

MONTAGUE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2021

MONTAGUE COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditor's Report		1
Management's Discussion and Analysis (Other Supplementary Information)		3
BASIC FINANCIAL STATEMENTS		
Statement of Net Position – Modified Cash Basis	A-1	12
Statement of Activities – Modified Cash Basis	A-2	13
Balance Sheet – Modified Cash Basis – Governmental Funds	A-3	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position – Modified Cash Basis	A-4	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis – Governmental Funds	A-5	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds – Modified Cash Basis to the Statement of Activities – Modified Cash Basis	A-6	19
Statement of Fiduciary Net Position – Modified Cash Basis – Custodial Funds	A-7	20
Statement of Changes in Fiduciary Net Position – Modified Cash Basis – Custodial Funds	A-8	21
Notes to the Financial Statements		22
OTHER SUPPLEMENTARY INFORMATION		
Budgetary Comparison Schedule – Modified Cash Basis – General Fund	B-1	39
Schedule of Changes in Net Pension Liability and Related Ratios – Texas County and District Retirement System	B-2	40
Schedule of Employer Contributions – Texas County and District Retirement System	B-3	41
Notes to Supplementary Information		42
COMBINING STATEMENTS AND BUDGET COMPARISONS AS SUPPLEMENTARY INFORMATION		
Combining Balance Sheet – Modified Cash Basis – General Fund	C-1	43
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis – General Fund	C-2	45
Combining Budgetary Comparison Schedule – Modified Cash Basis – General Fund	C-3	47
Combining Balance Sheet – Modified Cash Basis – Other Governmental Funds	C-4	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Modified Cash Basis – Other Governmental Funds	C-5	62
Combining Statement of Fiduciary Net Position – Modified Cash Basis – Custodial Funds	C-6	70
Combining Statement of Changes in Fiduciary Net Position – Modified Cash Basis – Custodial Funds	C-7	72

FINANCIAL SECTION



EDGIN, PARKMAN, FLEMING & FLEMING, PC

CERTIFIED PUBLIC ACCOUNTANTS

1401 HOLLIDAY ST., SUITE 216 • P.O. BOX 750
WICHITA FALLS, TEXAS 76307-0750
PH. (940) 766-5550 • FAX (940) 766-5778

MICHAEL D. EDGIN, CPA
DAVID L. PARKMAN, CPA
A. PAUL FLEMING, CPA

Independent Auditor's Report

Honorable County Judge and
Members of the Commissioners' Court
Montague County, Texas

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Montague County, Texas, as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Montague County, Texas as of September 30, 2021, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting as described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montague County's basic financial statements. The management's discussion and analysis, budgetary comparison information, Texas County and District Retirement System schedules, and the combining statements and budget comparisons on pages 3-11, 39, 40-42, and 43-72 respectively, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and budget comparisons 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 statements and budget comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The management's discussion and analysis, budgetary comparison information, Texas County and District Retirement System schedules have 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 under separate cover our report dated March 25, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas
March 25, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Montague County, Texas, we offer readers of the County's Annual Financial Report this narrative overview and analysis of the County's financial performance during the fiscal year ended September 30, 2021. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at September 30, 2021 by \$31,159,606 (net position). Of this amount, \$13,280,984 (unrestricted net position) may be used to meet the County's obligations.
- During the year, the County's total net position increased by \$5,143,213. The County's expenses, which totaled \$16,231,288, were less than the County's program revenues of \$10,199,121 and general revenues of \$11,175,380.
- The total cost of the County's programs increased \$617,441 or 4% from the prior year.
- The governmental funds reported a fund balance at September 30, 2021 of \$18,456,906, which is an increase of \$3,605,631 in comparison with the prior year amount.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$8,209,302, or 66% of the total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

All of the County's services are reported in the government-wide financial statements, including administration, judicial, public transportation, and public safety. Property taxes, highway taxes, fees and commissions and intergovernmental grants finance most of the activities. Additionally, all capital and debt financing activities are reported here.

The government-wide financial statements are designed to provide readers a broad overview of the County's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all the County's assets and liabilities on the modified cash basis, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the County's financial position is improving or deteriorating.

The *statement of activities* details how the County's net position changed during the most recent fiscal year. On the modified cash basis, all changes in net position are reported on the cash basis except for capital assets and long-term liabilities.

Fund Financial Statements

The County uses fund accounting to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the County's most significant *funds* – not the County as a whole. Some funds are required by State law and or bond covenants. Other funds may be established by the County to control and manage money for particular purposes or to evidence appropriate use of certain taxes, grants, and other special revenues.

All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's short-term financing requirements.

Because the focus on *governmental funds* is narrower than that of government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's short-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. These reconciliations facilitate the comparison between *governmental funds* and *governmental activities*.

The County maintained multiple governmental funds during the year. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balance for the General Fund, the first three precinct FEMA Funds and the Fiscal Recovery Funds fund, which are considered to be the County's major funds. Financial data for the other governmental funds are combined into a single, aggregated presentation.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The County is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the County's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *other supplementary information* that further explains and supports the information in the financial statements.

Basis of Accounting

The County has elected to present its financial statements on the modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than GAAP. The basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the County's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions, except for the recording of depreciation expense on the capital assets in the government-wide financial statements for all activities and recording non-cash capital assets and debt issuances.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a government's financial position. Exhibited below in Table 1 are the County's net position summarized for the *governmental activities*.

Table 1 - County's Net Position

	Governmental Activities			
	2021	2020	Change	% Change
Current and other assets	\$ 18,456,906	\$ 14,851,275	\$ 3,605,631	24%
Capital assets, net	14,690,235	12,928,676	1,761,559	14%
Total Assets	33,147,141	27,779,951	5,367,190	19%
Current liabilities	-	-	-	N/A
Noncurrent liabilities	1,987,535	1,763,558	223,977	13%
Total Liabilities	1,987,535	1,763,558	223,977	13%
Net position:				
Net investment in capital assets	12,702,700	11,165,118	1,537,582	14%
Restricted	5,175,922	2,765,874	2,410,048	87%
Unrestricted	13,280,984	12,085,401	1,195,583	10%
Total Net Position	\$ 31,159,606	\$ 26,016,393	\$ 5,143,213	20%

Net investment in capital assets (e.g. land, buildings, furniture, and equipment less any related debt used to acquire those assets that is still outstanding) is \$12,702,700. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

A portion of the County's net position, \$5,175,922, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position of \$13,280,984 may be used to meet the County's ongoing obligations.

Changes in Net Position

The County's total revenues, both program and general, were \$21,374,501. A significant portion, 51%, of the County's revenue comes from property taxes. Charges for services accounted for 12% of the County's revenue while operating grants and contributions represented 27% and capital grants and contributions represented 9%. Exhibited below in Table 2 are the County's revenues for the years ended September 30, 2021 and 2020 for the County's *governmental activities*.

Table 2 - County's Revenues

	Governmental Activities			
	2021	Percent	2020	Percent
Charges for services	\$ 2,526,787	12%	\$ 2,615,642	17%
Operating grants and contributions	5,722,594	27%	1,343,840	9%
Capital grants and contributions	1,949,740	9%	516,434	3%
Property taxes	10,844,174	51%	10,670,794	69%
License and permits	9,984	0%	9,670	0%
Investment earnings	28,458	0%	128,566	1%
Miscellaneous	292,764	1%	114,157	1%
Total Revenues	\$ 21,374,501	100%	\$ 15,399,103	100%

Exhibited below in Table 3 are the County's expenses for the years ended September 30, 2021 and 2020 for the County's *governmental activities*. The total cost of all programs and services was \$16,231,288.

Table 3 - County's Expenses

	Governmental Activities			
	2021	Percent	2020	Percent
General government	\$ 3,255,425	20%	\$ 3,429,097	22%
Justice system	2,104,980	13%	1,956,793	13%
Public safety	1,300,492	8%	1,403,881	9%
Corrections and rehabilitation	2,740,064	17%	2,781,288	18%
Health and human services	376,599	2%	349,992	2%
Community and economic development	35,475	0%	1,171	0%
Infrastructure and environmental services	6,401,257	39%	5,669,172	36%
Interest and fiscal charges	16,996	0%	22,453	0%
Total Expenses	\$ 16,231,288	100%	\$ 15,613,847	100%

Governmental Activities

Table 4 presents the various revenue categories and gross costs of each of the County's functional areas for both the current and prior year. Following the table, we provide explanations for the significant or unusual fluctuations between the two years.

Table 4 - Changes in Net Position

	Governmental Activities			
	2021	2020	Change	% Change
Revenues:				
Program revenues:				
Charges for services	\$ 2,526,787	\$ 2,615,642	\$ (88,855)	-3%
Operating grants and contributions	5,722,594	1,343,840	4,378,754	326%
Capital grants and contributions	1,949,740	516,434	1,433,306	278%
General revenues:				
Property taxes	10,844,174	10,670,794	173,380	2%
Licenses and permits	9,984	9,670	314	3%
Investment earnings	28,458	128,566	(100,108)	-78%
Miscellaneous	292,764	114,157	178,607	156%
Total revenues	21,374,501	15,399,103	5,975,398	39%
Expenses				
General government	3,255,425	3,429,097	(173,672)	-5%
Justice system	2,104,980	1,956,793	148,187	8%
Public safety	1,300,492	1,403,881	(103,389)	-7%
Corrections and rehabilitation	2,740,064	2,781,288	(41,224)	-1%
Health and human services	376,599	349,992	26,607	8%
Community and economic development	35,475	1,171	34,304	2929%
Infrastructure and environmental services	6,401,257	5,669,172	732,085	13%
Interest and fiscal charges	16,996	22,453	(5,457)	-24%
Total expenses	16,231,288	15,613,847	617,441	4%
Change in net position	\$ 5,143,213	\$ (214,744)	\$ 5,357,957	-2495%

Significant fluctuations between years were as follows:

- Operating grants and contributions increased \$4,378,754 or 326% due to an increase in FEMA grants funding because more large projects were funded in the current year, new state CTIF road and bridge projects grant in the current year and additional COVID-19 relief grants in the current year.
- Capital grants and contributions increased \$1,433,306 or 278% due to an increase in Texas Department of Transportation infrastructure projects.
- Infrastructure and environmental services increased \$732,085 or 2929% mostly due to additional FEMA road repair large projects in the current year.

Table 5 presents the net cost of the County's governmental functions (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by local tax dollars and other miscellaneous general revenues.

Table 5 - Net Cost of County Functions

	Governmental Activities			
	2021	Percent	2020	Percent
General government	\$ (724,007)	-12%	\$ 1,594,799	14%
Justice system	1,598,771	27%	1,425,122	13%
Public safety	1,252,964	21%	1,349,529	12%
Corrections and rehabilitation	1,761,364	29%	1,835,056	16%
Infrastructure and environmental services	1,714,005	28%	4,559,809	41%
Other	429,070	7%	373,616	3%
Total Net Costs	\$ 6,032,167	100%	\$ 11,137,931	100%

Financial Analysis of the County's Funds

As previously stated, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and segregation for particular purposes.

Governmental Funds

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

As of September 30, 2021, the County's governmental funds reported a combined ending fund balance of \$18,456,906, an increase of \$3,605,631 from the previous year. Table 6 illustrates the fund balances of the governmental funds.

**Table 6 - Governmental Funds - Fund Balances
September 30, 2021**

	General Fund	FEMA Funds	Fiscal Recovery Funds	Other Funds	Totals
Restricted for:					
Records management/preservation	\$ -	\$ -	\$ -	\$ 1,057,238	\$ 1,057,238
Public safety	-	-	-	158,816	158,816
Justice system	-	-	-	1,057,115	1,057,115
Corrections and rehabilitation	-	-	-	577,052	577,052
Fiscal recovery	-	-	1,924,753	-	1,924,753
Debt service	-	-	-	254,811	254,811
Other	-	-	-	146,137	146,137
Committed for:					
Indigent health care	1,273,125	-	-	-	1,273,125
Infrastructure and environmental services	3,123,713	-	-	-	3,123,713
Assigned for deficit budget for 2021-22	1,138,465	-	-	-	1,138,465
Unassigned	8,209,302	(463,621)	-	-	7,745,681
Total Fund Balances	\$13,744,605	\$ (463,621)	\$1,924,753	\$ 3,251,169	\$18,456,906

General Fund

At the end of the current fiscal year, the ending fund balance for the General Fund was \$13,744,605, of which \$4,396,838 was committed, \$1,138,465 was assigned and \$8,209,302 was unassigned. The total unassigned fund balance represents 66% of the total General Fund expenditures for the year ended September 30, 2021. The fund balance increased \$1,049,832 in the current fiscal year.

General Fund revenues totaled \$12,913,289, an increase of \$244,781, or 2%, over the preceding year. The only revenue categories with significant changes between years were registration, fines and fees which decreased \$161,225 and intergovernmental which increased \$179,817. The decrease to registration, fines and fees was due to courts being closed for a larger portion of fiscal year 2021 due to COVID-19. The increase of intergovernmental revenues was due to the new CTIF road and bridge grant funds received during the year.

General Fund expenditures totaled \$12,356,330, an increase of \$386,116, or 3%, over the preceding year. The most significant change between years were in the following functional areas:

- Infrastructure and environmental services expenditures increased \$423,003 or 11% mostly due to more capital purchases, new lease payments and more material and road repairs not covered by FEMA projects.

FEMA Grant Funds

The County was awarded multiple FEMA grants to help the County repair numerous roads that were damaged due to flooding in prior years with the small projects being funded in advance and completed in prior years. In the last two years, the County completed large projects that were funded by reimbursement. In 2019-20, the County received \$563,655 of grant funds and expended \$2,097,934 resulting in a negative unassigned fund balance of \$632,788 at September 30, 2020. In 2020-21, the County received \$2,538,179 of grant funds and expended \$2,369,012 resulting in a negative unassigned fund balance of \$463,621 at September 30, 2021.

Fiscal Recovery Funds

The County was awarded American Rescue Plan fiscal recovery funds from the federal COVID-19 economic relief grants and received \$1,924,753 during fiscal year 2021. The County did not expend any of the funds during the year ending September 30, 2021 leaving a fund balance of \$1,924,753 at September 30, 2021 restricted to fiscal recovery grant allowed costs.

Other Governmental Funds

Other governmental funds consist of the various non-major special revenue funds and debt service funds. The total ending fund balance for the non-major special revenues and debt service funds combined was \$3,251,169, an increase of \$461,879 from the previous year. All of the fund balance at September 30, 2021 is restricted as shown in Table 6.

Other Governmental Funds' revenues totaled \$2,048,540, an increase of \$398,034, or 24%, over the preceding year. The individual revenues with significant changes were registration, fines and fees which increased \$105,732 and intergovernmental revenues which increased \$285,505. The increase in registration, fines and fees revenues was due to fee increases for both records management and archive fees and local juvenile probation fines and fees increases. The increase in intergovernmental revenues was due to increases in the coronavirus relief fund grant receipts less decreases in smaller grants and the

timing of district attorney supplemental payments (current year supplement was not received until after the end of the fiscal year.

Other Government Funds' expenditures totaled \$1,697,873, a decrease of \$317,057, or 16%, over the preceding year. The most significant change between years was in the following functional areas:

- General government expenditures decreased \$66,898 or 23%, mostly due to reduced records management costs, reduced funding of utility reimbursements and reduced county clerk archive costs offset somewhat by increases in coronavirus relief grant spending.
- Infrastructure and environmental service expenditures decreased \$244,843 to zero because the final precinct 4 FEMA grant funds were expended in the prior year.

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget several times. With these adjustments, revenues were \$100,674 below the final budgeted amount. Most revenues fell within normal variance above and below budgeted levels except for property taxes and other revenues. Property taxes were below the budgeted amount by \$300,099 mostly due to the County overestimating property tax collections. Other revenues were above the budgeted amount by \$161,532 due to various miscellaneous revenues such as insurance refunds not budgeted.

Relative to actual expenditures, they were \$2,712,983 below final budget amounts. All functional areas were well below their budget due to conservative budgeting.

As noted above, the original budget was amended throughout the year. However, the budget line items in the original budget were not materially different than in the final adopted budget except for intergovernmental revenues, other revenues, justice system expenditures and infrastructure and environmental services expenditures. Intergovernmental revenues increased \$162,021 to allow for new CTIF road and bridge grant. Other revenue increased \$68,297 to allow for miscellaneous revenues such as insurance claims not in the original budget. Justice system expenditures increased \$103,574 due to ending of court closures during the pandemic. Infrastructure and environmental services increased \$54,578 for the purchase of infrastructure equipment not in the original budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2021, the County had invested in a broad range of capital assets totaling \$14,690,235, net of accumulated depreciation, including land, buildings, equipment, and infrastructure. See Table 7.

Table 7 - Capital Assets, Net

	2021	2020	Change	% Change
Land	\$ 420,047	\$ 420,047	\$ -	0%
Buildings and improvements	3,468,272	3,739,341	(271,069)	-7%
Machinery and equipment	4,386,735	3,877,763	508,972	13%
Infrastructure	6,415,181	4,891,525	1,523,656	31%
Totals	\$14,690,235	\$12,928,676	\$ 1,761,559	14%

Capital assets, net of accumulated depreciation, increased \$1,761,559 from the previous year. The increase relates to the current year additions of \$3,329,679 less depreciation expense of \$1,433,374 less dispositions (net) of \$134,746 in 2020-21. Additional information about the County's capital assets is presented in the notes to the financial statements.

Long-term Obligations

At September 30, 2021, the County had \$1,987,535 in long-term obligations outstanding as shown in Table 8.

Table 8 - Long-term Debt

	2021	2020	Change	% Change
General Obligation Bonds	\$ 580,000	\$ 855,000	\$ (275,000)	-32%
Capital Leases Payable	1,407,535	908,558	498,977	55%
Totals	\$ 1,987,535	\$ 1,763,558	\$ 223,977	13%

During the year, the County issued \$932,287 in additional debt, but repaid \$708,310 in existing debt. Additional information about the County's long-term debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Appraised value used for the 2021-22 budget preparation was \$2,056,597,857, an increase of \$75,177,282, or 3.7%, from the prior year actual appraised value. Additionally, the M&O tax rate for 2021-22 is \$.5475 per \$100 valuation which is less than 1% increase from \$.5473 per \$100 used in 2020-21.

Revenues budgeted in the General Fund's budget for 2021-22 are \$12,881,141, a decrease of \$32,148 or less than 1% from the final 2020-21 revenues of \$12,913,289.

Expenditures budgeted in the General Funds' budget for 2021-22 are \$15,089,014, a decrease of \$2,732,684 or 22% from the 2020-21 expenditures of \$12,356,330. The decrease mostly relates to decreases in the Road and Bridge precincts due to the completion of the FEMA related projects. The County does not anticipate any new programs or projects being added in 2020-21 budget.

If these estimates are realized, the County's General Fund's fund balance is expected to decrease by \$2,207,873 by September 30, 2022. However, only \$1,138,465 was set aside as assigned fund balance at September 30, 2022 since restricted fund balance amounts will be used for the other \$1,069,408 deficit.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

MONTAGUE COUNTY, TEXAS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
SEPTEMBER 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash on hand and in bank	\$ 17,385,912
Investments	1,070,994
Capital assets, net	14,690,235
Total assets	<u>33,147,141</u>
LIABILITIES	
Noncurrent liabilities:	
Due within one year	612,634
Due in more than one year	1,374,901
Total liabilities	<u>1,987,535</u>
NET POSITION	
Net investment in capital assets	12,702,700
Restricted for:	
Records management/preservation	1,057,238
Public safety	158,816
Justice system	1,057,115
Corrections and rehabilitation	577,052
Fiscal recovery	1,924,753
Debt service	254,811
Other	146,137
Unrestricted	13,280,984
Total net position	<u>\$ 31,159,606</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
General government	\$ 3,255,425	\$ 1,548,556	\$ 2,430,876	\$ -	\$ 724,007
Justice system	2,104,980	420,773	85,436	-	(1,598,771)
Public safety	1,300,492	43,190	4,338	-	(1,252,964)
Corrections and rehabilitation	2,740,064	514,268	464,432	-	(1,761,364)
Health and human services	376,599	-	-	-	(376,599)
Community and economic development	35,475	-	-	-	(35,475)
Infrastructure and environmental services	6,401,257	-	2,737,512	1,949,740	(1,714,005)
Interest on bonded debt	16,996	-	-	-	(16,996)
Total governmental activities	<u>\$ 16,231,288</u>	<u>\$ 2,526,787</u>	<u>\$ 5,722,594</u>	<u>\$ 1,949,740</u>	<u>(6,032,167)</u>
General revenues:					
Property taxes, levied for general purposes					10,511,620
Property taxes, levied for debt service					332,554
License and permits					9,984
Investment earnings					28,458
Other					292,764
Total general revenues					<u>11,175,380</u>
Change in net position					5,143,213
Net position - beginning					<u>26,016,393</u>
Net position - ending					<u>\$ 31,159,606</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	94	95	
	General Fund	R&B #1 FEMA	R&B #2 FEMA
ASSETS			
Cash on hand and in bank	\$ 12,209,990	\$ -	\$ -
Investments	1,070,994	-	-
Due from other funds	463,621	-	-
Total assets	<u>\$ 13,744,605</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	<u>\$ -</u>	<u>\$ 248,299</u>	<u>\$ -</u>
Fund balances:			
Restricted for:			
Records management/preservation	-	-	-
Public safety	-	-	-
Justice system	-	-	-
Corrections and rehabilitation	-	-	-
Fiscal recovery	-	-	-
Debt service	-	-	-
Other	-	-	-
Committed for:			
Indigent health care	1,273,125	-	-
Infrastructure and environmental services	3,123,713	-	-
Assigned for:			
Deficit budget for 2021-22	1,138,465	-	-
Unassigned	8,209,302	(248,299)	-
Total fund balances	<u>13,744,605</u>	<u>(248,299)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 13,744,605</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

96 R&B #3 FEMA	98 Fiscal Recovery Funds	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,924,753	\$ 3,251,169	\$ 17,385,912
-	-	-	1,070,994
-	-	-	463,621
<u>\$ -</u>	<u>\$ 1,924,753</u>	<u>\$ 3,251,169</u>	<u>\$ 18,920,527</u>
<u>\$ 215,322</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,621</u>
-	-	1,057,238	1,057,238
-	-	158,816	158,816
-	-	1,057,115	1,057,115
-	-	577,052	577,052
-	1,924,753	-	1,924,753
-	-	254,811	254,811
-	-	146,137	146,137
-	-	-	1,273,125
-	-	-	3,123,713
-	-	-	1,138,465
(215,322)	-	-	7,745,681
<u>(215,322)</u>	<u>1,924,753</u>	<u>3,251,169</u>	<u>18,456,906</u>
<u>\$ -</u>	<u>\$ 1,924,753</u>	<u>\$ 3,251,169</u>	<u>\$ 18,920,527</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET - MODIFIED CASH BASIS TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
SEPTEMBER 30, 2021

Total fund balances - governmental funds (Exhibit A-3) \$ 18,456,906

Amounts reported for *governmental activities* in the Statement of Net Position (Exhibit A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. Capital assets at year-end consist of:

Gross capital assets	\$ 29,975,364	
Related accumulated depreciation	<u>15,285,129</u>	14,690,235

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

General obligation bonds payable	580,000	
Capital leases payable	<u>1,407,535</u>	<u>(1,987,535)</u>

Total net position - governmental activities (Exhibit A-1) \$ 31,159,606

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

		94	95
	General Fund	R&B #1 FEMA	R&B #2 FEMA
REVENUES			
Property taxes	\$ 10,511,620	\$ -	\$ -
Registrations, fines and fees	1,393,676	-	-
Public service fees	208,539	-	-
Intergovernmental	473,241	1,373,499	98,223
Interest income	26,548	-	-
Other	299,665	-	-
Total revenues	<u>12,913,289</u>	<u>1,373,499</u>	<u>98,223</u>
EXPENDITURES			
Current:			
General government	2,919,556	-	-
Justice system	1,990,194	-	-
Public safety	1,416,605	-	-
Corrections and rehabilitation	1,526,295	-	-
Health and human services	375,399	-	-
Community and economic development	-	-	-
Infrastructure and environmental services	4,128,281	1,429,497	-
Debt service - bonded debt:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>12,356,330</u>	<u>1,429,497</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>556,959</u>	<u>(55,998)</u>	<u>98,223</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from the issuance of capital leases	540,668	-	-
Proceeds from the sale of capital assets	63,417	-	-
Transfers in	759,580	-	-
Transfers out	(870,792)	-	-
Total other financing sources (uses)	<u>492,873</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,049,832	(55,998)	98,223
Fund balances - beginning of year	<u>12,694,773</u>	<u>(192,301)</u>	<u>(98,223)</u>
Fund balances - end of year	<u>\$ 13,744,605</u>	<u>\$ (248,299)</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

96 R&B #3 FEMA	98 Fiscal Recovery Funds	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 332,554	\$ 10,844,174
-	-	696,294	2,089,970
-	-	-	208,539
1,066,457	1,924,753	977,177	5,913,350
-	-	1,910	28,458
-	-	40,605	340,270
<u>1,066,457</u>	<u>1,924,753</u>	<u>2,048,540</u>	<u>19,424,761</u>
-	-	219,040	3,138,596
-	-	114,786	2,104,980
-	-	3,608	1,420,213
-	-	1,031,840	2,558,135
-	-	1,200	376,599
-	-	35,403	35,403
939,515	-	-	6,497,293
-	-	275,000	275,000
-	-	16,996	16,996
<u>939,515</u>	<u>-</u>	<u>1,697,873</u>	<u>16,423,215</u>
<u>126,942</u>	<u>1,924,753</u>	<u>350,667</u>	<u>3,001,546</u>
-	-	-	540,668
-	-	-	63,417
-	-	320,700	1,080,280
-	-	(209,488)	(1,080,280)
<u>-</u>	<u>-</u>	<u>111,212</u>	<u>604,085</u>
126,942	1,924,753	461,879	3,605,631
(342,264)	-	2,789,290	14,851,275
<u>\$ (215,322)</u>	<u>\$ 1,924,753</u>	<u>\$ 3,251,169</u>	<u>\$ 18,456,906</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS -
MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - total governmental funds (Exhibit A-5) \$ 3,605,631

Amounts reported for *governmental activities* in the Statement of Activities (Exhibit A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. The net difference between the two is as follows:

Capital outlay during the year	\$ 3,329,679	
Depreciation expense for the year	1,433,374	1,896,305

Proceeds from the sale of capital assets are recorded as revenues when received in the governmental funds. In the Statement of Activities, the difference between the proceeds and the book value of the capital asset is reported as a gain (loss) from sale. The net book value of the capital assets disposed was: (134,746)

Proceeds from the issuance of debt is recorded as other sources when received in the governmental funds. However, the debt issued is reported as a liability in the Statement of Net Position. The amount of capital lease proceeds in the current year was: (932,287)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. The long-term debt principal paid during the year was as follows:

General obligation bonds payable	275,000	
Capital leases payable	433,310	708,310

Change in net position of governmental activities (Exhibit A-2) \$ 5,143,213

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION -
MODIFIED CASH BASIS - CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	Custodial Funds
ASSETS	
Cash	\$ 1,378,415
Total assets	<u>1,378,415</u>
LIABILITIES	
Accounts payable	-
Total liabilities	<u>-</u>
NET POSITION	
Restricted for other purposes	1,378,415
Total net position	<u>\$ 1,378,415</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
MODIFIED CASH BASIS - CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	Custodial Funds
ADDITIONS	\$ 17,430,950
DEDUCTIONS	<u>17,035,471</u>
CHANGE IN NET POSITION	<u>395,479</u>
NET POSITION - BEGINNING, AS ORIGINALLY STATED	-
PRIOR PERIOD ADJUSTMENT	<u>982,936</u>
NET POSITION - BEGINNING, AS RESTATED	<u>982,936</u>
NET POSITION - ENDING	<u><u>\$ 1,378,415</u></u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

Montague County, Texas (County), a political subdivision of the State of Texas is governed by an elected judge and four county commissioners which comprise the Commissions' Court. The County's operational activities include general administrative services, judicial, public safety, the construction and maintenance of roads, health and welfare assistance, permanent records preservation, and conservation.

The accounting policies of the County conform to the modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), which include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The notes to the financial statements are an integral part of the County's basic financial statements.

The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement Nos. 39 and 61, in that the financial statements include all organizations, activities, functions and component units for which the County (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the County's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the County.

There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the basic financial statements present the County only.

2. Government-wide 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 the non-fiduciary activities of the County. For the most part, the effects of interfund activity have been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

3. Financial Statement Presentation, Measurement Focus, and Modified Cash Basis of Accounting

a. Financial Statement Presentation

Government-wide Financial Statements – The Statement of Net Position and Statement of Activities display information about reporting the government as a whole. They report all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or part by fees charged to external parties for goods or services. The County does not have any business-type activities.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

Fund Financial Statements – The fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category, and

Total assets, liabilities, revenues or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds.

The County reports the following major governmental funds:

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

The first, second and third precinct *R&B FEMA Funds* are special revenue funds that account for proceeds from the Federal Emergency Management Agency (FEMA) grants that are restricted for road repairs due to flooding within the County.

The *Fiscal Recovery Funds* are special revenue funds that account for proceeds from the federal American Rescue Plan grant that are restricted for fiscal recovery costs related to effects of the COVID-19 pandemic.

The County reports the following nonmajor governmental funds reported as 'Other Governmental Funds':

The *Special Revenue Funds* account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* are used to account for the accumulation of funds for the periodic payment of principal and interest on long-term debt.

Additionally, the County reports the following fiduciary fund types:

Custodial Funds are used to account for assets held by the government as a custodian for individuals, private organizations, and/or other custodial funds.

b. **Measurement Focus**

The government-wide financial statements are presented using economic resources measurement focus, within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position and financial position. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported.

In the fund financial statements, the "current financial resources" measurement focus is utilized. Only current financial assets and liabilities on the modified cash basis of accounting are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

c. Basis of Accounting

The County's fund financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, fund balances, revenues, and expenditures when they result from cash transactions. The government-wide financial statements are also reported on the modified cash basis of accounting with the inclusion of the capital assets and long-term debt along with a provision for depreciation. The basis is a comprehensive basis of accounting other than GAAP.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenditures/expenses (such as accounts payable and expenditures/expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements would use the modified accrual basis of accounting, while the fiduciary funds would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

d. Other Guidance

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

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.

4. Assets, Liabilities, and Net Position or Equity

a. Deposits and Investments

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

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

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value which is based on quoted market prices.

b. Activity Between Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

c. Property Taxes

Property taxes are levied on October 1 by the County based on the January 1 property values as appraised by the Montague County Central Appraisal District. Taxes are due without penalty until January 31 of the next calendar year. After January 31 the County has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the County.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the governmental activities column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years, except for technology related items that are expended when purchased regardless of the unit cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the time received.

The most significant infrastructure assets capitalized includes paved roads and bridges. The County has elected to capitalize infrastructure occurring subsequent to January 1, 2002 as recommended by GASB 34.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend assets' lives are not capitalized.

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

Buildings and Improvements	20 - 30 years
Machinery and Equipment	3 - 10 years
Infrastructure	20 years

6. Compensated Absences

Employees accumulate earned but unused vacation and compensatory time. No liability is reported for these amounts in the governmental funds or government-wide statements since they are reported on the modified cash basis of accounting.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

7. Long-Term Debt

In the government-wide financial statements, long-term debt is reported as liabilities in the applicable governmental activities statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. 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 County's Commissioners' Court. Committed amounts cannot be used for any other purpose unless the governing board 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 governing board. 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 County 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 governing board or by an official or body to which the governing board 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 County 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.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

B. COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

The County had no violations of finance-related legal and contractual provisions for the year ended September 30, 2021.

2. Deficit Fund Balance of Individual Funds

The County had the following individual funds with a deficit fund balance at September 30, 2021:

Major Governmental Funds:	
R&B #1 FEMA	\$248,299
R&B #3 FEMA	\$215,322

The deficit fund balances are the result of the County's financial statements being reported on the modified cash basis and the deficit balances will be eliminated when the pending grant revenues are received.

C. DEPOSITS AND INVESTMENTS

1. Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$18,456,906, including certificates of deposit reported as investments, and excluding fiduciary balances. All of the bank balance was covered by federal deposit insurance or collateralized by the pledging financial institution's trust department in the County's name.

2. Investments

The County is required by Government Code Chapter 2256, The Public Funds Investment Act (Act) to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity; address investment diversification, yield, maturity and the quality and capability of investment management; include a list of the types of authorized investments in which the investing entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the financial statements disclosed that in the areas of investment practices, management reports, and 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.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

At September 30, 2021, the County had investments as follows:

	Fair Value	Weighted Maturity Months
Money market savings accounts, reported as cash	\$ 9,646,564	1
Certificates of deposit	1,070,994	24
TexPool, reported as cash	<u>7,739,348</u>	1
Total	<u>\$18,456,906</u>	

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the County 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 County was not significantly exposed to credit risk.

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 County'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 County's name. At year end, the County was not exposed to custodial credit risk.

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 County 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 County 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 County was not exposed to foreign currency risk.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

4. 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 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.

5. Public Funds Investment Pools

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Act, Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The County's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

D. PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1 of the prior year. Taxes are levied on October 1 and do not begin to accrue interest until February 1. The County is permitted by the Municipal Finance Law of the State of Texas to levy taxes (exclusive of those amounts levied to service long-term debt) up to \$.80 per \$100 of assessed valuation for general services, permanent improvements, road and bridge and jury fund purposes. The combined tax rate to finance general government (exclusive of long-term debt service) for the year ended September 30, 2021, was \$.5473 per \$100 valuation.

Taxes levied for the payment of principal and interest related to long-term debt was \$.0168 per \$100 valuation for the year ended September 30, 2021. An additional ad valorem tax may be levied and collected for further maintenance of public roads, provided that a majority of the qualified property taxpaying voters shall vote such tax, not to exceed fifteen cents (.15) per \$100 valuation. Montague County did not have such a tax for 2021. The total tax rate for Montague County for fiscal year 2021 was \$.5641.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

E. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

Governmental Activities:	<u>Balance</u> 10/1/20	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> 9/30/21
Capital assets not being depreciated:				
Land	\$ 420,047	\$ -	\$ -	\$ 420,047
Capital assets being depreciated:				
Buildings and improvements	10,070,379	-	-	10,070,379
Machinery and equipment	8,323,606	1,379,939	527,559	9,175,986
Infrastructure	8,359,212	1,949,740	-	10,308,952
Total capital assets being depreciated	<u>26,753,197</u>	<u>3,329,679</u>	<u>527,559</u>	<u>29,555,317</u>
Less accumulated depreciation for:				
Buildings and improvements	6,331,037	271,070	-	6,602,107
Machinery and equipment	4,445,843	736,221	392,813	4,789,251
Infrastructure	3,467,688	426,083	-	3,893,771
Total accumulated depreciation	<u>14,244,568</u>	<u>1,433,374</u>	<u>392,813</u>	<u>15,285,129</u>
Total capital assets being depreciated, net	<u>12,508,629</u>	<u>1,896,305</u>	<u>134,746</u>	<u>14,270,188</u>
Governmental activities capital assets, net	<u>\$12,928,676</u>	<u>\$1,896,305</u>	<u>\$134,746</u>	<u>\$14,690,235</u>

Under the machinery and equipment caption, there is \$2,100,695 of equipment under capital lease obligations with accumulated depreciation of \$289,780 at September 30, 2021.

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

Governmental activities:		
General government		\$ 116,829
Public safety		62,401
Corrections and rehabilitation		181,929
Community and economic development		72
Infrastructure and environmental services		<u>1,072,143</u>
Total governmental depreciation		<u>\$1,433,374</u>

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to and from balances at September 30, 2021 were as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Reason</u>
R&B #1 FEMA	General Fund	\$248,299	Short-term borrowing
R&B #3 FEMA	General Fund	<u>215,322</u>	Short-term borrowing
	Total	<u>\$463,621</u>	

All balances are expected to be repaid within the year.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

Interfund transfers during the year ended September 30, 2021 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	General Fund	\$ 759,580	Supplement other resources
General Fund	Other Governmental Funds	111,212	Supplement other resources
Other Governmental Funds	Other Governmental Funds	<u>209,488</u>	Supplement other resources
	Total	<u>\$1,080,280</u>	

G. LONG-TERM DEBT

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

1. Total Long-Term Debt

Changes in long-term debt for the year ended September 30, 2021 were as follows:

Governmental Activities:	<u>Balance</u> <u>10/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>9/30/2021</u>	<u>Due Within</u> <u>One Year</u>
General obligation bonds	\$ 855,000	\$ -	\$275,000	\$ 580,000	\$285,000
Capital leases	<u>908,558</u>	<u>932,287</u>	<u>433,310</u>	<u>1,407,535</u>	<u>327,634</u>
Total long-term liabilities – governmental activities	<u>\$1,763,558</u>	<u>\$932,287</u>	<u>\$708,310</u>	<u>\$1,987,535</u>	<u>\$612,634</u>

Annual debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>All County Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 612,634	\$ 52,668	\$ 665,302
2023	592,659	35,514	628,173
2024	389,264	23,053	412,317
2025	193,555	11,913	205,468
2026	<u>199,423</u>	<u>6,046</u>	<u>205,469</u>
Totals	<u>\$1,987,535</u>	<u>\$129,194</u>	<u>\$2,116,729</u>

2. General Obligation Bonds

General obligation bonds outstanding at September 30, 2021 were as follows:

<u>General Obligation Bonds:</u>	<u>Original</u> <u>Amount</u>	<u>Date of</u> <u>Issuance</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>9/30/2021</u>
Certificates of Obligation, Series 2011	\$2,565,000	2/15/2011	2/15/2023	1.75% to 2.45%	<u>\$580,000</u>

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

Annual debt service requirements to maturity are as follows

Year Ending September 30	General Obligation Bonds		
	Principal	Interest	Total
2022	\$ 285,000	\$ 10,434	\$ 295,434
2023	295,000	3,614	298,614
Totals	<u>\$ 580,000</u>	<u>\$ 14,048</u>	<u>\$ 594,048</u>

3. Capital Leases Payable

Capital leases payable outstanding at September 30, 2021 were as follows:

	Original Amount	Date of Issuance	Final Maturity	Interest Rate	Balance 9/30/2021
General Capital Corporation, JD 6110M Tractor w/ Boom Mower	\$110,500	1/23/2019	1/23/2022	4.74%	\$ 38,484
General Capital Corporation, CAT 140 Motor Grader	126,787	3/9/2020	3/9/2026	3.30%	107,331
General Capital Corporation, John Deere 670G Motor Grader	460,000	5/4/2020	5/4/2026	3.11%	389,118
General Capital Corporation, CAT 140 Motor Grader	130,432	8/24/2020	8/24/2026	3.09%	110,315
General Capital Corporation, 2 Komatsu Motor Graders	238,836	12/4/2020	12/4/2025	2.96%	238,836
General Capital Corporation, 7 Silverado Pickups	301,832	6/14/2021	7/2/2024	2.94%	301,832
First National Bank Leasing, 2022 Mack Truck	126,989	6/2/2021	6/15/2024	2.35%	126,989
First National Bank Leasing, 2021 Komatsu Motor Grader	264,630	9/27/2021	9/15/2026	2.50%	<u>94,630</u>
Total					<u>\$1,407,535</u>

Annual debt service requirements to maturity are as follows:

Year Ending September 30	Capital Leases Payable		
	Principal	Interest	Total
2022	\$ 327,634	\$ 42,234	\$ 369,868
2023	297,659	31,900	329,559
2024	389,264	23,053	412,317
2025	193,555	11,913	205,468
2026	<u>199,423</u>	<u>6,046</u>	<u>205,469</u>
Totals	<u>\$1,407,535</u>	<u>\$115,146</u>	<u>\$1,522,681</u>

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

H. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

I. CONTINGENT LIABILITIES AND COMMITMENTS

Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Litigation

In the normal course of providing services to the public, the County from time-to-time is subjected to litigation claims. The County defends itself against such claims based on internal assessment of liability and risk. Litigation expenses and related damages are recorded as expenditures in the period payments are made. At September 30, 2021, there is no reportable litigation pending against the County.

Trust Funds

The District Clerk has invested trust funds at various financial institutions in accordance with court orders. The County has a fiduciary responsibility over these funds until their final disposition.

J. DEFINED BENEFIT PENSION PLAN

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional, defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 800 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis that is publicly available at www.tcdrs.org.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

2. Benefits Provided

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and the County-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the County's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the County-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	108
Inactive employees entitled to but not yet receiving benefits	97
Active employees	102

3. Contributions

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 10.33% for the months of the accounting year in 2020, and 12.73% for the months of the accounting year in 2021. However, the County paid 14.24% in both years. Additionally, the County paid a lump sum payment of \$500,000 during the year ended September 30, 2021.

The contribution rate payable by the employee members for calendar year 2020 is the rate of 7% as adopted by the Commissioners' Court of the County. The employee contribution rate and the County contribution rate may be changed by the Commissioners' Court of the County within the options available in the TCDRS Act.

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68.

Real rate of return	5.00% per year
Inflation	2.50% per year
Long-term investment return	7.50% per year, net of pension plan investments expenses
Growth in membership	0.00% per year
Payroll growth	3.00% per year

Salary increases were based on a service-related table. The mortality rates for active members were based on 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after that. The mortality rate for service retirees, beneficiaries, and non-depositing members was based on 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014. The mortality rates for disabled retirees were based on 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown below are based on January 2021 information for a 10-year time horizon.

The valuation assumption for long-term expected return is re-assessed a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2021.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation ⁽¹⁾</u>	<u>Geometric Real Rate of Return (Expected minus Inflation) ⁽²⁾</u>
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.25%
Global Equities	MSCI World (net) Index	2.50%	4.55%
International Equities – Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.25%
International Equities – Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.75%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.70%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P REIT (net) Index	2.00%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	4.90%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.25%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.00%	-0.70%

⁽¹⁾ Target asset allocation adopted at the March 2021 TCDRS Board Meeting.

⁽²⁾ Geometric real rates of return equal the expected rate for the asset class minus the assumed inflation rate of 2.00%, per Cliffwater's 2021 capital market assumptions

⁽³⁾ Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2007 – present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

Discount Rate

The projected fiduciary net position was determined to be sufficient compared to projected benefit payments. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be sufficient to pay projected benefit payments in all future years. Therefore, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments (7.60%).

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

Changes in Net Pension Liability / (Asset)

	Increase (Decrease)		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability / (Asset)
	(a)	(b)	(a) – (b)
Balances as of December 31, 2019	\$26,128,395	\$26,324,346	(\$195,951)
Changes for the year:			
Service cost	752,577	-	752,577
Interest on total pension liability	2,123,620	-	2,123,620
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	208,114	-	208,114
Effect of assumptions changes or inputs	1,559,510	-	1,559,510
Refund of contributions	(66,429)	(66,429)	-
Benefit payments	(1,286,799)	(1,286,799)	-
Administrative expense	-	(21,433)	21,433
Member contributions	-	366,249	(366,249)
Net investment income	-	2,720,009	(2,720,009)
Employer contributions	-	1,245,050	(1,245,050)
Other changes	-	10,245	(10,245)
Balances as of December 31, 2020	<u>\$29,418,988</u>	<u>\$29,291,238</u>	<u>\$ 127,750</u>

Under the modified cash basis of accounting, the net pension asset is not recorded.

Sensitivity Analysis

The following presents the net pension liability (asset) of the County, calculated using the discount rate of 7.60%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60%) or 1 percentage point higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Net pension liability (asset)	<u>\$3,712,077</u>	<u>\$127,750</u>	<u>(\$2,889,838)</u>

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2021

Pension Expense

	<u>January 1, 2020 to December 31, 2020</u>
Service cost	\$ 752,577
Interest on total pension liability ⁽¹⁾	2,123,620
Effect of plan changes	-
Administrative expenses	21,433
Member contributions	(366,249)
Expected investment return net of investment expenses	(2,142,076)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	102,292
Recognition of assumption changes or inputs	567,830
Recognition of investment gains or losses	(246,870)
Other ⁽²⁾	<u>(10,245)</u>
 Pension expense	 <u>\$ 802,312</u>

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

⁽²⁾ Relates to allocation of system-wide items.

K. COVID-19 PANDEMIC

Beginning in December 2019, a novel coronavirus, now designated SAR-CoV2 which causes the disease COVID-19 was declared a global pandemic by the World Health Organization. The symptoms of COVID-19 can range from severe illness and can cause complications including death. On March 13, 2020, the Governor of the State of Texas issued a proclamation certifying that COVID-19 poses an imminent threat of disaster in Texas and declared a state of disaster for all counties in Texas. A state of disaster requires that certain emergency protective measures be taken pursuant to the Texas Disaster Act of 1975 relating to Emergency Management and Public Health, pursuant to Chapter 418 of the Texas Government Code.

State and local governments placed restrictions on the operations of businesses and public gatherings to promote health and slow the spread of the virus. The federal government passed several appropriations to address the negative economic impact caused by these restrictions. The County received \$2,399,198 in federal grant awards during the year ended September 30, 2021. The County has \$2,358,147 of federal grant awards remaining to spend at September 30, 2021. However, the impact of the COVID-19 pandemic on the national, state, and local economies and, ultimately, the County's finances is not known at this time.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial information and disclosures not required by the Governmental Accounting Standards Board for financial statements prepared on the modified cash basis of accounting and are not considered a part of the basic financial statements.

MONTAGUE COUNTY, TEXAS
BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 10,811,719	\$ 10,811,719	\$ 10,511,620	\$ (300,099)
Registrations, fines and fees	1,417,716	1,417,716	1,393,676	(24,040)
Public service fees	165,670	165,670	208,539	42,869
Intergovernmental	310,904	472,925	473,241	316
Interest income	7,800	7,800	26,548	18,748
Other	69,836	138,133	299,665	161,532
Total revenues	<u>12,783,645</u>	<u>13,013,963</u>	<u>12,913,289</u>	<u>(100,674)</u>
EXPENDITURES:				
Current:				
General government	3,534,952	3,547,829	2,919,556	628,273
Justice system	2,542,182	2,645,756	1,990,194	655,562
Public safety	1,864,773	1,877,254	1,416,605	460,649
Corrections and rehabilitation	1,680,667	1,727,475	1,526,295	201,180
Health and human services	886,804	886,804	375,399	511,405
Infrastructure and environmental services	4,329,617	4,384,195	4,128,281	255,914
Total expenditures	<u>14,838,995</u>	<u>15,069,313</u>	<u>12,356,330</u>	<u>2,712,983</u>
Excess (deficiency) of revenues over expenditures	<u>(2,055,350)</u>	<u>(2,055,350)</u>	<u>556,959</u>	<u>2,612,309</u>
Other financing sources (uses):				
Proceeds from the issuance of capital leases	-	-	540,668	540,668
Proceeds from the sale of capital assets	10,000	10,000	63,417	53,417
Transfers in	60,632	60,632	759,580	698,948
Transfers out	(196,819)	(196,819)	(870,792)	(673,973)
Total other financing sources (uses)	<u>(126,187)</u>	<u>(126,187)</u>	<u>492,873</u>	<u>619,060</u>
Net change in fund balances	(2,181,537)	(2,181,537)	1,049,832	3,231,369
Fund balance - beginning of year	<u>12,694,773</u>	<u>12,694,773</u>	<u>12,694,773</u>	<u>-</u>
Fund balance - end of year	<u>\$ 10,513,236</u>	<u>\$ 10,513,236</u>	<u>\$ 13,744,605</u>	<u>\$ 3,231,369</u>

MONTAGUE COUNTY, TEXAS

SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

	2020	2019	2018	2017	2016	2015	2014	2012	2011	2010
Total Pension Liability										
Service cost	\$ 752,577	\$ 763,106	\$ 763,828	\$ 764,950	\$ 793,010	\$ 742,341	\$ 696,475	N/A	N/A	N/A
Interest on total pension liability	2,123,620	2,010,537	1,888,700	1,742,640	1,590,718	1,542,080	1,449,541	N/A	N/A	N/A
Effect of plan changes	-	-	-	-	-	(106,924)	-	N/A	N/A	N/A
Effect of assumptions changes or inputs	1,559,510	-	-	191,969	-	229,808	-	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	208,114	(58,640)	50,081	143,099	39,850	(849,160)	(110,934)	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,353,229)	(1,265,266)	(1,132,762)	(947,514)	(901,688)	(942,062)	(1,007,382)	N/A	N/A	N/A
Net change in total pension liability	3,290,592	1,449,737	1,569,847	1,895,144	1,521,890	616,083	1,027,700	N/A	N/A	N/A
Total pension liability, beginning	26,128,395	24,678,658	23,108,811	21,213,667	19,691,777	19,075,694	18,047,994	N/A	N/A	N/A
Total pension liability, ending (a)	<u>\$ 29,418,987</u>	<u>\$ 26,128,395</u>	<u>\$ 24,678,658</u>	<u>\$ 23,108,811</u>	<u>\$ 21,213,667</u>	<u>\$ 19,691,777</u>	<u>\$ 19,075,694</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary Net Position										
Employer contributions	\$ 1,245,050	\$ 1,410,531	\$ 1,057,488	\$ 1,367,535	\$ 1,113,904	\$ 663,861	\$ 654,316	N/A	N/A	N/A
Member contributions	366,249	349,277	347,780	338,956	332,662	323,610	305,149	N/A	N/A	N/A
Investment income net of investment expenses	2,720,009	3,642,935	(413,041)	2,759,383	1,255,442	(28,715)	1,093,493	N/A	N/A	N/A
Benefit payments/refunds of contributions	(1,353,229)	(1,265,266)	(1,132,763)	(947,514)	(901,689)	(942,062)	(1,007,382)	N/A	N/A	N/A
Administrative expenses	(21,433)	(20,060)	(17,820)	(14,853)	(13,632)	(12,293)	(12,873)	N/A	N/A	N/A
Other	10,245	20,599	10,363	10,032	80,849	(264,586)	(15,662)	N/A	N/A	N/A
Net change in fiduciary net position	2,966,891	4,138,016	(147,993)	3,513,539	1,867,536	(260,185)	1,017,041	N/A	N/A	N/A
Fiduciary net position, beginning	26,324,346	22,186,330	22,334,323	18,820,784	16,953,248	17,213,433	16,196,392	N/A	N/A	N/A
Fiduciary net position, ending (b)	<u>\$ 29,291,237</u>	<u>\$ 26,324,346</u>	<u>\$ 22,186,330</u>	<u>\$ 22,334,323</u>	<u>\$ 18,820,784</u>	<u>\$ 16,953,248</u>	<u>\$ 17,213,433</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 127,750</u>	<u>\$ (195,951)</u>	<u>\$ 2,492,328</u>	<u>\$ 774,488</u>	<u>\$ 2,392,883</u>	<u>\$ 2,738,529</u>	<u>\$ 1,862,261</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	<u>99.57%</u>	<u>100.75%</u>	<u>89.90%</u>	<u>96.65%</u>	<u>88.72%</u>	<u>86.09%</u>	<u>90.24%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Pensionable covered payroll	<u>\$ 5,232,134</u>	<u>\$ 4,989,670</u>	<u>\$ 4,968,290</u>	<u>\$ 4,842,234</u>	<u>\$ 4,752,314</u>	<u>\$ 4,623,000</u>	<u>\$ 4,359,270</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability as a % of covered payroll	<u>2.44%</u>	<u>-3.93%</u>	<u>50.16%</u>	<u>15.99%</u>	<u>50.35%</u>	<u>59.24%</u>	<u>42.72%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

MONTAGUE COUNTY, TEXAS
SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

<u>Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Pensionable Covered Payroll (1)</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2011	\$ 436,388	\$ 436,962	\$ (574)	\$ 3,704,478	11.8%
2012	561,248	561,248	-	3,916,567	14.3%
2013	638,649	638,649	-	4,335,818	14.7%
2014	654,316	654,316	-	4,359,270	15.0%
2015	663,861	663,861	-	4,623,000	14.4%
2016	663,904	1,113,904	(450,000)	4,752,314	23.4%
2017	657,091	1,367,535	(710,444)	4,842,234	28.2%
2018	640,413	1,057,488	(417,075)	4,968,290	21.3%
2019	596,266	1,410,531	(814,265)	4,989,670	28.3%
2020	565,070	1,245,050	(679,980)	5,232,134	23.8%

(1) Payroll is calculated based on contributions as reported to TCDRS.

MONTAGUE COUNTY, TEXAS
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2021

A. BUDGETARY INFORMATION

Annual budgets are adopted on the modified cash basis of accounting. All annual appropriations lapse at fiscal year end.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings when needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available fund balance.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. No amendments may be made without Commissioners' Court approval to the total budget for each department within a fund. Thus, the legal level of budgetary control is at the department level. No supplemental appropriations were required during the year.

Encumbrance accounting is not employed by the County because it is not considered necessary to assure effective budgetary control.

B. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

Changes in benefit terms

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

Changes in actuarial assumptions

The changes to actuarial assumptions that affected measurement of the total pension liability during the measurement period were as follows:

Real rate of return	Decreased from 5.25% to 5.00% per year
Inflation	Decreased from 2.75% to 2.50% per year
Discount rate	Decreased from 8.10% to 7.60%
Payroll growth	Decreased from 3.25% to 3.00% per year

***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.

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
GENERAL FUND
SEPTEMBER 30, 2021

	10 General Fund	12 Indigent Health Care	13 Group Insurance Benefit
ASSETS			
Cash on hand and in bank	\$ 7,800,639	\$ 1,273,125	\$ 12,513
Investments	1,070,994	-	-
Due from other funds	463,621	-	-
Total assets	<u><u>\$ 9,335,254</u></u>	<u><u>\$ 1,273,125</u></u>	<u><u>\$ 12,513</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Committed for:			
Indigent health care	-	1,273,125	-
Infrastructure and environmental services	-	-	-
Assigned for:			
Deficit budget for 2021-22	1,138,465	-	-
Unassigned	<u>8,196,789</u>	<u>-</u>	<u>12,513</u>
Total fund balances	<u><u>9,335,254</u></u>	<u><u>1,273,125</u></u>	<u><u>12,513</u></u>
Total liabilities and fund balances	<u><u>\$ 9,335,254</u></u>	<u><u>\$ 1,273,125</u></u>	<u><u>\$ 12,513</u></u>

21 Road & Bridge Precinct #1	22 Road & Bridge Precinct #2	23 Road & Bridge Precinct #3	24 Road & Bridge Precinct #4	70 FM & Right of Way	75 3 - 4 Road Fund	Combined
\$ 736,565	\$ 947,689	\$ 521,861	\$ 769,597	\$ 147,901	\$ 100	\$ 12,209,990
-	-	-	-	-	-	1,070,994
-	-	-	-	-	-	463,621
<u>\$ 736,565</u>	<u>\$ 947,689</u>	<u>\$ 521,861</u>	<u>\$ 769,597</u>	<u>\$ 147,901</u>	<u>\$ 100</u>	<u>\$ 13,744,605</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	1,273,125
736,565	947,689	521,861	769,597	147,901	100	3,123,713
-	-	-	-	-	-	1,138,465
-	-	-	-	-	-	8,209,302
<u>736,565</u>	<u>947,689</u>	<u>521,861</u>	<u>769,597</u>	<u>147,901</u>	<u>100</u>	<u>13,744,605</u>
<u>\$ 736,565</u>	<u>\$ 947,689</u>	<u>\$ 521,861</u>	<u>\$ 769,597</u>	<u>\$ 147,901</u>	<u>\$ 100</u>	<u>\$ 13,744,605</u>

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	10 General Fund	12 Indigent Health Care	13 Group Insurance Benefit
REVENUES:			
Property taxes	\$ 7,622,307	\$ 495,936	\$ -
Registrations, fines and fees	693,736	-	-
Public service fees	208,539	-	-
Intergovernmental	273,909	-	-
Interest income	22,885	825	-
Other	202,746	76	(3,250)
Total revenues	<u>9,024,122</u>	<u>496,837</u>	<u>(3,250)</u>
EXPENDITURES:			
Current:			
General government	2,919,556	-	-
Justice system	1,990,194	-	-
Public safety	1,416,605	-	-
Corrections and rehabilitation	1,526,295	-	-
Health and human services	323,646	51,753	-
Infrastructure and environmental services	35,062	-	-
Total expenditures	<u>8,211,358</u>	<u>51,753</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>812,764</u>	<u>445,084</u>	<u>(3,250)</u>
Other financing sources (uses):			
Proceeds from the issuance of capital leases	301,832	-	-
Proceeds from the sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	(171,100)	-	-
Total other financing sources (uses)	<u>130,732</u>	<u>-</u>	<u>-</u>
Net change in fund balances	943,496	445,084	(3,250)
Fund balance - beginning of year	<u>8,391,758</u>	<u>828,041</u>	<u>15,763</u>
Fund balance - end of year	<u>\$ 9,335,254</u>	<u>\$ 1,273,125</u>	<u>\$ 12,513</u>

21 Road & Bridge Precinct #1	22 Road & Bridge Precinct #2	23 Road & Bridge Precinct #3	24 Road & Bridge Precinct #4	70 FM & Right of Way	75 3 - 4 Road Fund	Combined
\$ 595,941	\$ 595,941	\$ 595,941	\$ 595,941	\$ 9,613	\$ -	\$ 10,511,620
174,985	174,985	174,985	174,985	-	-	1,393,676
-	-	-	-	-	-	208,539
7,298	30,732	7,298	154,004	-	-	473,241
472	765	495	654	136	316	26,548
644	44,251	10,056	45,142	-	-	299,665
<u>779,340</u>	<u>846,674</u>	<u>788,775</u>	<u>970,726</u>	<u>9,749</u>	<u>316</u>	<u>12,913,289</u>
-	-	-	-	-	-	2,919,556
-	-	-	-	-	-	1,990,194
-	-	-	-	-	-	1,416,605
-	-	-	-	-	-	1,526,295
-	-	-	-	-	-	375,399
<u>701,902</u>	<u>1,120,543</u>	<u>1,258,311</u>	<u>1,012,463</u>	<u>-</u>	<u>-</u>	<u>4,128,281</u>
<u>701,902</u>	<u>1,120,543</u>	<u>1,258,311</u>	<u>1,012,463</u>	<u>-</u>	<u>-</u>	<u>12,356,330</u>
<u>77,438</u>	<u>(273,869)</u>	<u>(469,536)</u>	<u>(41,737)</u>	<u>9,749</u>	<u>316</u>	<u>556,959</u>
-	238,836	-	-	-	-	540,668
-	-	28,217	35,200	-	-	63,417
14,972	184,972	279,818	279,818	-	-	759,580
(170,000)	-	(20,425)	(20,425)	-	(488,842)	(870,792)
<u>(155,028)</u>	<u>423,808</u>	<u>287,610</u>	<u>294,593</u>	<u>-</u>	<u>(488,842)</u>	<u>492,873</u>
(77,590)	149,939	(181,926)	252,856	9,749	(488,526)	1,049,832
<u>814,155</u>	<u>797,750</u>	<u>703,787</u>	<u>516,741</u>	<u>138,152</u>	<u>488,626</u>	<u>12,694,773</u>
<u>\$ 736,565</u>	<u>\$ 947,689</u>	<u>\$ 521,861</u>	<u>\$ 769,597</u>	<u>\$ 147,901</u>	<u>\$ 100</u>	<u>\$ 13,744,605</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund (10)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 7,852,681	\$ 7,852,681	\$ 7,622,307	\$ (230,374)
Registrations, fines and fees	729,738	729,738	693,736	(36,002)
Public service fees	165,670	165,670	208,539	42,869
Intergovernmental	282,104	444,125	273,909	(170,216)
Interest income	5,000	5,000	22,885	17,885
Other	44,500	58,219	202,746	144,527
Total revenues	<u>9,079,693</u>	<u>9,255,433</u>	<u>9,024,122</u>	<u>(231,311)</u>
EXPENDITURES:				
Current:				
General government	3,534,952	3,547,829	2,919,556	628,273
Justice system	2,542,182	2,645,756	1,990,194	655,562
Public safety	1,864,773	1,877,254	1,416,605	460,649
Corrections and rehabilitation	1,680,667	1,727,475	1,526,295	201,180
Health and human services	352,891	352,891	323,646	29,245
Infrastructure and environmental services	44,874	44,874	35,062	9,812
Total expenditures	<u>10,020,339</u>	<u>10,196,079</u>	<u>8,211,358</u>	<u>1,984,721</u>
Excess (deficiency) of revenues over expenditures	<u>(940,646)</u>	<u>(940,646)</u>	<u>812,764</u>	<u>1,753,410</u>
Other financing sources (uses):				
Proceeds from the issuance of capital leases	-	-	301,832	301,832
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(196,819)	(196,819)	(171,100)	25,719
Total other financing sources (uses)	<u>(196,819)</u>	<u>(196,819)</u>	<u>130,732</u>	<u>327,551</u>
Net change in fund balances	(1,137,465)	(1,137,465)	943,496	2,080,961
Fund balance - beginning of year	<u>8,391,758</u>	<u>8,391,758</u>	<u>8,391,758</u>	<u>-</u>
Fund balance - end of year	<u>\$ 7,254,293</u>	<u>\$ 7,254,293</u>	<u>\$ 9,335,254</u>	<u>\$ 2,080,961</u>

Indigent Health Care (12)				Group Insurance Benefit (13)			
Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
Original	Final			Original	Final		
\$ 508,077	\$ 508,077	\$ 495,936	\$ (12,141)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
500	500	825	325	-	-	-	-
25,336	25,336	76	(25,260)	-	-	(3,250)	(3,250)
<u>533,913</u>	<u>533,913</u>	<u>496,837</u>	<u>(37,076)</u>	<u>-</u>	<u>-</u>	<u>(3,250)</u>	<u>(3,250)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
533,913	533,913	51,753	482,160	-	-	-	-
<u>533,913</u>	<u>533,913</u>	<u>51,753</u>	<u>482,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	445,084	445,084	-	-	(3,250)	(3,250)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	445,084	445,084	-	-	(3,250)	(3,250)
828,041	828,041	828,041	-	15,763	15,763	15,763	-
<u>\$ 828,041</u>	<u>\$ 828,041</u>	<u>\$ 1,273,125</u>	<u>\$ 445,084</u>	<u>\$ 15,763</u>	<u>\$ 15,763</u>	<u>\$ 12,513</u>	<u>\$ (3,250)</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Road & Bridge Precinct #1 (21)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 610,263	\$ 610,263	\$ 595,941	\$ (14,322)
Registrations, fines and fees	174,978	174,978	174,985	7
Public service fees	-	-	-	-
Intergovernmental	7,200	7,200	7,298	98
Interest income	200	200	472	272
Other	-	-	644	644
Total revenues	<u>792,641</u>	<u>792,641</u>	<u>779,340</u>	<u>(13,301)</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	1,182,799	1,182,799	701,902	480,897
Total expenditures	<u>1,182,799</u>	<u>1,182,799</u>	<u>701,902</u>	<u>480,897</u>
Excess (deficiency) of revenues over expenditures	<u>(390,158)</u>	<u>(390,158)</u>	<u>77,438</u>	<u>467,596</u>
Other financing sources (uses):				
Proceeds from the issuance of capital leases	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	15,158	15,158	14,972	(186)
Transfers out	-	-	(170,000)	(170,000)
Total other financing sources (uses)	<u>15,158</u>	<u>15,158</u>	<u>(155,028)</u>	<u>(170,186)</u>
Net change in fund balances	(375,000)	(375,000)	(77,590)	297,410
Fund balance - beginning of year	<u>814,155</u>	<u>814,155</u>	<u>814,155</u>	<u>-</u>
Fund balance - end of year	<u>\$ 439,155</u>	<u>\$ 439,155</u>	<u>\$ 736,565</u>	<u>\$ 297,410</u>

Road & Bridge Precinct #2 (22)				Road & Bridge Precinct #3 (23)			
Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
Original	Final			Original	Final		
\$ 610,263	\$ 610,263	\$ 595,941	\$ (14,322)	\$ 610,263	\$ 610,263	\$ 595,941	\$ (14,322)
171,000	171,000	174,985	3,985	171,000	171,000	174,985	3,985
-	-	-	-	-	-	-	-
7,200	7,200	30,732	23,532	7,200	7,200	7,298	98
200	200	765	565	200	200	495	295
-	45,150	44,251	(899)	-	-	10,056	10,056
<u>788,663</u>	<u>833,813</u>	<u>846,674</u>	<u>12,861</u>	<u>788,663</u>	<u>788,663</u>	<u>788,775</u>	<u>112</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
990,355	1,035,505	1,120,543	(85,038)	1,036,359	1,036,359	1,258,311	(221,952)
<u>990,355</u>	<u>1,035,505</u>	<u>1,120,543</u>	<u>(85,038)</u>	<u>1,036,359</u>	<u>1,036,359</u>	<u>1,258,311</u>	<u>(221,952)</u>
(201,692)	(201,692)	(273,869)	(72,177)	(247,696)	(247,696)	(469,536)	(221,840)
-	-	238,836	238,836	-	-	-	-
-	-	-	-	-	-	28,217	28,217
15,158	15,158	184,972	169,814	15,158	15,158	279,818	264,660
-	-	-	-	-	-	(20,425)	(20,425)
<u>15,158</u>	<u>15,158</u>	<u>423,808</u>	<u>408,650</u>	<u>15,158</u>	<u>15,158</u>	<u>287,610</u>	<u>272,452</u>
(186,534)	(186,534)	149,939	336,473	(232,538)	(232,538)	(181,926)	50,612
<u>797,750</u>	<u>797,750</u>	<u>797,750</u>	<u>-</u>	<u>703,787</u>	<u>703,787</u>	<u>703,787</u>	<u>-</u>
<u>\$ 611,216</u>	<u>\$ 611,216</u>	<u>\$ 947,689</u>	<u>\$ 336,473</u>	<u>\$ 471,249</u>	<u>\$ 471,249</u>	<u>\$ 521,861</u>	<u>\$ 50,612</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Road & Bridge Precinct #4 (24)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 610,263	\$ 610,263	\$ 595,941	\$ (14,322)
Registrations, fines and fees	171,000	171,000	174,985	3,985
Public service fees	-	-	-	-
Intergovernmental	7,200	7,200	154,004	146,804
Interest income	200	200	654	454
Other	-	9,428	45,142	35,714
Total revenues	<u>788,663</u>	<u>798,091</u>	<u>970,726</u>	<u>172,635</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	1,063,821	1,073,249	1,012,463	60,786
Total expenditures	<u>1,063,821</u>	<u>1,073,249</u>	<u>1,012,463</u>	<u>60,786</u>
Excess (deficiency) of revenues over expenditures	<u>(275,158)</u>	<u>(275,158)</u>	<u>(41,737)</u>	<u>233,421</u>
Other financing sources (uses):				
Proceeds from the issuance of capital leases	-	-	-	-
Proceeds from the sale of capital assets	10,000	10,000	35,200	25,200
Transfers in	15,158	15,158	279,818	264,660
Transfers out	-	-	(20,425)	(20,425)
Total other financing sources (uses)	<u>25,158</u>	<u>25,158</u>	<u>294,593</u>	<u>269,435</u>
Net change in fund balances	(250,000)	(250,000)	252,856	502,856
Fund balance - beginning of year	<u>516,741</u>	<u>516,741</u>	<u>516,741</u>	<u>-</u>
Fund balance - end of year	<u>\$ 266,741</u>	<u>\$ 266,741</u>	<u>\$ 769,597</u>	<u>\$ 502,856</u>

FM & Right of Way (70)				3 - 4 Road Fund (75)			
Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
Original	Final			Original	Final		
\$ 9,909	\$ 9,909	\$ 9,613	\$ (296)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,500	1,500	136	(1,364)	-	-	316	316
-	-	-	-	-	-	-	-
<u>11,409</u>	<u>11,409</u>	<u>9,749</u>	<u>(1,660)</u>	<u>-</u>	<u>-</u>	<u>316</u>	<u>316</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
11,409	11,409	-	11,409	-	-	-	-
<u>11,409</u>	<u>11,409</u>	-	<u>11,409</u>	-	-	-	-
-	-	9,749	9,749	-	-	316	316
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(488,842)	488,842
-	-	-	-	-	-	(488,842)	488,842
-	-	9,749	9,749	-	-	(488,526)	489,158
138,152	138,152	138,152	-	488,626	488,626	488,626	-
<u>\$ 138,152</u>	<u>\$ 138,152</u>	<u>\$ 147,901</u>	<u>\$ 9,749</u>	<u>\$ 488,626</u>	<u>\$ 488,626</u>	<u>\$ 100</u>	<u>\$ 489,158</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Combined			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 10,811,719	\$ 10,811,719	\$ 10,511,620	\$ (300,099)
Registrations, fines and fees	1,417,716	1,417,716	1,393,676	(24,040)
Public service fees	165,670	165,670	208,539	42,869
Intergovernmental	310,904	472,925	473,241	316
Interest income	7,800	7,800	26,548	18,748
Other	69,836	138,133	299,665	161,532
Total revenues	<u>12,783,645</u>	<u>13,013,963</u>	<u>12,913,289</u>	<u>(100,674)</u>
EXPENDITURES:				
Current:				
General government	3,534,952	3,547,829	2,919,556	628,273
Justice system	2,542,182	2,645,756	1,990,194	655,562
Public safety	1,864,773	1,877,254	1,416,605	460,649
Corrections and rehabilitation	1,680,667	1,727,475	1,526,295	201,180
Health and human services	886,804	886,804	375,399	511,405
Infrastructure and environmental services	4,329,617	4,384,195	4,128,281	255,914
Total expenditures	<u>14,838,995</u>	<u>15,069,313</u>	<u>12,356,330</u>	<u>2,712,983</u>
Excess (deficiency) of revenues over expenditures	<u>(2,055,350)</u>	<u>(2,055,350)</u>	<u>556,959</u>	<u>2,612,309</u>
Other financing sources (uses):				
Proceeds from the issuance of capital leases	-	-	540,668	540,668
Proceeds from the sale of capital assets	10,000	10,000	63,417	53,417
Transfers in	60,632	60,632	759,580	698,948
Transfers out	(196,819)	(196,819)	(870,792)	(673,973)
Total other financing sources (uses)	<u>(126,187)</u>	<u>(126,187)</u>	<u>492,873</u>	<u>619,060</u>
Net change in fund balances	(2,181,537)	(2,181,537)	1,049,832	3,231,369
Fund balance - beginning of year	<u>12,694,773</u>	<u>12,694,773</u>	<u>12,694,773</u>	<u>-</u>
Fund balance - end of year	<u>\$ 10,513,236</u>	<u>\$ 10,513,236</u>	<u>\$ 13,744,605</u>	<u>\$ 3,231,369</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	15	16	17	18
	Records Management	Courthouse Security	BVS Preservation	Dist. Clerk Records Management
ASSETS				
Cash on hand and in bank	\$ 400,344	\$ 104,611	\$ 8,476	\$ 2,930
Total assets	<u>\$ 400,344</u>	<u>\$ 104,611</u>	<u>\$ 8,476</u>	<u>\$ 2,930</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted for:				
Records management/preservation	400,344	-	8,476	2,930
Public safety	-	104,611	-	-
Justice system	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Total fund balances	<u>400,344</u>	<u>104,611</u>	<u>8,476</u>	<u>2,930</u>
Total liabilities and fund balances	<u>\$ 400,344</u>	<u>\$ 104,611</u>	<u>\$ 8,476</u>	<u>\$ 2,930</u>

Special Revenue Funds						
19	26	27	30	31	32	33
Records Preservation	Utility Reimburse	Elections	County Attorney Forfeiture Check Account	VIT Collector	Sheriff Office Forfeiture	District Attorney Forfeiture
\$ 95,968	\$ 41,116	\$ 11,536	\$ 2,457	\$ 16,180	\$ 21,388	\$ 410,135
<u>\$ 95,968</u>	<u>\$ 41,116</u>	<u>\$ 11,536</u>	<u>\$ 2,457</u>	<u>\$ 16,180</u>	<u>\$ 21,388</u>	<u>\$ 410,135</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95,968	-	-	-	-	-	-
-	-	-	2,457	-	21,388	-
-	-	-	-	-	-	410,135
-	-	-	-	-	-	-
-	41,116	11,536	-	16,180	-	-
<u>95,968</u>	<u>41,116</u>	<u>11,536</u>	<u>2,457</u>	<u>16,180</u>	<u>21,388</u>	<u>410,135</u>
<u>\$ 95,968</u>	<u>\$ 41,116</u>	<u>\$ 11,536</u>	<u>\$ 2,457</u>	<u>\$ 16,180</u>	<u>\$ 21,388</u>	<u>\$ 410,135</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	35 District Attorney Hot Check	36 DA State Supplement	38 District Attorney Hot Check	39 Estray
ASSETS				
Cash on hand and in bank	\$ 10,973	\$ 27,026	\$ 6,936	\$ 15,399
Total assets	<u>\$ 10,973</u>	<u>\$ 27,026</u>	<u>\$ 6,936</u>	<u>\$ 15,399</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted for:				
Records management/preservation	-	-	-	-
Public safety	-	-	-	-
Justice system	10,973	27,026	6,936	-
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	-	-	-	15,399
Total fund balances	<u>10,973</u>	<u>27,026</u>	<u>6,936</u>	<u>15,399</u>
Total liabilities and fund balances	<u>\$ 10,973</u>	<u>\$ 27,026</u>	<u>\$ 6,936</u>	<u>\$ 15,399</u>

Special Revenue Funds						
40	41	42	43	44	45	47
Probation	Adult Probation	State Juvenile Probation	County Juvenile Probation	Commitment Diversion	Juvenile Probation IV e	Community Service Adult Prob.
\$ 28,297	\$ 272,016	\$ 32,594	\$ 210,606	\$ -	\$ 29,961	\$ 3,578
<u>\$ 28,297</u>	<u>\$ 272,016</u>	<u>\$ 32,594</u>	<u>\$ 210,606</u>	<u>\$ -</u>	<u>\$ 29,961</u>	<u>\$ 3,578</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
28,297	272,016	32,594	210,606	-	29,961	3,578
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>28,297</u>	<u>272,016</u>	<u>32,594</u>	<u>210,606</u>	<u>-</u>	<u>29,961</u>	<u>3,578</u>
<u>\$ 28,297</u>	<u>\$ 272,016</u>	<u>\$ 32,594</u>	<u>\$ 210,606</u>	<u>\$ -</u>	<u>\$ 29,961</u>	<u>\$ 3,578</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	48 Court Reporter Fees	49 Supplement Guardianship Fees	50 Family Protection Fees	52 Law Library Fees
ASSETS				
Cash on hand and in bank	\$ 46,781	\$ 24,140	\$ 21,480	\$ 96,855
Total assets	<u>\$ 46,781</u>	<u>\$ 24,140</u>	<u>\$ 21,480</u>	<u>\$ 96,855</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted for:				
Records management/preservation	-	-	-	-
Public safety	-	-	-	-
Justice system	46,781	-	-	96,855
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	-	24,140	21,480	-
Total fund balances	<u>46,781</u>	<u>24,140</u>	<u>21,480</u>	<u>96,855</u>
Total liabilities and fund balances	<u>\$ 46,781</u>	<u>\$ 24,140</u>	<u>\$ 21,480</u>	<u>\$ 96,855</u>

Special Revenue Funds						
54	55	56	57	81	82	83
Courthouse Dome	Historical Commission	JP Court Security	Specialty Court	Constable #1 LEOSE	Constable #2 LEOSE	Sheriff LEOSE
\$ -	\$ 16,286	\$ 10,570	\$ 1,584	\$ 2,491	\$ 3,065	\$ 12,650
\$ -	\$ 16,286	\$ 10,570	\$ 1,584	\$ 2,491	\$ 3,065	\$ 12,650
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	10,570	1,584	2,491	3,065	12,650
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	16,286	-	-	-	-	-
-	16,286	10,570	1,584	2,491	3,065	12,650
\$ -	\$ 16,286	\$ 10,570	\$ 1,584	\$ 2,491	\$ 3,065	\$ 12,650

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Special Revenue Funds			
	84	85	86	87
	District Attorney LEOSE	County Clerk Archive	District Clerk Archive	County Clerk Technology
ASSETS				
Cash on hand and in bank	\$ 1,986	\$ 487,222	\$ 25,196	\$ 5,957
Total assets	<u>\$ 1,986</u>	<u>\$ 487,222</u>	<u>\$ 25,196</u>	<u>\$ 5,957</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted for:				
Records management/preservation	-	487,222	25,196	5,957
Public safety	-	-	-	-
Justice system	1,986	-	-	-
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Total fund balances	<u>1,986</u>	<u>487,222</u>	<u>25,196</u>	<u>5,957</u>
Total liabilities and fund balances	<u>\$ 1,986</u>	<u>\$ 487,222</u>	<u>\$ 25,196</u>	<u>\$ 5,957</u>

89 District Clerk Technology	90 JP Technology	93 Grants	Debt Service Fund 61 Annex Sinking Fund	Total Combined
\$ 31,145	\$ 17,927	\$ 438,496	\$ 254,811	\$ 3,251,169
<u>\$ 31,145</u>	<u>\$ 17,927</u>	<u>\$ 438,496</u>	<u>\$ 254,811</u>	<u>\$ 3,251,169</u>
\$ -	\$ -	\$ -	\$ -	\$ -
31,145	-	-	-	1,057,238
-	-	-	-	158,816
-	17,927	438,496	-	1,057,115
-	-	-	-	577,052
-	-	-	254,811	254,811
-	-	-	-	146,137
<u>31,145</u>	<u>17,927</u>	<u>438,496</u>	<u>254,811</u>	<u>3,251,169</u>
<u>\$ 31,145</u>	<u>\$ 17,927</u>	<u>\$ 438,496</u>	<u>\$ 254,811</u>	<u>\$ 3,251,169</u>

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	15	16	17	18
	Records Management	Courthouse Security	BVS Preservation	Dist. Clerk Records Management
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	71,386	13,815	1,575	2,332
Intergovernmental	-	-	-	-
Interest income	328	100	8	2
Other	-	-	-	-
Total revenues	<u>71,714</u>	<u>13,915</u>	<u>1,583</u>	<u>2,334</u>
EXPENDITURES:				
Current:				
General government	30,971	7,004	2,814	2,319
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Community and economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>30,971</u>	<u>7,004</u>	<u>2,814</u>	<u>2,319</u>
Excess (deficiency) of revenues over expenditures	<u>40,743</u>	<u>6,911</u>	<u>(1,231)</u>	<u>15</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	40,743	6,911	(1,231)	15
Fund balance - beginning of year	<u>359,601</u>	<u>97,700</u>	<u>9,707</u>	<u>2,915</u>
Fund balance - end of year	<u>\$ 400,344</u>	<u>\$ 104,611</u>	<u>\$ 8,476</u>	<u>\$ 2,930</u>

Special Revenue Funds						
19	26	27	30	31	32	33
Records Preservation	Utility Reimburse	Elections	County Attorney Forfeiture Check Account	VIT Collector	Sheriff Office Forfeiture	District Attorney Forfeiture
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,044	-	-	-	5,330	-	-
-	-	7,540	-	-	-	-
101	11	1	-	10	16	477
-	19,918	-	-	-	-	15,134
<u>4,145</u>	<u>19,929</u>	<u>7,541</u>	<u>-</u>	<u>5,340</u>	<u>16</u>	<u>15,611</u>
3,755	15,000	-	-	-	-	-
-	-	-	-	-	-	64,402
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,755</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,402</u>
390	4,929	7,541	-	5,340	16	(48,791)
-	-	-	-	-	-	-
<u>390</u>	<u>4,929</u>	<u>7,541</u>	<u>-</u>	<u>5,340</u>	<u>16</u>	<u>(48,791)</u>
95,578	36,187	3,995	2,457	10,840	21,372	458,926
<u>\$ 95,968</u>	<u>\$ 41,116</u>	<u>\$ 11,536</u>	<u>\$ 2,457</u>	<u>\$ 16,180</u>	<u>\$ 21,388</u>	<u>\$ 410,135</u>

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	35 District Attorney Hot Check	36 DA State Supplement	38 District Attorney Hot Check	39 Estray
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	71	-	-	-
Intergovernmental	-	31,110	-	-
Interest income	2	-	2	10
Other	-	-	-	5,491
Total revenues	<u>73</u>	<u>31,110</u>	<u>2</u>	<u>5,501</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	27,500	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	1,200
Community and economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>27,500</u>	<u>-</u>	<u>1,200</u>
Excess (deficiency) of revenues over expenditures	<u>73</u>	<u>3,610</u>	<u>2</u>	<u>4,301</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	73	3,610	2	4,301
Fund balance - beginning of year	<u>10,900</u>	<u>23,416</u>	<u>6,934</u>	<u>11,098</u>
Fund balance - end of year	<u>\$ 10,973</u>	<u>\$ 27,026</u>	<u>\$ 6,936</u>	<u>\$ 15,399</u>

Special Revenue Funds						
40	41	42	43	44	45	47
Probation	Adult Probation	State Juvenile Probation	County Juvenile Probation	Commitment Diversion	Juvenile Probation IV e	Community Service Adult Prob.
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	360,821	-	140,753	-	-	-
-	142,447	203,035	-	46,259	-	68,003
21	192	-	202	-	23	-
-	-	-	-	-	-	-
<u>21</u>	<u>503,460</u>	<u>203,035</u>	<u>140,955</u>	<u>46,259</u>	<u>23</u>	<u>68,003</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	438,694	47,955	366,451	46,259	11,872	120,609
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>438,694</u>	<u>47,955</u>	<u>366,451</u>	<u>46,259</u>	<u>11,872</u>	<u>120,609</u>
21	64,766	155,080	(225,496)	-	(11,849)	(52,606)
-	-	-	260,111	-	-	55,487
-	(55,488)	(154,000)	-	-	-	-
-	(55,488)	(154,000)	260,111	-	-	55,487
21	9,278	1,080	34,615	-	(11,849)	2,881
<u>28,276</u>	<u>262,738</u>	<u>31,514</u>	<u>175,991</u>	<u>-</u>	<u>41,810</u>	<u>697</u>
<u>\$ 28,297</u>	<u>\$ 272,016</u>	<u>\$ 32,594</u>	<u>\$ 210,606</u>	<u>\$ -</u>	<u>\$ 29,961</u>	<u>\$ 3,578</u>

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	48 Court Reporter Fees	49 Supplement Guardianship Fees	50 Family Protection Fees	52 Law Library Fees
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	5,271	2,540	1,920	4,690
Intergovernmental	-	-	-	-
Interest income	-	-	-	-
Other	-	-	-	-
Total revenues	<u>5,271</u>	<u>2,540</u>	<u>1,920</u>	<u>4,690</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	699	-	-	7,201
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Community and economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>699</u>	<u>-</u>	<u>-</u>	<u>7,201</u>
Excess (deficiency) of revenues over expenditures	<u>4,572</u>	<u>2,540</u>	<u>1,920</u>	<u>(2,511)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,572	2,540	1,920	(2,511)
Fund balance - beginning of year	<u>42,209</u>	<u>21,600</u>	<u>19,560</u>	<u>99,366</u>
Fund balance - end of year	<u>\$ 46,781</u>	<u>\$ 24,140</u>	<u>\$ 21,480</u>	<u>\$ 96,855</u>

Special Revenue Funds

54	55	56	57	81	82	83
Courthouse Dome	Historical Commission	JP Court Security	Specialty Court	Constable #1 LEOSE	Constable #2 LEOSE	Sheriff LEOSE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,223	-	-	-
-	-	-	-	958	643	2,122
6	12	7	-	-	-	-
-	62	-	-	-	-	-
<u>6</u>	<u>74</u>	<u>7</u>	<u>1,223</u>	<u>958</u>	<u>643</u>	<u>2,122</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,958	-	385	265	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
35,403	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>35,403</u>	<u>-</u>	<u>2,958</u>	<u>-</u>	<u>385</u>	<u>265</u>	<u>-</u>
(35,397)	74	(2,951)	1,223	573	378	2,122
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(35,397)	74	(2,951)	1,223	573	378	2,122
35,397	16,212	13,521	361	1,918	2,687	10,528
<u>\$ -</u>	<u>\$ 16,286</u>	<u>\$ 10,570</u>	<u>\$ 1,584</u>	<u>\$ 2,491</u>	<u>\$ 3,065</u>	<u>\$ 12,650</u>

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds			
	84 District Attorney LEOSE	85 County Clerk Archive	86 District Clerk Archive	87 County Clerk Technology
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	-	71,140	3,280	192
Intergovernmental	616	-	-	-
Interest income	-	105	5	5
Other	-	-	-	-
Total revenues	<u>616</u>	<u>71,245</u>	<u>3,285</u>	<u>197</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	2,898	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Community and economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>2,898</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>616</u>	<u>71,245</u>	<u>387</u>	<u>197</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	616	71,245	387	197
Fund balance - beginning of year	<u>1,370</u>	<u>415,977</u>	<u>24,809</u>	<u>5,760</u>
Fund balance - end of year	<u>\$ 1,986</u>	<u>\$ 487,222</u>	<u>\$ 25,196</u>	<u>\$ 5,957</u>

89 District Clerk Technology	90 JP Technology	93 Grants	Debt Service Fund 61 Annex Sinking Fund	Total Combined
\$ -	\$ -	\$ -	\$ 332,554	\$ 332,554
2,963	2,948	-	-	696,294
-	-	474,444	-	977,177
24	26	-	214	1,910
-	-	-	-	40,605
<u>2,987</u>	<u>2,974</u>	<u>474,444</u>	<u>332,768</u>	<u>2,048,540</u>
-	-	157,177	-	219,040
449	11,637	-	-	114,786
-	-	-	-	3,608
-	-	-	-	1,031,840
-	-	-	-	1,200
-	-	-	-	35,403
-	-	-	275,000	275,000
-	-	-	16,996	16,996
<u>449</u>	<u>11,637</u>	<u>157,177</u>	<u>291,996</u>	<u>1,697,873</u>
<u>2,538</u>	<u>(8,663)</u>	<u>317,267</u>	<u>40,772</u>	<u>350,667</u>
-	-	5,102	-	320,700
-	-	-	-	(209,488)
-	-	<u>5,102</u>	-	<u>111,212</u>
2,538	(8,663)	322,369	40,772	461,879
<u>28,607</u>	<u>26,590</u>	<u>116,127</u>	<u>214,039</u>	<u>2,789,290</u>
<u>\$ 31,145</u>	<u>\$ 17,927</u>	<u>\$ 438,496</u>	<u>\$ 254,811</u>	<u>\$ 3,251,169</u>

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
- MODIFIED CASH BASIS
CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	Sheriff Department Accounts	Coke Fund	County Tax A/C Accounts	County Clerk Accounts	District Clerk Accounts
ASSETS					
Cash	\$ 26,634	\$ 1,403	\$ 319,756	\$ 189,310	\$ 661,409
Total assets	<u>26,634</u>	<u>1,403</u>	<u>319,756</u>	<u>189,310</u>	<u>661,409</u>
LIABILITIES					
Accounts payable	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Restricted for other purposes	26,634	1,403	319,756	189,310	661,409
Total net position	<u>\$ 26,634</u>	<u>\$ 1,403</u>	<u>\$ 319,756</u>	<u>\$ 189,310</u>	<u>\$ 661,409</u>

<u>County Attorney Account</u>	<u>Probation Department Accounts</u>	<u>JP #1 Account</u>	<u>JP #2 Account</u>	<u>Pending Forfeitures</u>	<u>State Fees Fund</u>	<u>Total Combined</u>
<u>\$ 4,087</u>	<u>\$ 22,949</u>	<u>\$ 6,211</u>	<u>\$ 9,440</u>	<u>\$ 109,591</u>	<u>\$ 27,625</u>	<u>\$ 1,378,415</u>
<u>4,087</u>	<u>22,949</u>	<u>6,211</u>	<u>9,440</u>	<u>109,591</u>	<u>27,625</u>	<u>1,378,415</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,087</u>	<u>22,949</u>	<u>6,211</u>	<u>9,440</u>	<u>109,591</u>	<u>27,625</u>	<u>1,378,415</u>
<u>\$ 4,087</u>	<u>\$ 22,949</u>	<u>\$ 6,211</u>	<u>\$ 9,440</u>	<u>\$ 109,591</u>	<u>\$ 27,625</u>	<u>\$ 1,378,415</u>

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FUDICIARY NET POSITION
- MODIFIED CASH BASIS
CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	Sheriff Department Accounts	Coke Fund	County Tax A/C Accounts	County Clerk Accounts
ADDITIONS	\$ 107,656	\$ 1,047	\$ 15,892,090	\$ 117,374
DEDUCTIONS	<u>103,733</u>	<u>1,063</u>	<u>15,897,759</u>	<u>97,801</u>
CHANGE IN NET POSITION	<u>3,923</u>	<u>(16)</u>	<u>(5,669)</u>	<u>19,573</u>
NET POSITION - BEGINNING, AS ORIGINALLY STATED	-	-	-	-
PRIOR PERIOD ADJUSTMENT	<u>22,711</u>	<u>1,419</u>	<u>325,425</u>	<u>169,737</u>
NET POSITION - BEGINNING, AS RESTATED	<u>22,711</u>	<u>1,419</u>	<u>325,425</u>	<u>169,737</u>
NET POSITION - ENDING	<u>\$ 26,634</u>	<u>\$ 1,403</u>	<u>\$ 319,756</u>	<u>\$ 189,310</u>

District Clerk Accounts	County Attorney Account	Probation Department Accounts	JP #1 Account	JP #2 Account	Pending Forfeitures	State Fees Fund	Total Combined
\$ 777,743	\$ 3,854	\$ 246,206	\$ 44,876	\$ 33,460	\$ 36,059	\$ 170,585	\$ 17,430,950
380,131	3,279	243,326	49,454	40,521	46,353	172,051	17,035,471
397,612	575	2,880	(4,578)	(7,061)	(10,294)	(1,466)	395,479
-	-	-	-	-	-	-	-
263,797	3,512	20,069	10,789	16,501	119,885	29,091	982,936
263,797	3,512	20,069	10,789	16,501	119,885	29,091	982,936
<u>\$ 661,409</u>	<u>\$ 4,087</u>	<u>\$ 22,949</u>	<u>\$ 6,211</u>	<u>\$ 9,440</u>	<u>\$ 109,591</u>	<u>\$ 27,625</u>	<u>\$ 1,378,415</u>