

**ANNUAL FINANCIAL REPORT**  
**DELTA COUNTY, TEXAS**

Fiscal Year Ended September 30, 2018



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

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# FINANCIAL SECTION

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### INDEPENDENT AUDITOR'S REPORT

Honorable Judge and County Commissioners  
Delta County, Texas  
200 W. Dallas Ave.  
Cooper, Texas 75432

#### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Delta County, Texas ("County") as of and for the year ended September 30, 2020, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

#### Auditor's Responsibility

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

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

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

#### Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Delta County, Texas as of September 30, 2020, and the respective changes in financial position for the year

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

## **Other Matters**

### *Required Supplementary Information*

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

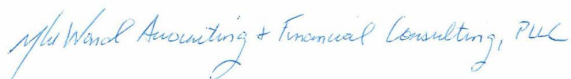
### *Other Information*

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

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

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

Respectfully Submitted,



**Mike Ward Accounting & Financial Consulting, PLLC**

Point, Texas  
May 17, 2023

## **DELTA COUNTY, TEXAS**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

**September 30, 2020**

As management of Delta County ("County"), we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of Delta County for the fiscal year ended September 30, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

#### **Financial Highlights**

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$1,304,174 (net position). Of this amount, \$35,862, or 3%, is invested in capital assets which do not directly generate revenue and are not available to generate liquid capital. Net assets restricted for court use are \$94,014, or 7%. The remaining \$1,174,298, or 90%, is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$43,008.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$1,261,780, a increase of of \$143,024, or -13%, in comparison with the prior fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund of \$681,385 was 26% of total general fund expenditures for this fiscal year.

#### **Overview of the Financial Statements**

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



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

**Net Position**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Current and other assets	\$ 1,406,072	\$ 1,484,819
Capital assets	343,770	380,364
Total assets	<u>1,749,842</u>	<u>1,865,183</u>
Current liabilities	137,760	144,101
Long-term liabilities	307,908	244,485
Total liabilities	<u>445,668</u>	<u>388,586</u>
Net position:		
Net investment in capital assets	35,862	135,879
Restricted	94,014	99,646
Unrestricted	<u>1,174,298</u>	<u>1,241,072</u>
Total net position	<u>\$ 1,304,174</u>	<u>\$ 1,476,597</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the County exceeded liabilities by \$1,304,174 as of September 30, 2019. The County's net position increased by (\$172,423), for the fiscal year ended September 30, 2019.

*Net investment in capital assets:*

A portion of the County's net position, \$35,862, or 3%, reflects the County's investment in capital assets (e.g., land, buildings, machinery and equipment) less any related debt still outstanding that was issued to acquire those items. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

*Restricted net position:*

Restricted net position of \$94,014, or 7%, are subject to external restrictions on how they may be used, or by enabling legislation. The restricted net position is for state imposed restrictions for court.

*Unrestricted net position:*

Unrestricted net position of \$1,174,298, or 90%, is available to fund County programs to citizens and obligations to creditors.

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

**Changes in Net Position**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 782,902	\$ 976,263
Grants and Contributions	156,181	120,961
General Revenues:		
Property Taxes	2,430,786	2,170,665
Sales Taxes	119,865	115,457
Investment Income	17,819	2,668
Miscellaneous	28,208	197,572
<b>Total Revenues</b>	<b>3,535,761</b>	<b>3,583,586</b>
<b>Expenses:</b>		
Program Expenses		
General Government	583,692	713,837
Public Safety	1,325,454	1,265,270
Judicial	705,922	617,948
Health and Public Welfare	115,622	148,378
Public Works	752,062	794,443
Interest on Long-Term Debt	10,001	14,261
<b>Total Expenses</b>	<b>3,492,753</b>	<b>3,554,137</b>
<b>Increase in Net Position before Extraordinary item</b>	<b>43,008</b>	<b>29,449</b>
Extraordinary item	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in Net Position</b>	<b>43,008</b>	<b>29,449</b>
<b>Net position - October 1</b>	<b>1,476,597</b>	<b>1,453,491</b>
<b>Prior Period Adjustments</b>	<b>(215,431)</b>	<b>(6,343)</b>
<b>Net position - September 30</b>	<b>\$ 1,304,174</b>	<b>\$ 1,476,597</b>

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

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

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

Total fund balance of the General Fund was \$681,385. This is an decrease of \$135,855, or 20%, when compared to the prior year.

The County has restricted fund balance of \$94,014, or 7% of total fund balance. This is restricted for use by the state for the use of building security, technology, and security in the judicial offices.

The County has committed fund balance of \$238,999. This is a 11% decrease when compared to the prior year. This is committed for Road & Bridge Funds.

The County has assigned fund balance of \$247,382, or 20% of total nonmajor fund balances. This is assigned for the following: \$159,784, or 65% for general government; \$40,926, or 18% for judicial offices; \$20,780, or 8% for the HOME program; and \$25,892, or 10% for public safety.

The general fund is the chief operating fund of the County. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. This represents 26% of total General Fund expenditures.

**General Fund Budgetary Highlights:** The County did not make any revisions to the budget during the fiscal year. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services.

Revenues were more than budgeted due to additional property taxes being collected and an increase in fines and forfeitures payments received. Expenditures were less than budgeted amounts.

**DELTA COUNTY, TEXAS  
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)  
SEPTEMBER 30, 2020**

**Capital Asset and Debt Administration**

**Capital assets** - Delta County's investment in capital assets for its governmental activities as of September 30, 2020, totals \$343,770 (net of accumulated depreciation). The investment in capital assets includes buildings, roads and bridges, land, and machinery and equipment.

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

	<b>Governmental</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 24,617	\$ 24,617
Buildings & Improvements	238,153	271,372
Infrastructure	81,000	84,375
Machinery & Equipment	-	-
<b>Total</b>	<b>\$ 343,770</b>	<b>\$ 380,364</b>

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

**Long-term Debt  
September 30, 2020**

**Long-term debt** - As of September 30, 2020, the County's long-term debt increased by (\$63,422), or, (26%). See Note F to the financial statements for more information.

	<b>Governmental</b>	
	<b>2020</b>	<b>2019</b>
Capital Lease Payable	\$ 307,908	\$ 244,486

## BASIC FINANCIAL STATEMENTS

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

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,085,872
Receivables (net of allowances for uncollectible)	312,438
Inventory	7,762
Capital Assets, not being depreciated:	
Land	24,617
Capital Assets, net of accumulated depreciation:	
Infrastructure	81,000
Building & Improvements	238,153
Machinery & Equipment	-
<b>Total Assets</b>	<b><u>1,749,842</u></b>
<b>LIABILITIES</b>	
Accounts Payable	26,425
Other Liabilities	83,456
Accrued Interest Payable	(6,529)
Accrued Expenses	34,408
Noncurrent Liabilities:	
Due within one year:	
Notes Payable	74,824
Due in more than one year:	
Note Payable	233,084
<b>Total Liabilities</b>	<b><u>445,668</u></b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	35,862
Restricted for:	
Judicial	94,014
Unrestricted	1,174,298
<b>Total Net Position</b>	<b><u>\$ 1,304,174</u></b>

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

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

Function/Program Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Primary Government</b>				<b>Primary Governmental Activities Total</b>	
Governmental Activities:					
General Government	\$ 583,692	\$ 71,143	\$ 87,569	\$ -	\$ (424,980)
Public Safety	1,325,454	-	30,926	-	(1,294,528)
Judicial	705,922	508,740	37,686	-	(159,496)
Health and Public Welfare	115,622	3,405	-	-	(112,217)
Road & Bridge	752,062	199,614	-	-	(552,448)
Interest	10,001	-	-	-	(10,001)
<b>Total governmental activities</b>	<b>\$ 3,492,753</b>	<b>\$ 782,902</b>	<b>\$ 156,181</b>	<b>\$ -</b>	<b>\$ (2,553,670)</b>
			<b>General revenues:</b>		
			Property Taxes	\$	2,430,786
			Sales Taxes		119,865
			Investment Income		17,819
			Miscellaneous		28,208
			<b>Total general revenues</b>		<b>2,596,678</b>
			Change in net position		43,008
			<b>Net position - beginning</b>		<b>1,476,597</b>
			<b>Prior period adjustment</b>		<b>(215,431)</b>
			<b>Net position - ending</b>	<b>\$</b>	<b>1,304,174</b>

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

**DELTA COUNTY, TEXAS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>Road &amp; Bridge Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 407,333	\$ 301,882	\$ 376,657	\$ 1,085,872
Receivables (net of allowance for uncollectibles)	246,161	45,497	-	291,658
Grant Receivables	-	-	20,780	20,780
Cash and Cash Equivalents - Restricted	-	-	-	-
Inventory	7,762	-	-	7,762
Prepaid Expenses	-	-	-	-
<b>Total Assets</b>	<u>661,256</u>	<u>347,379</u>	<u>397,437</u>	<u>1,406,072</u>
<b>LIABILITIES</b>				
Accounts Payable	(47,824)	101,680	7,348	61,204
Other Liabilities	-	-	48,667	48,667
Accrued Expenses	27,695	6,700	26	34,421
<b>Total Liabilities</b>	<u>(20,129)</u>	<u>108,380</u>	<u>56,041</u>	<u>144,292</u>
<b>FUND BALANCES</b>				
Nonspendable for:				
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Restricted for:				
Judicial	-	-	94,014	94,014
Committed:				
Road and Bridge use	-	238,999	-	238,999
Assigned:				
General government	-	-	159,784	159,784
Judicial	-	-	40,926	40,926
HOME grant program	-	-	20,780	20,780
Public safety	-	-	25,892	25,892
Unassigned:				
General	681,385	-	-	681,385
<b>Total Fund Balances</b>	<u>681,385</u>	<u>238,999</u>	<u>341,396</u>	<u>1,261,780</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 661,256</u>	<u>\$ 347,379</u>	<u>\$ 397,437</u>	<u>\$ 1,406,072</u>

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



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

<b>Total fund balance - governmental fund balance sheet</b>	<b>\$ 1,261,780</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund financial statements.	3,056,300
Accumulated depreciation has not been included in the governmental fund financial statements.	(2,712,530)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, interest expenditures are reported when due.	6,532
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the fund financial statements.	(307,908)
<b>Net position of governmental activities - statement of net position</b>	<b><u>\$ 1,304,174</u></b>

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

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

	<b>General Fund</b>	<b>Road &amp; Bridge Funds</b>	<b>Nonmajor Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 1,867,435	\$ 524,215	\$ 39,135	\$ 2,430,785
Sales and use taxes	119,865	-	-	119,865
Fines and Forfeitures	119,411	-	6,896	126,307
Charge for services	5,750	-	92,585	98,335
Permits and Fees	358,647	199,614	-	558,261
Grant and Contributions	81,028	-	-	81,028
Intergovernmental	75,153	-	-	75,153
Investment Income	13,537	-	4,282	17,819
Miscellaneous	9,092	(825)	19,940	28,207
<b>Total Revenues</b>	<b>2,649,918</b>	<b>723,004</b>	<b>162,838</b>	<b>3,535,760</b>
<b>EXPENDITURES</b>				
Current:				
General Government	548,677	-	-	548,677
Public Safety	1,294,543	-	12,985	1,307,528
Judicial	608,643	-	113,626	722,269
Health and Public Welfare	115,622	-	-	115,622
Public Works	-	752,062	-	752,062
Debt Service:				
Principal Retirement	47,577	-	-	47,577
Interest	10,001	-	-	10,001
Capital Outlays				
General Government	-	-	-	-
Road & Bridge	-	-	-	-
<b>Total Expenditures</b>	<b>2,625,063</b>	<b>752,062</b>	<b>126,611</b>	<b>3,503,736</b>
Excess (deficiency) of revenues over (under) expenditures	24,855	(29,058)	36,227	32,024
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	111,000	-	-	111,000
Transfers	-	-	-	-
Extraordinary Item	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>111,000</b>	<b>-</b>	<b>-</b>	<b>111,000</b>
<b>Net Change in Fund Balance</b>	<b>135,855</b>	<b>(29,058)</b>	<b>36,227</b>	<b>143,024</b>
<b>Fund Balance, October 1</b>	<b>545,530</b>	<b>268,057</b>	<b>305,169</b>	<b>1,118,756</b>
<b>Fund Balance, September 30</b>	<b>\$ 681,385</b>	<b>\$ 238,999</b>	<b>\$ 341,396</b>	<b>\$ 1,261,780</b>

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

**DELTA COUNTY, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTMBER 30, 2020**

**Net change in fund balances - total governmental funds** \$ 143,024

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported depreciation expense. -

Current year note proceeds are other financing sources in the governmental funds financial statements but are shown as an increase in the government-wide financial statements. (111,000)

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds. (36,593)

Current year long-term debt principal payments on contractual obligations are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements. 47,577

Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. -

**Change in net position of governmental activities - statement of activities** \$ 43,008

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

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

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Delta County ("County") have been prepared in conformance with general accepted accounting principles ("GAAP") as applicable to local governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted body for establishing governmental accounting and financial reporting standards. The following is a summary of the more significant policies of the County.

**1. Reporting Entity**

The County is a public corporation and a political subdivision of the State of Texas. A Commissioner's Court, composed of four (4) elected County Commissioners and one elected County Judge, governs the County. The County provides a vast number of services, including public safety, administration of justice, health and human services, public improvements and general administration.

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, "*The Financial Reporting Entity*", GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units*" and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus*". In accordance with these standards, a financial reporting entity consists of the primary government and its component units. Component units are legally separate entities for which the elected officials of the County are financially accountable, or the relationship to the County is such that exclusion would cause the County's financial statements to be misleading or incomplete.

The criteria used to determine whether an organization is a component unit of the County and whether it is a discretely presented or blended component unit includes: whether the County appoints a voting majority of the component's board and has the ability to impose its will on the component unit or a financial benefit or burden relationship exists between the County and the component unit; whether the component unit is fiscally dependent on the County and a financial benefit or burden relationship exists; whether the component unit has substantively the same governing body as the primary government and a financial benefit or burden relationship exists or management (below the level of elected officials) of the primary government has operational responsibility for the activities of the component unit; whether services are provided entirely or almost entirely to the primary government; and whether the total debt of the component unit is repayable (almost) entirely from resources of the primary government.

Based on the above criteria, there are not any component units (discretely presented or blended) of the County at the end of this current fiscal period.

**2. Basis of Presentation, Basis of Accounting**

**a. Basis of Presentation**

The basic financial statements are prepared in conformity with GAAP which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund on the statement of net position and statement of activities. Significantly, the County's statement of net position include both noncurrent assets and noncurrent liabilities. In addition, the government-wide statement of activities reflect depreciation expenses on the County's capital assets, including infrastructure.

In addition to the government-wide financial statements, the County has prepared fund financial statements which use the modified accrual basis of accounting and the current financial resource measurement focus for the governmental funds.

Management's Discussion and Analysis provides an analytical overview of the County's financial activities. In addition, a budgetary comparison schedule is presented that compares the General Fund and Road and Bridge Funds budgets to actual results.

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

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 2. Basis of Presentation, Basis of Accounting
  - a. Basis of Presentation (continued)

The County's basic financial statements include the accounts of all County operations. In evaluating how to define the government for financial reporting purposes, management has considered all entities for which the County is considered to be financially accountable. There are no other entities in which the County is considered to be financially accountable.

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (administration, public safety, judicial, etc.) or program are offset by program revenue. Direct expenses are those that are clearly identifiable with specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, or c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenue. Internally dedicated resources are also reported as general revenues rather than as program revenues.

The net cost (by function) is normally covered by general revenue (property and sales taxes).

Separate fund financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund and the road and bridges funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental combined) for the determination of major funds.

The County's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental categories, as well as the fiduciary fund. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

- b. Measurement Focus, Basis of Accounting

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as do the fiduciary fund statements. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

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

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 2. Basis of Presentation, Basis of Accounting
  - b. Measurement Focus, Basis of Accounting (continued)

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or seen enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available when they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due and payable shortly after year end as required by GASB Interpretation No. 6.

Ad valorem and sales tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Road and Bridge Funds are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is not measurable. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Intergovernmental grant revenues are recognized when all eligibility requirements have been met.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental funds are those through which all of the governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is a description of the major governmental funds of the County:

The *General Fund* is the general operating fund of the County and is always classified as a major fund. This fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds.

The *Road & Bridge Funds* are used to account for the revenues reserved for the funding of road repairs and improvements and all related expenditures related to the County roads.

Additionally, the County reports the following fund type:

Fiduciary Fund financial statements include fiduciary funds, which are classified as agency funds used to account for assets held by the County as an agent for individuals, other governments, and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following are the County's agency funds:

*County Clerk, District Clerk, Sheriff, Justice of the Peace and Constables Fee funds* - used to account for monies received with ultimate disposition of receipts to be determined at a future date.

*Tax Assessor/Collector* - used to account for initial receipt and distribution to proper parties of taxes and fees collected for various entities of government.

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

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

3. Financial Statement Amounts

a. Cash and Cash Equivalents

The County considers cash on hand and demand deposits as cash and cash equivalents.

b. Restricted Assets

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

c. Receivables and Payables

The County believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation.

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

d. Inventories

Inventory is valued at historical cost and recorded as expenditures when they are consumed.

e. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure, purchased or acquired, are reported in the applicable governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical if historical cost is not available. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed.

Management elected not to retroactively report infrastructure assets within the scope of GASB 34.

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>
Buildings & Improvements	10-40 years
Machinery & Equipment	3-10 years
Vehicles	5-7 years
Infrastructure	40 years

f. Compensated absences

A liability for unused paid time off accruals and compensatory time for all full-time employees is calculated and reported in the government-wide financial statements. For financial reporting, the following criteria must be met to be considered as compensated absences: a) leave or compensation is attributable to services already rendered, and b) leave or compensation is not contingent on a specific event (such as illness). County does not keep sufficient records to record compensated absence balances for the current fiscal year.

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

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

3. Financial Statement Amounts (continued)

g. Long-term Obligations

In the government-wide financial statements, long-term debt obligations and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method and netted with the long-term obligations in the liabilities. The County has compared this method to the effective interest method and found the difference between the two methods to be immaterial. Bond issuance costs are expensed during the year they are incurred in accordance with GASB Statement No. 65.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

h. Deferred Outflows/Inflows of Resources

In addition to assets, the fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The County does not have any deferred outflows of resources for the current fiscal year.

In addition to liabilities, the fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represent an acquisition of net position that applies to that time. The County does not have any deferred inflows of resources for the current fiscal year.

i. Fund Equity

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* - includes the portion of net resources that cannot be spent because of their form (i.e., inventory, long-term debt, or prepaid items) or because they must remain intact such as the principal of an endowment.
- *Restricted fund balance* - includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e., externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* - includes the portion of net resources on which the Commissioners have imposed limitations on use. Amounts that can be used only for the specific purposes determined by a resolution of the Commissioners' Court. Commitments may be changed or lifted by a resolution by the Commissioners. The resolution must be approved by the end of the fiscal year in which the commitment will be reflected on the financial statements.
- *Assigned fund balance* - includes the portion of net resources for which an intended use has been established by the Commissioners or County Treasurer, as authorized to do so by the Commissioners' Court. Assignment of fund balance is much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the General Fund, assigned fund balance represents an amount that is not restricted or committed which indicates that resources are, at a minimum intended to be used.



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

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

3. Financial Statement Amounts

i. Fund Equity (continued)

- *Unassigned fund balance* - includes the amounts in the General Fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this category.

It is the County's goal to achieve and maintain an unassigned fund balance in the General Fund equal to three months of General Fund expenditures. The County considers a balance of less than three months of General Fund expenditures to be cause for concern, barring unusual or deliberate circumstances. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the Commissioners Court will be informed and take necessary budgetary steps to bring the fund balance level into compliance with this policy. The County is in compliance with this policy at the end of the current fiscal period.

j. Fund Balance Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned 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 County'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.

k. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bonds 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

l. Property Taxes

Property taxes are levied prior to September 30 based on taxable values as of January 1 and become due October 1 and past due after January 31. Assessed value represents the appraisal value less applicable exemptions authorized by the County Commissioners. The Appraisal Board of Review establishes appraised value at 100% for estimated market value. A tax lien attaches to the property on January 1 of each year, to secure the payment of all taxes, penalties and interest ultimately imposed for the year on that property, whether or not the taxes are imposed in the year the lien attaches.

Revenues are recognized as the related ad valorem taxes are collected. Additional delinquent property taxes estimated to be collectible within 60 days following the close of the fiscal year have been recognized as a revenue at the fund level.

In Texas, county-wide central appraisal districts are required under the Property Tax Code to assess all property within the appraisal district on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the County may, at its own expense, require annual reviews of appraisal values. The County may challenge appraised values established by the appraisal district through various appeals, and, if necessary, take legal action. Under this legislation, the County continues to set tax rates on the County property. However, if the effective tax rate, including tax rates for bonds and other contractual obligations, adjusted for new improvements, exceed the rate of the previous year by more than 8%, qualified voters of the County may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

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

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

3. Financial Statement Amounts (continued)

m. Comparative Data/Reclassification

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

n. Use of Estimates

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

o. Program Revenues

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

p. Program Expenditures

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

**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>
None reported	Not applicable

3. Budgets and Budgetary Accounting

The County Judge serves as the budget officer for the Commissioners' Court and submits the annual budget for approval where the legal level of control is by category. Amendments to the budget and additional appropriations must be approved by the Commissioners' Court. Following is a summary of the budget calendar:

1. The proposed budget is filed with the County Clerk and made available for public inspection.
2. The Commissioners' Court holds a public hearing on the proposed budget and subsequently makes changes and approves the budget, including the adoption of a property tax levy which is effective on October 1 preceding the beginning of the fiscal year.
3. The approved budget is filed with the County Clerk.

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

**B. COMPLIANCE AND ACCOUNTABILITY**

- 4. Budgets and Budgetary Accounting (continued)
  
- 5. During the course of the budget year, it may be necessary to amend the budget. The Commissioners' Court may, by order, authorize an emergency expenditure as an amendment to the original budget only in case of a grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable diligent thought and attention. The Commissioners' Court may issue an order to amend the budget by transferring an amount budgeted for one line item to another line item authorizing an emergency expenditures.

**C. DEPOSITS AND INVESTMENTS**

The County's investment policy is in accordance with the laws of the State of Texas. The policies identify authorized investment and investment terms, collateral requirements and safekeeping requirements for collateral.

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

*Cash Deposits*

At September 30, 2020, the carrying amount of the County's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$1,085,872 and the bank balance was \$1,201,000. The County's cash deposits at September 30, 2020 and during the year ended September 30, 2020, were covered by FDIC insurance and pledged collateral held by the County's agent bank in the County's name. Cash and investments as of September 30, 2020 consist of and are classified in the accompanying financial statements as follows:

**Statement of net position:**

General Government	
Unrestricted cash and cash equivalents	\$ 1,085,872
Restricted cash	-
Total cash and cash equivalents	<u>\$ 1,085,872</u>

*Investments*

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

*Investment Accounting Policy*

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

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

**C. DEPOSITS AND INVESTMENTS (continued)**

*Custodial Credit Risk*

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

**D. RECEIVABLES**

Receivables as of year end for the government's individual major funds and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Road &amp; Bridge</u>	<u>Total</u>
Receivables:			
Taxes	\$ 221,505	\$ 46,904	\$ 268,409
Fees and Charges	156,565	-	156,565
Gross Receivables	<u>378,070</u>	<u>46,904</u>	<u>424,974</u>
Less: allowance for uncollectibles	<u>(131,909)</u>	<u>(1,407)</u>	<u>(133,316)</u>
Net Total Receivables	<u>\$ 246,161</u>	<u>\$ 45,497</u>	<u>\$ 291,658</u>

**E. CAPITAL ASSETS**

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 24,617	\$ -	\$ -	\$ 24,617
Total capital assets, not being depreciated:	<u>24,617</u>	<u>-</u>	<u>-</u>	<u>24,617</u>
Capital assets, being depreciated:				
Infrastructure	135,000	-	-	135,000
Buildings and Improvements	1,199,204	-	-	1,199,204
Machinery & Equipment	1,697,479	-	-	1,697,479
Total capital assets being depreciated:	<u>3,031,683</u>	<u>-</u>	<u>-</u>	<u>3,031,683</u>
Total Fixed Assets	<u>3,056,300</u>	<u>-</u>	<u>-</u>	<u>3,056,300</u>
Less accumulated depreciation for:				
Infrastructure	(50,625)	(3,375)	-	(54,000)
Buildings and Improvements	(927,832)	(33,219)	-	(961,051)
Machinery & Equipment	(1,697,479)	-	-	(1,697,479)
Total accumulated depreciation:	<u>(2,675,936)</u>	<u>(36,594)</u>	<u>-</u>	<u>(2,712,530)</u>
Total capital assets, being depreciated, net	<u>355,747</u>	<u>(36,594)</u>	<u>-</u>	<u>319,153</u>
Governmental activities capital assets, net	<u>\$ 380,364</u>	<u>\$ (36,594)</u>	<u>\$ -</u>	<u>\$ 343,770</u>

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

**E. CAPITAL ASSETS (continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:		
General Government	\$	8,940
Public Safety		11,272
Judicial		6,675
Health and Public Welfare		158
Public Works		9,549
Total depreciation expense - governmental activities	\$	<u>36,594</u>

**F. LONG-TERM OBLIGATIONS**

A summary of long-term debt transactions, including the current portion, for the year ended September 30, 2019, is as follows:

	Beginning Balance	Additions	Decrease	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Jail loan	\$ 154,640	\$ -	\$ (25,777)	\$ 128,863	\$ 25,788
Radio Upgrades	29,845	-	(7,458)	22,387	7,243
Courthouse Study	60,000	-	(14,342)	45,658	14,772
Dash Camera	-	45,000		45,000	11,246
Civic Center Roof	-	13,500		13,500	3,227
Digital Record System	-	52,500		52,500	12,548
Governmental activity Long-term liabilities	<u>\$ 244,485</u>	<u>\$ 111,000</u>	<u>\$ (47,577)</u>	<u>\$ 307,908</u>	<u>\$ 74,824</u>

*Changes in Governmental Long-term Debt*

Description	Interest Rate Payable	Amounts Issue	Amounts Outstanding September 30, 2018	Increase	Retired	Amounts Outstanding September 30, 2019	Due Within One Year
Jail Note Payable	3.00%	257,768	154,640	-	(25,777)	128,863	25,788
Radio Upgrades	3.00%	29,845	29,845	-	(7,458)	22,387	7,243
Courthouse Study	3.00%	60,000	60,000	-	(14,342)	45,658	14,772
Dash Camera	3.00%	45,000	-	45,000		45,000	11,246
Civic Center Roof	3.00%	13,500	-	13,500		13,500	3,227
Digital Record System	3.00%	52,500	-	52,500		52,500	12,548
Total Long Term Obligations		<u>\$ 458,613</u>	<u>\$ 244,485</u>	<u>\$ 111,000</u>	<u>\$ (47,577)</u>	<u>\$ 307,908</u>	<u>\$ 74,824</u>

Capital Lease debt service requirements are as follows:

Year Ending December 31:	Principal	Interest	Total Requirements
2021	\$ 74,824	\$ 8,607	\$ 31,190
2022	75,622	7,025	30,416
2023	77,117	4,756	29,654
2024	54,603	2,428	28,869
2025	25,742	810	26,552
Totals	<u>\$ 307,908</u>	<u>\$ 23,626</u>	<u>\$ 146,681</u>

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

**G. RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County had general liability coverage at a cost that is considered to be economically justifiable. There were no significant reductions in commercial insurance coverage in the past year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

**H. LITIGATION**

Management is unaware of significant pending litigation against Delta County, Texas as of the end of the fiscal year September 30, 2020.

**I. SUBSEQUENT EVENTS**

The County has evaluated all events or transactions that occurred after September 30, 2020 up through May 17, 2023, the date the financial statements were available to be issued. Management noted no other subsequent events requiring disclosure.

## SUPPLEMENTARY INFORMATION

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

	Road and Bridge #1	Road and Bridge #2	Road and Bridge #3	Road and Bridge #4	Total
<b>REVENUES</b>					
Property Taxes	\$ 116,068	\$ 116,068	\$ 116,068	\$ 176,011	\$ 524,215
Licenses and Permits	64,889	64,889	64,889	4,947	199,614
Investment income	-	-	-	-	-
Grant	-	-	-	-	-
Miscellaneous	151	452	1,256	(2,683)	(824)
<b>Total Revenues</b>	<u>181,108</u>	<u>181,409</u>	<u>182,213</u>	<u>178,275</u>	<u>723,005</u>
<b>EXPENDITURES</b>					
Current:					
Roads and Bridges	186,891	164,806	185,754	214,611	752,062
Capital Outlay	-	-	-	-	-
<b>Total Expenditures</b>	<u>186,891</u>	<u>164,806</u>	<u>185,754</u>	<u>214,611</u>	<u>752,062</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(5,783)</u>	<u>16,603</u>	<u>(3,541)</u>	<u>(36,336)</u>	<u>(29,057)</u>
<b>Other Revenues and Financing Sources (Uses)</b>					
Extraordinary Item	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(5,783)	16,603	(3,541)	(36,336)	(29,057)
<b>Fund Balances, Beginning of year</b>	74,816	40,997	23,187	129,056	268,056
<b>Fund Balances, End of year</b>	<u>\$ 69,033</u>	<u>\$ 57,600</u>	<u>\$ 19,646</u>	<u>\$ 92,720</u>	<u>\$ 238,999</u>



DELTA COUNTY, TEXAS  
 COMBINING BALANCE SHEET - NONMAJOR  
 GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2020

	<u>Records Mgmt</u>	<u>Building Security</u>	<u>Record Preservation</u>	<u>Indigent Health Care</u>	<u>Emergency Management</u>	<u>Constable</u>	<u>Sheriff</u>
<b>Assets</b>							
Cash and cash equivalents	\$ 15,311	\$ 30,082	\$ 35,020	\$ -	\$ -	\$ 3,760	\$ 23,058
Grant Receivable	-	-	-	-	-	-	-
Cash and cash equivalents - restricted	-	-	-	-	-	-	-
<b>Total Assets</b>	<u>15,311</u>	<u>30,082</u>	<u>35,020</u>	<u>-</u>	<u>-</u>	<u>3,760</u>	<u>23,058</u>
<b>Liabilities</b>							
Accounts payable	1,696	-	693	647	688	-	-
Other liabilities	-	-	-	-	-	-	238
Accrued expenses	11	-	-	15	-	-	-
<b>Total Liabilities</b>	<u>1,707</u>	<u>-</u>	<u>693</u>	<u>662</u>	<u>688</u>	<u>-</u>	<u>238</u>
<b>Fund Balances</b>							
Restricted:							
Judicial	13,605	30,083	34,327	-	-	-	-
Assigned	-	-	-	(662)	(688)	3,760	22,820
<b>Total Fund Balances</b>	<u>13,605</u>	<u>30,083</u>	<u>34,327</u>	<u>(662)</u>	<u>(688)</u>	<u>3,760</u>	<u>22,820</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 15,312</u>	<u>\$ 30,083</u>	<u>\$ 35,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,760</u>	<u>\$ 23,058</u>

**DELTA COUNTY, TEXAS  
 COMBINING BALANCE SHEET - NONMAJOR  
 GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2020**

	<u>Technology</u>	<u>Court</u>	<u>Tax Assessor/ Collector</u>	<u>Grants</u>	<u>Totals</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 15,999	\$ 92,981	\$ 160,446	\$ -	\$ 376,657
Receivables (net of allowance for uncollectibles)	-	-	-	20,780	20,780
Cash and cash equivalents - restricted	-	-	-	-	-
<b>Total Assets</b>	<u>15,999</u>	<u>92,981</u>	<u>160,446</u>	<u>20,780</u>	<u>397,437</u>
<b>Liabilities</b>					
Accounts payable	-	3,626	-	-	7,350
Other liabilities	-	48,429	-	-	48,667
Accrued expenses	-	-	-	-	26
<b>Total Liabilities</b>	<u>-</u>	<u>52,055</u>	<u>-</u>	<u>-</u>	<u>56,043</u>
<b>Fund Balances</b>					
Restricted:					
Judicial	15,999	-	-	-	94,014
Assigned	-	40,926	160,446	20,780	247,382
<b>Total Fund Balances</b>	<u>15,999</u>	<u>40,926</u>	<u>160,446</u>	<u>20,780</u>	<u>341,396</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 15,999</u>	<u>\$ 92,981</u>	<u>\$ 160,446</u>	<u>\$ 20,780</u>	<u>\$ 397,439</u>

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

	<u>Records Mgmt</u>	<u>Building Security</u>	<u>Record Preservation</u>	<u>Indigent Health Care</u>	<u>Emergency Management</u>	<u>Constable</u>	<u>Sheriff</u>
<b>REVENUES</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charge for services	15,871	-	16,444	-	-	-	-
Fines and forfeitures	-	6,712	-	-	-	-	-
Investment income	-	-	-	-	-	-	6
Grant revenue	-	-	-	-	-	-	-
Intergovernmental - state and local	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	10,131
<b>Total Revenues</b>	<u>15,871</u>	<u>6,712</u>	<u>16,444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,137</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	12,985
Judicial	16,367	5,725	12,683	-	-	-	-
Health and public welfare	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>16,367</u>	<u>5,725</u>	<u>12,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,985</u>
Net operating income (loss)	<u>(496)</u>	<u>987</u>	<u>3,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,848)</u>
<b>Other Financing Sources (Uses)</b>							
Sale of Assets	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(496)</u>	<u>987</u>	<u>3,761</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,848)</u>
<b>Fund Balances, Beginning of year</b>	14,101	29,096	30,566	(662)	(688)	3,760	25,668
<b>Fund Balances, End of year</b>	<u>\$ 13,605</u>	<u>\$ 30,083</u>	<u>\$ 34,327</u>	<u>\$ (662)</u>	<u>\$ (688)</u>	<u>\$ 3,760</u>	<u>\$ 22,820</u>

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

	<u>Technology</u>	<u>Court</u>	<u>Tax Assessor/ Collector</u>	<u>Grants</u>	<u>Totals</u>
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ 39,135	\$ -	\$ 39,135
Charge for services	-	60,270	-	-	92,585
Fines and forfeitures	184	-	-	-	6,896
Investment income	-	767	3,509	-	4,282
Grant revenue	-	-	-	-	-
Intergovernmental - state and local	-	-	-	-	-
Miscellaneous	4,386	5,422	-	-	19,939
<b>Total Revenues</b>	<u>4,570</u>	<u>66,459</u>	<u>42,644</u>	<u>-</u>	<u>162,837</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	12,985
Judicial	11,562	67,289	-	-	113,626
Health and public welfare	-	-	-	-	-
<b>Total Expenditures</b>	<u>11,562</u>	<u>67,289</u>	<u>-</u>	<u>-</u>	<u>126,611</u>
Net operating income (loss)	<u>(6,992)</u>	<u>(830)</u>	<u>42,644</u>	<u>-</u>	<u>36,226</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Assets					-
Transfers	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(6,992)</u>	<u>(830)</u>	<u>42,644</u>	<u>-</u>	<u>36,226</u>
<b>Fund Balances, Beginning of year</b>	<u>22,991</u>	<u>41,756</u>	<u>117,802</u>	<u>20,780</u>	<u>305,170</u>
<b>Fund Balances, End of year</b>	<u>\$ 15,999</u>	<u>\$ 40,926</u>	<u>\$ 160,446</u>	<u>\$ 20,780</u>	<u>\$ 341,396</u>