)
Contribution deficiency (excess)	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 9,335,008	\$ 8,201,390	\$ 8,095,136
Contributions as a percentage of covered-employee payroll	0.92%	0.88%	0.76%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

## COMANCHE INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2020

### Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

### Defined Benefit Pension Plan

#### *Changes of benefit terms*

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

#### *Changes of assumptions*

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

*Combining Statements and Budget Comparisons  
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AUGUST 31, 2020**

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ (338,633)	\$ 20,098	\$ (318,535)
1120	Current Investments	--	409	409
1225	Taxes Receivable, Net	--	17,620	17,620
1240	Due from Other Governments	600,894	--	600,894
1290	Other Receivables	310	--	310
1000	Total Assets	<u>262,571</u>	<u>38,127</u>	<u>300,698</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
2160	Accrued Wages Payable	\$ 85,223	\$ --	\$ 85,223
2200	Accrued Expenditures	7,054	--	7,054
2000	Total Liabilities	<u>92,277</u>	<u>--</u>	<u>92,277</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
	Deferred Revenue	37,606	17,619	55,225
2600	Total Deferred Inflows of Resources	<u>37,606</u>	<u>17,619</u>	<u>55,225</u>
<b>FUND BALANCES:</b>				
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	126,812	--	126,812
3480	Retirement of Long-Term Debt	--	20,508	20,508
3490	Other Restrictions of Fund Balance	5,876	--	5,876
3000	Total Fund Balances	<u>132,688</u>	<u>20,508</u>	<u>153,196</u>
4000	Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 262,571</u>	<u>\$ 38,127</u>	<u>\$ 300,698</u>

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 178,829	\$ 750,904	\$ 929,733
5800 <i>State Program Revenues</i>	192,010	19,317	211,327
5900 <i>Federal Program Revenues</i>	1,665,095	--	1,665,095
5020 <b>Total Revenues</b>	<u>2,035,934</u>	<u>770,221</u>	<u>2,806,155</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	1,253,053	--	1,253,053
0013 <i>Curriculum and Staff Development</i>	6,287	--	6,287
0033 <i>Health Services</i>	948	--	948
0035 <i>Food Service</i>	906,230	--	906,230
0071 <i>Principal on Long-term Debt</i>	--	450,000	450,000
0072 <i>Interest on Long-term Debt</i>	--	303,913	303,913
0073 <i>Bond Issuance Costs and Fees</i>	--	1,246	1,246
6030 <b>Total Expenditures</b>	<u>2,166,518</u>	<u>755,159</u>	<u>2,921,677</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	<u>(130,584)</u>	<u>15,062</u>	<u>(115,522)</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	164,000	--	164,000
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>164,000</u>	<u>--</u>	<u>164,000</u>
1200 <b>Net Change in Fund Balances</b>	<u>33,416</u>	<u>15,062</u>	<u>48,478</u>
0100 <b>Fund Balances - Beginning</b>	<u>99,272</u>	<u>5,446</u>	<u>104,718</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ 132,688</u>	<u>\$ 20,508</u>	<u>\$ 153,196</u>

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2020**

Data Control Codes	205 Head Start	206 ESEA Title X Part C Homeless	207 Early Head Start	211 ESEA Title I Improving Basic Programs	
<b>ASSETS:</b>					
1110	Cash and Cash Equivalents	\$ (31,884)	\$ (125)	\$ (153,855)	\$ (112,694)
1240	Due from Other Governments	43,270	125	179,685	141,731
1290	Other Receivables	--	--	--	--
1000	<b>Total Assets</b>	<b>11,386</b>	<b>--</b>	<b>25,830</b>	<b>29,037</b>
<b>LIABILITIES:</b>					
Current Liabilities:					
2160	Accrued Wages Payable	\$ 10,270	\$ --	\$ 23,289	\$ 26,206
2200	Accrued Expenditures	1,116	--	2,541	2,831
2000	<b>Total Liabilities</b>	<b>11,386</b>	<b>--</b>	<b>25,830</b>	<b>29,037</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred Revenue					
2600	<b>Total Deferred Inflows of Resources</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES:</b>					
Restricted Fund Balances:					
3450	Federal/State Funds Grant Restrictions	--	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--	--
3000	<b>Total Fund Balances</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
4000	<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 11,386</b>	<b>\$ --</b>	<b>\$ 25,830</b>	<b>\$ 29,037</b>



212 ESEA Title I, Part C Migrant Children	240 National School Breakfast/Lunch Program	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	266 Elem & Sec School Emergenc: Relief
\$ (6,685)	\$ 170,715	\$ (166)	\$ (1,424)	\$ (28,088)
7,255	18,847	166	1,424	28,088
--	310	--	--	--
<u>570</u>	<u>189,872</u>	<u>--</u>	<u>--</u>	<u>--</u>
\$ 514	\$ 24,944	\$ --	\$ --	\$ --
56	510	--	--	--
<u>570</u>	<u>25,454</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	37,606	--	--	--
<u>--</u>	<u>37,606</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	126,812	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>126,812</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 570</u>	<u>\$ 189,872</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2020**

Data Control Codes	270 ESEA, Title VI Part B, Subpart 2 Rural School	289 ESEA Title IV Part A	397 Advanced Placement Incentives	
<b>ASSETS:</b>				
1110	Cash and Cash Equivalents	\$ --	\$ (4,915)	\$ 21
1240	Due from Other Governments	--	4,915	--
1290	Other Receivables	--	--	--
1000	<b>Total Assets</b>			<b>21</b>
<b>LIABILITIES:</b>				
Current Liabilities:				
2160	Accrued Wages Payable	\$ --	\$ --	\$ --
2200	Accrued Expenditures	--	--	--
2000	<b>Total Liabilities</b>			<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred Revenue				
2600	Total Deferred Inflows of Resources	--	--	--
<b>FUND BALANCES:</b>				
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	--	--
3490	Other Restrictions of Fund Balance	--	--	21
3000	<b>Total Fund Balances</b>			<b>21</b>
4000	<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>			<b>21</b>

410 State Textbook Fund	428 High School Allotment	429 State Funded Special Revenue Fund	499 J.R. Beadel Foundation	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
\$ (175,388)	\$ 2,397	\$ 1,973	\$ 1,485	\$ (338,633)
175,388	--	--	--	600,894
--	--	--	--	310
<u>--</u>	<u>2,397</u>	<u>1,973</u>	<u>1,485</u>	<u>262,571</u>
\$ --	\$ --	\$ --	\$ --	\$ 85,223
--	--	--	--	7,054
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>92,277</u>
--	--	--	--	37,606
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>37,606</u>
--	--	--	--	126,812
--	2,397	1,973	1,485	5,876
<u>--</u>	<u>2,397</u>	<u>1,973</u>	<u>1,485</u>	<u>132,688</u>
<u>\$ --</u>	<u>\$ 2,397</u>	<u>\$ 1,973</u>	<u>\$ 1,485</u>	<u>\$ 262,571</u>

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

Data Control Codes	205 Head Start	206 ESEA Title X Part C Homeless	207 Early Head Start	211 ESEA Title I Improving Basic Programs
<b>REVENUES:</b>				
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	--	--
5900 <i>Federal Program Revenues</i>	264,286	125	383,003	291,866
5020 <b>Total Revenues</b>	<u>264,286</u>	<u>125</u>	<u>383,003</u>	<u>291,866</u>
<b>EXPENDITURES:</b>				
Current:				
0011 <i>Instruction</i>	263,509	--	381,796	291,866
0013 <i>Curriculum and Staff Development</i>	777	125	1,207	--
0033 <i>Health Services</i>	--	--	--	--
0035 <i>Food Service</i>	--	--	--	--
6030 <b>Total Expenditures</b>	<u>264,286</u>	<u>125</u>	<u>383,003</u>	<u>291,866</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>				
1100 <b>Expenditures</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources and (Uses):				
7915 <i>Transfers In</i>	--	--	--	--
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
0100 <b>Fund Balances - Beginning</b>	--	--	--	--
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

212 ESEA Title I, Part C Migrant Children	240 National School Breakfast/Lunch Program	244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	266 Elem & Sec School Emergenc Relief
\$ --	\$ 171,329	\$ --	\$ --	\$ --
--	4,298	--	--	--
19,581	600,089	9,080	26,991	28,088
<u>19,581</u>	<u>775,716</u>	<u>9,080</u>	<u>26,991</u>	<u>28,088</u>
19,140	--	9,080	23,254	28,088
441	--	--	3,737	--
--	--	--	--	--
--	906,230	--	--	--
<u>19,581</u>	<u>906,230</u>	<u>9,080</u>	<u>26,991</u>	<u>28,088</u>
--	(130,514)	--	--	--
--	164,000	--	--	--
--	164,000	--	--	--
--	33,486	--	--	--
--	93,326	--	--	--
<u>\$ --</u>	<u>\$ 126,812</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

Data Control Codes	270 ESEA, Title VI Part B, Subpart 2 Rural School	289 ESEA Title IV Part A	397 Advanced Placement Incentives
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ --	\$ --	\$ --
5800 <i>State Program Revenues</i>	--	--	21
5900 <i>Federal Program Revenues</i>	24,193	17,793	--
5020 <b>Total Revenues</b>	<u>24,193</u>	<u>17,793</u>	<u>21</u>
<b>EXPENDITURES:</b>			
Current:			
0011 <i>Instruction</i>	24,193	17,793	--
0013 <i>Curriculum and Staff Development</i>	--	--	--
0033 <i>Health Services</i>	--	--	--
0035 <i>Food Service</i>	--	--	--
6030 <b>Total Expenditures</b>	<u>24,193</u>	<u>17,793</u>	<u>--</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	<u>--</u>	<u>--</u>	<u>21</u>
Other Financing Sources and (Uses):			
7915 <i>Transfers In</i>	--	--	--
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>
1200 <b>Net Change in Fund Balances</b>	<u>--</u>	<u>--</u>	<u>21</u>
0100 <b>Fund Balances - Beginning</b>	<u>--</u>	<u>--</u>	<u>--</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 21</u>

410 State Textbook Fund	428 High School Allotment	429 State Funded Special Revenue Fund	499 J.R. Beadel Foundation	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ --	\$ --	\$ --	\$ 7,500	\$ 178,829
184,123	--	3,568	--	192,010
--	--	--	--	1,665,095
<u>184,123</u>	<u>--</u>	<u>3,568</u>	<u>7,500</u>	<u>2,035,934</u>
184,123	--	3,659	6,552	1,253,053
--	--	--	--	6,287
--	--	--	948	948
--	--	--	--	906,230
<u>184,123</u>	<u>--</u>	<u>3,659</u>	<u>7,500</u>	<u>2,166,518</u>
--	--	(91)	--	(130,584)
--	--	--	--	164,000
--	--	--	--	164,000
--	--	(91)	--	33,416
--	2,397	2,064	1,485	99,272
<u>\$ --</u>	<u>\$ 2,397</u>	<u>\$ 1,973</u>	<u>\$ 1,485</u>	<u>\$ 132,688</u>

### *Other Supplementary Information*

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.



**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
*SCHEDULE OF DELINQUENT TAXES RECEIVABLE*  
 FOR THE YEAR ENDED AUGUST 31, 2020

Year Ended August 31	Tax Rates		3 Assessed/Appraised Value For School Tax Purposes
	1 Maintenance	2 Debt Service	
2011 and Prior Years	\$ Various	\$ Various	\$ Various
2012	1.04	.10	261,223,363
2013	1.04	.10	258,015,454
2014	1.04	.2097	258,319,868
2015	1.04	.2097	264,778,875
2016	1.17	.0797	274,718,619
2017	1.17	.0797	291,412,054
2018	1.17	.0797	312,116,058
2019	1.17	.0797	390,345,159
2020 (School Year Under Audit)	1.0684	.1382	449,731,983

1000 Totals

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

EXHIBIT J-1

10 Beginning Balance 9/1/19	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/20
\$ 61,915	\$ --	\$ 59	\$ 6	\$ (2,947)	\$ 58,903
11,381	--	355	34	(422)	10,569
12,340	--	347	33	(605)	11,356
15,067	--	448	90	(964)	13,564
17,750	--	540	109	(964)	16,137
18,337	--	1,008	69	(227)	17,033
20,512	--	2,781	190	(262)	17,279
40,000	--	7,829	534	(4,040)	27,597
121,021	--	45,562	3,105	(13,566)	58,788
--	5,426,196	4,693,834	607,143	14,408	139,828
<u>\$ 319,323</u>	<u>\$ 5,426,196</u>	<u>\$ 4,752,763</u>	<u>\$ 611,312</u>	<u>\$ (9,590)</u>	<u>\$ 370,855</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

EXHIBIT J-2

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 174,326	\$ 171,326	\$ (2,997)
5800 <i>State Program Revenues</i>	4,500	4,296	(202)
5900 <i>Federal Program Revenues</i>	586,000	600,089	14,089
5020 <b>Total Revenues</b>	<u>764,826</u>	<u>775,716</u>	<u>10,890</u>
<b>EXPENDITURES:</b>			
Current:			
Support Services - Student (Pupil):			
0035 <i>Food Services</i>	934,826	906,230	28,596
Total Support Services - Student (Pupil)	<u>934,826</u>	<u>906,230</u>	<u>28,596</u>
6030 <b>Total Expenditures</b>	<u>934,826</u>	<u>906,230</u>	<u>28,596</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	<u>(170,000)</u>	<u>(130,514)</u>	<u>39,486</u>
Other Financing Sources (Uses):			
7915 <i>Transfers In</i>	170,000	164,000	(6,000)
7080 <b>Total Other Financing Sources and (Uses)</b>	<u>170,000</u>	<u>164,000</u>	<u>(6,000)</u>
1200 <b>Net Change in Fund Balance</b>	<u>--</u>	<u>33,486</u>	<u>33,486</u>
0100 <b>Fund Balance - Beginning</b>	<u>93,326</u>	<u>93,326</u>	<u>--</u>
3000 <b>Fund Balance - Ending</b>	<u>\$ 93,326</u>	<u>\$ 126,812</u>	<u>\$ 33,486</u>

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

**EXHIBIT J-3**

Data Control Codes	1	2	3
	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
5700 <i>Local and Intermediate Sources</i>	\$ 755,413	\$ 750,904	\$ (4,509)
5800 <i>State Program Revenues</i>	20,000	19,317	(683)
5020 <b>Total Revenues</b>	<u>775,413</u>	<u>770,221</u>	<u>(5,192)</u>
<b>EXPENDITURES:</b>			
Debt Service:			
0071 <i>Principal on Long-Term Debt</i>	450,000	450,000	--
0072 <i>Interest on Long-Term Debt</i>	303,913	303,913	--
0073 <i>Bond Issuance Costs and Fees</i>	21,500	1,246	20,254
<b>Total Debt Service</b>	<u>775,413</u>	<u>755,159</u>	<u>20,254</u>
6030 <b>Total Expenditures</b>	<u>775,413</u>	<u>755,159</u>	<u>20,254</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under)</b>			
1100 <b>Expenditures</b>	--	15,062	15,062
1200 <b>Net Change in Fund Balance</b>	--	15,062	15,062
0100 <b>Fund Balance - Beginning</b>	5,446	5,446	--
3000 <b>Fund Balance - Ending</b>	<u>\$ 5,446</u>	<u>\$ 20,508</u>	<u>\$ 15,062</u>

**Burl D. Lowery**  
Certified Public Accountant  
311 Center Avenue  
Brownwood, Texas 76801

Independent Auditor's Report on Internal Control over Financial Reporting and  
On Compliance and Other Matters Based on an Audit of Financial Statements  
Performed In Accordance With Government Auditing Standards

Board of Trustees  
Comanche Independent School District  
200 East Highland  
Comanche, Texas 76442

Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Comanche Independent School District, as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise Comanche Independent School District's basic financial statements, and have issued our report thereon dated December 4, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Comanche Independent School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Comanche Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Comanche Independent School District'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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Comanche Independent School District'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are

required to be reported under *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.

Respectfully submitted,



Burl D. Lowery  
Certified Public Accountant

Brownwood, TX  
December 4, 2020

**Burl D. Lowery**  
Certified Public Accountant  
311 Center Avenue  
Brownwood, Texas 76801

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees  
Comanche Independent School District  
200 East Highland  
Comanche, Texas 76442

Members of the Board of Trustees:

**Report on Compliance for Each Major Federal Program**

We have audited the Comanche Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Comanche Independent School District's major federal programs for the year ended August 31, 2020. Comanche Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Comanche Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Comanche Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Comanche Independent School District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Comanche Independent School District 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 August 31, 2020.

**Report on Internal Control Over Compliance**

Management of the Comanche Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Comanche Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Comanche Independent School District's 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,



Burl D. Lowery  
Certified Public Accountant

Brownwood, TX  
December 4, 2020



**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

**A. Summary of Auditor's Results**

**1. Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?      Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?      Yes   X   None Reported

Noncompliance material to financial statements noted?      Yes   X   No

**2. Federal Awards**

Internal control over major programs:

One or more material weaknesses identified?      Yes   X   No

One or more significant deficiencies identified that are not considered to be material weaknesses?      Yes   X   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Version of compliance supplement used in audit: August 2019

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200?      Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   Yes      No

**B. Financial Statement Findings**

NONE

**C. Federal Award Findings and Questioned Costs**

NONE

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS*  
*FOR THE YEAR ENDED AUGUST 31, 2020*

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
The prior audit had no findings or questioned costs.		

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
*CORRECTIVE ACTION PLAN*  
*FOR THE YEAR ENDED AUGUST 31, 2020*

No corrective action plan is required as the audit has no findings or questioned costs.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

**EXHIBIT K-1**

(1)	(2)	(2A)	(3)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>CHILD NUTRITION CLUSTER:</b>				
<u>U. S. Department of Agriculture</u>				
Passed Through State Department of Education:				
School Breakfast Program	10.553	71402001	\$ --	\$ 148,706
National School Lunch Program	10.555	71302001	--	388,271
National School Lunch Program (Non-cash)	10.555	71302001	--	63,112
Total CFDA Number 10.555			--	451,383
Total Passed Through State Department of Education			--	600,089
Total U. S. Department of Agriculture			--	600,089
Total Child Nutrition Cluster			--	600,089
<b>HEAD START CLUSTER:</b>				
<u>U. S. Department of Health and Human Services</u>				
Passed Through Education Service Center Region 14:				
Head Start	93.600	06CH0116	--	183,061
Head Start	93.600	16CH0116	--	81,225
Total CFDA Number 93.600			--	264,286
Total Passed Through Education Service Center Region 14			--	264,286
Total U. S. Department of Health and Human Services			--	264,286
<u>U. S. Department of Education</u>				
Passed Through Education Service Center Region 14:				
Early Head Start	93.600	06CH0116	--	383,003
Total U. S. Department of Education			--	383,003
Total Head Start Cluster			--	647,289
<b>OTHER PROGRAMS:</b>				
<u>U. S. Department of Education</u>				
Passed Through Education Service Center Region 14:				
Career and Technical - Basic Grant	84.048	2042000622195	--	9,080
ESEA Title X Part C - Education for Homeless Children and Youth	84.196	2046000571100	--	125
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367a	2069450122195	--	26,991
Title IV Part A	84.424A	2068011221950	--	17,793
Total Passed Through Education Service Center Region 14			--	53,989
Passed Through State Department of Education:				
ESEA Title I Part A - Improving Basic Programs	84.010a	2061010104790	--	291,866
ESEA Title I Part C - Education of Migratory Children	84.011	2061500104790	--	19,581
ESEA, Title VI, Part B, Subpart 2 - Rural and Low Income School lem & Secondary School Emergency Relief	84.358	2069600104790	--	24,193
	84.425D	2052100104790	--	28,088
Total Passed Through State Department of Education			--	363,728
Total U. S. Department of Education			--	417,717
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ --	\$ 1,665,095

The accompanying notes are an integral part of this schedule.

**COMANCHE INDEPENDENT SCHOOL DISTRICT**  
*NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*  
*FOR THE YEAR ENDED AUGUST 31, 2020*

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Comanche Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. These 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. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Comanche Independent School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## COMANCHE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
AS OF AUGUST 31, 2020

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warranty hold was issued, the school district is considered to <b>not have made</b> timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year-end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ --