

MONTAGUE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2019

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FOR THE YEAR ENDED SEPTEMBER 30, 2019

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FINANCIAL SECTION



EDGIN, PARKMAN, FLEMING & FLEMING, PC

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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, 2019 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, 2019, 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.

Disclaimer of Opinion on Supplementary 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, and Texas County and District Retirement System schedules on pages 3-11, 38, and 39-40 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. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining statements and budget comparisons on pages 42-70 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and budget comparisons on pages 42-70 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated March 30, 2020, 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

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas
March 30, 2020

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, 2019. 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, 2019 by \$26,231,137 (net position). Of this amount, \$11,386,202 (unrestricted net position) may be used to meet the County's obligations.
- During the year, the County's total net position decreased by \$1,083,227. The County's expenses, which totaled \$15,423,880, were more than the County's program revenues of \$3,985,146 and general revenues of \$10,355,507.
- The total cost of the County's programs increased \$1,131,389 or 8% from the prior year.
- The governmental funds reported a fund balance at September 30, 2019 of \$15,334,465, which is a decrease of \$1,579,665 in comparison with the prior year amount.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$7,214,846, or 59% 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 and the four FEMA Funds, 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 a separate statement of fiduciary assets and liabilities.

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 | | | |
|----------------------------------|-------------------------|----------------------|-----------------------|-------------|
| | 2019 | 2018 | Change | % Change |
| Current and other assets | \$ 15,374,225 | \$ 16,914,130 | \$ (1,539,905) | -9% |
| Capital assets, net | 12,431,063 | 12,373,439 | 57,624 | 0% |
| Total Assets | 27,805,288 | 29,287,569 | (1,482,281) | -5% |
| Current liabilities | 39,760 | - | 39,760 | N/A |
| Noncurrent liabilities | 1,534,391 | 1,973,205 | (438,814) | -22% |
| Total Liabilities | 1,574,151 | 1,973,205 | (438,814) | -22% |
| Net position: | | | | |
| Net investment in capital assets | 10,896,672 | 10,400,234 | 496,438 | 5% |
| Restricted | 3,948,263 | 5,387,855 | (1,439,592) | -27% |
| Unrestricted | 11,386,202 | 11,526,275 | (140,073) | -1% |
| Total Net Position | \$ 26,231,137 | \$ 27,314,364 | \$ (1,083,227) | -4% |

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 \$10,896,672. 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, \$3,948,263, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position of \$11,386,202 may be used to meet the County's ongoing obligations.

Changes in Net Position

The County's total revenues, both program and general, were \$14,340,653. A significant portion, 69%, of the County's revenue comes from property taxes. Charges for services accounted for 18% of the County's revenue while operating grants and contributions represented 7% and capital grants and contributions represented 3%. Exhibited below in Table 2 are the County's revenues for the years ended September 30, 2019 and 2018 for the County's *governmental activities*.

Table 2 - County's Revenues

| | Governmental Activities | | | |
|------------------------------------|-------------------------|-------------|----------------------|-------------|
| | 2019 | Percent | 2018 | Percent |
| Charges for services | \$ 2,582,002 | 18% | \$ 2,514,086 | 18% |
| Operating grants and contributions | 968,058 | 7% | 1,048,836 | 7% |
| Capital grants and contributions | 435,086 | 3% | 433,306 | 3% |
| Property taxes | 9,961,079 | 69% | 9,868,706 | 69% |
| License and permits | 12,057 | 0% | 11,493 | 0% |
| Investment earnings | 293,433 | 2% | 187,862 | 1% |
| Miscellaneous | 88,938 | 1% | 215,385 | 2% |
| Total Revenues | \$ 14,340,653 | 100% | \$ 14,279,674 | 100% |

Exhibited below in Table 3 are the County's expenses for the years ended September 30, 2019 and 2018 for the County's *governmental activities*. The total cost of all programs and services was \$15,423,880.

Table 3 - County's Expenses

| | Governmental Activities | | | |
|---|-------------------------|-------------|----------------------|-------------|
| | 2019 | Percent | 2018 | Percent |
| General government | \$ 3,941,806 | 25% | \$ 2,842,844 | 20% |
| Justice system | 1,950,439 | 13% | 1,892,748 | 13% |
| Public safety | 1,296,975 | 8% | 1,357,614 | 9% |
| Corrections and rehabilitation | 2,718,627 | 18% | 2,702,597 | 19% |
| Health and human services | 459,504 | 3% | 513,101 | 4% |
| Community and economic development | 417 | 0% | 879 | 0% |
| Infrastructure and environmental services | 5,027,919 | 33% | 4,950,488 | 35% |
| Interest | 28,193 | 0% | 32,220 | 0% |
| Total Expenses | \$ 15,423,880 | 100% | \$ 14,292,491 | 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 | | | |
|---|-------------------------|--------------------|-----------------------|--------------|
| | 2019 | 2018 | \$ Change | % Change |
| Revenues: | | | | |
| Program revenues: | | | | |
| Charges for services | \$ 2,582,002 | \$ 2,514,086 | \$ 67,916 | 3% |
| Operating grants and contributions | 968,058 | 1,048,836 | (80,778) | -8% |
| Capital grants and contributions | 435,086 | 433,306 | 1,780 | 0% |
| General revenues: | | | | |
| Property taxes | 9,961,079 | 9,868,706 | 92,373 | 1% |
| Licenses and permits | 12,057 | 11,493 | 564 | 5% |
| Investment earnings | 293,433 | 187,862 | 105,571 | 56% |
| Miscellaneous | 88,938 | 215,385 | (126,447) | -59% |
| Total revenues | <u>14,340,653</u> | <u>14,279,674</u> | <u>60,979</u> | <u>0%</u> |
| Expenses: | | | | |
| General government | 3,941,806 | 2,842,844 | 1,098,962 | 39% |
| Justice system | 1,950,439 | 1,892,748 | 57,691 | 3% |
| Public safety | 1,296,975 | 1,357,614 | (60,639) | -4% |
| Corrections and rehabilitation | 2,718,627 | 2,702,597 | 16,030 | 1% |
| Health and human services | 459,504 | 513,101 | (53,597) | -10% |
| Community and economic development | 417 | 879 | (462) | -53% |
| Infrastructure and environmental services | 5,027,919 | 4,950,488 | 77,431 | 2% |
| Interest and fiscal charges | 28,193 | 32,220 | (4,027) | -12% |
| Total expenses | <u>15,423,880</u> | <u>14,292,491</u> | <u>1,131,389</u> | <u>8%</u> |
| Change in net position | <u>\$ (1,083,227)</u> | <u>\$ (12,817)</u> | <u>\$ (1,070,410)</u> | <u>8351%</u> |

Significant fluctuations between years were as follows:

- General government expenses increased \$1,098,962, or 39%, due to additional TCDRS payment in the current year to help reduce the net pension liability, tax refund for gas compressor litigation, new voting machine purchases, increases in records management costs and records preservation costs 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 | | | |
|---|-------------------------|-------------|----------------------|-------------|
| | 2019 | Percent | 2018 | Percent |
| General government | \$ 2,327,171 | 20% | \$ 1,362,901 | 14% |
| Justice system | 1,320,780 | 12% | 1,168,277 | 11% |
| Public safety | 1,221,205 | 11% | 1,226,681 | 12% |
| Corrections and rehabilitation | 1,688,742 | 15% | 1,697,084 | 16% |
| Infrastructure and environmental services | 4,392,722 | 38% | 4,295,120 | 42% |
| Other | 488,114 | 4% | 546,200 | 5% |
| Total Net Cost | \$ 11,438,734 | 100% | \$ 10,296,263 | 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, 2019, the County's governmental funds reported a combined ending fund balance of \$15,334,465, a decrease of \$1,579,665 from the previous year. Table 6 illustrates the fund balances of the governmental funds.

**Table 6 - Governmental Funds - Fund Balances
September 30, 2019**

| | General Fund | FEMA Funds | Other Funds | Totals |
|---|----------------------|---------------------|---------------------|----------------------|
| Restricted for: | | | | |
| Records management/preservation | \$ - | \$ - | \$ 946,735 | \$ 946,735 |
| Public safety | - | - | 145,765 | 145,765 |
| Justice system | - | - | 702,271 | 702,271 |
| Corrections and rehabilitation | - | - | 575,087 | 575,087 |
| Infrastructure and environmental services | - | 1,146,334 | - | 1,146,334 |
| Debt service | - | - | 182,868 | 182,868 |
| Other | - | - | 249,203 | 249,203 |
| Committed for: | | | | |
| Indigent health care | 385,499 | - | - | 385,499 |
| Infrastructure and environmental services | 3,065,865 | - | - | 3,065,865 |
| Assigned for deficit budget for 2019-20 | 735,689 | - | - | 735,689 |
| Unassigned | 7,214,846 | - | (15,697) | 7,199,149 |
| Total Fund Balances | \$ 11,401,899 | \$ 1,146,334 | \$ 2,786,232 | \$ 15,334,465 |

General Fund

At the end of the current fiscal year, the ending fund balance for the General Fund was \$11,401,899, of which \$3,451,364 was committed, \$735,689 was assigned and \$7,214,846 was unassigned. The total unassigned fund balance represents 59% of the total General Fund expenditures for the year ended September 30, 2019. The fund balance decreased \$124,376 in the current fiscal year.

General Fund revenues totaled \$12,187,187, an increase of \$193,012, or 2%, over the preceding year. The only revenue category with a significant change between years was intergovernmental which decreased \$137,911. The decrease was mostly due to a video grant received in the prior year but not in the current year and the timing of lateral road payments.

General Fund expenditures totaled \$12,231,734, an increase of \$697,058, or 6%, over the preceding year. The most significant change between years were in the following functional areas:

- General government expenditures increased \$1,007,439 or 38% mostly due to additional TCDRS payment in the current year to help reduce the net pension liability, tax refund for gas compressor litigation and new voting machine purchases in the current year.
- Public safety expenditures decreased \$194,919 or 13% mostly due to the net of sheriff vehicles purchased in the prior year less the current year lease payments on the vehicles beginning in the current year.

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 in 2015-16. In 2017-18, the County only received \$160,194 of grant funds and expended \$1,601,629 of grant funds previously received leaving a restricted fund balance of \$2,809,856 at September 30, 2018. In 2018-19, the County only received \$182,272 of grant funds and expended \$1,845,794 of grant funds previously received leaving a restricted fund balance of \$1,146,334 at September 30, 2019.

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 \$2,786,232, an increase of \$208,233 from the previous year. All of the fund balance at September 30, 2019 is restricted.

Other Governmental Funds' revenues totaled \$1,647,919, a decrease of \$6,308, or less than 1%, over the preceding year. There were no significant changes in any individual revenues.

Other Government Funds' expenditures totaled \$1,710,618, an increase of \$83,869, or 5%, over the preceding year. The most significant change between years was in the following functional area:

- General government expenditures increased \$64,601 or 54%, mostly due to increases in records management and records preservation costs.

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget several times. With these adjustments, revenues were \$444,206 below the final budgeted amount. Most revenues fell within normal variance

above and below budgeted levels with the exception of property taxes, interest income and other revenues. Property taxes were above the budgeted amount by \$129,426 mostly due to the County underestimating property tax collections. Interest income was above the budgeted amount by \$191,331 mostly due to the County change in investment strategy which greatly increased interest income while the County did not increase the amount budgeted for interest income. Other revenues were below the budgeted amount by \$863,041 mostly due to the County incorrectly budgeting grant forced labor and equipment accounts in the road and bridge funds.

Relative to actual expenditures, they were \$1,437,048 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 other revenues and general government expenditures. Other revenue increased \$184,225 because the County incorrectly budgeted grant forced labor and equipment accounts in the road and bridge funds. General government expenditures increased \$102,510 for the additional TCDRS payment.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2019, the County had invested in a broad range of capital assets totaling \$12,431,063, net of accumulated depreciation, including land, buildings, equipment, and infrastructure. See Table 7 below.

Table 7 - Capital Assets, Net

| | 2019 | 2018 | \$ Change | % Change |
|----------------------------|----------------------|----------------------|------------------|-----------|
| Land | \$ 382,194 | \$ 382,194 | \$ - | 0% |
| Buildings and improvements | 4,011,609 | 4,284,539 | (272,930) | -6% |
| Machinery and equipment | 3,267,880 | 2,988,226 | 279,654 | 9% |
| Infrastructure | 4,769,380 | 4,718,480 | 50,900 | 1% |
| Totals | \$ 12,431,063 | \$ 12,373,439 | \$ 57,624 | 0% |

Capital assets, net of accumulated depreciation, increased \$57,624 from the previous year. The increase relates to the current year additions of \$1,541,350 less depreciation expense of \$1,302,274 less dispositions (net) of \$181,452 in 2018-19. Additional information about the County's capital assets is presented in the notes to the financial statements.

Long-term Obligations

At September 30, 2019, the County had \$1,534,391 in long-term obligations outstanding as shown in Table 8 below.

Table 8 - Long-term Debt

| | 2019 | 2018 | \$ Change | % Change |
|-------------------------|---------------------|---------------------|---------------------|-------------|
| General obligation debt | \$ 1,125,000 | \$ 1,385,000 | \$ (260,000) | -19% |
| Capital leases payable | 409,391 | 588,205 | (178,814) | -30% |
| Totals | \$ 1,534,391 | \$ 1,973,205 | \$ (438,814) | -22% |

During the year, the County issued \$110,500 in additional debt, but repaid \$549,314 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 2019-20 budget preparation was \$1,981,420,575, a decrease of \$124,081,459, or 7%, from the prior year actual appraised value. Additionally, the M&O tax rate for 2019-20 is \$.5334 per \$100 valuation which is an increase from \$.5327 per \$100 used in 2018-19.

Revenues budgeted in the General Fund's budget for 2019-20 are \$12,322,763, an increase of \$135,576 or 1% from the final 2018-19 revenues of \$12,187,187.

Expenditures budgeted in the General Funds' budget for 2019-20 are \$13,917,410, an increase of \$1,685,676 or 14% from the 2018-19 expenditures of \$12,231,734. The increase relates to a 5% pay increase for County employees as well as 2019-20 containing 27 pay periods versus the normal 26 pay periods. The County does not anticipate any new programs or projects being added in 2019-20 budget.

If these estimates are realized, the County's General Fund's fund balance is expected to decrease by \$1,594,647 by September 30, 2020. However, only \$735,689 was set aside as assigned fund balance at September 30, 2020 since restricted fund balance amounts will be used for the other \$858,958 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, 2019

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Assets | |
| Cash on hand and in bank | \$ 8,095,458 |
| Investments | 7,278,767 |
| Capital assets, net | 12,431,063 |
| Total assets | <u>27,805,288</u> |
| Liabilities | |
| Current liabilities: | |
| Payroll deductions payable | 39,760 |
| Noncurrent liabilities: | |
| Due within one year | 488,052 |
| Due in more than one year | 1,046,339 |
| Total liabilities | <u>1,574,151</u> |
| Net Position | |
| Net investment in capital assets | 10,896,672 |
| Restricted for: | |
| Records management/preservation | 946,735 |
| Public safety | 145,765 |
| Justice system | 702,271 |
| Corrections and rehabilitation | 575,087 |
| Infrastructure and environmental services | 1,146,334 |
| Debt service | 182,868 |
| Other | 249,203 |
| Unrestricted | 11,386,202 |
| Total net position | <u>\$ 26,231,137</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, 2019

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position |
|---|----------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | |
| Primary Government: | | | | |
| General government | \$ 3,941,806 | \$ 1,486,754 | \$ 127,881 | \$ - |
| Justice system | 1,950,439 | 578,253 | 51,406 | - |
| Public safety | 1,296,975 | 59,980 | 4,328 | 11,462 |
| Corrections and rehabilitation | 2,718,627 | 457,015 | 572,870 | - |
| Health and human services | 459,504 | - | - | - |
| Community and economic development | 417 | - | - | - |
| Infrastructure and environmental services | 5,027,919 | - | 211,573 | 423,624 |
| Interest on long-term debt | 28,193 | - | - | - |
| Total governmental activities | <u>\$ 15,423,880</u> | <u>\$ 2,582,002</u> | <u>\$ 968,058</u> | <u>\$ 435,086</u> |
| | | | | <u>(11,438,734)</u> |
| General revenues: | | | | |
| Property taxes, levied for general purposes | | | | 9,647,758 |
| Property taxes, levied for debt service | | | | 313,321 |
| License and permits | | | | 12,057 |
| Investment earnings | | | | 293,433 |
| Other | | | | 88,938 |
| Total general revenues | | | | <u>10,355,507</u> |
| Change in net position | | | | (1,083,227) |
| Net position - beginning | | | | <u>27,314,364</u> |
| Net position - ending | | | | <u>\$ 26,231,137</u> |

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

| | 94 | 95 | |
|---|----------------------|-------------------|-------------------|
| | General Fund | R&B #1 FEMA | R&B #2 FEMA |
| ASSETS | | | |
| Cash on hand and in bank | \$ 5,532,151 | \$ 434,494 | \$ 466,997 |
| Investments | 5,904,013 | - | - |
| Total assets | <u>\$ 11,436,164</u> | <u>\$ 434,494</u> | <u>\$ 466,997</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Payroll deductions payable | \$ 34,265 | \$ - | \$ - |
| Fund balances: | | | |
| Restricted for: | | | |
| Records management/preservation | - | - | - |
| Public safety | - | - | - |
| Justice system | - | - | - |
| Corrections and rehabilitation | - | - | - |
| Infrastructure and environmental services | - | 434,494 | 466,997 |
| Debt service | - | - | - |
| Other | - | - | - |
| Committed for: | | | |
| Indigent health care | 385,499 | - | - |
| Infrastructure and environmental services | 3,065,865 | - | - |
| Assigned for: | | | |
| Deficit budget for 2019-20 | 735,689 | - | - |
| Unassigned | 7,214,846 | - | - |
| Total fund balances | <u>11,401,899</u> | <u>434,494</u> | <u>466,997</u> |
| Total liabilities and fund balances | <u>\$ 11,436,164</u> | <u>\$ 434,494</u> | <u>\$ 466,997</u> |

The accompanying notes are an integral part of this statement.

| 96 | 97 | Other Governmental Funds | Total Governmental Funds |
|----------------|-------------------|--------------------------------|--------------------------------|
| R&B #3 FEMA | R&B #4 FEMA | | |
| \$ - | \$ 244,843 | \$ 1,416,973 | \$ 8,095,458 |
| - | - | 1,374,754 | 7,278,767 |
| <u>\$ -</u> | <u>\$ 244,843</u> | <u>\$ 2,791,727</u> | <u>\$ 15,374,225</u> |
| \$ - | - | 5,495 | 39,760 |
| - | - | 946,735 | 946,735 |
| - | - | 145,765 | 145,765 |
| - | - | 702,271 | 702,271 |
| - | - | 575,087 | 575,087 |
| - | 244,843 | - | 1,146,334 |
| - | - | 182,868 | 182,868 |
| - | - | 249,203 | 249,203 |
| - | - | - | 385,499 |
| - | - | - | 3,065,865 |
| - | - | - | 735,689 |
| - | - | (15,697) | 7,199,149 |
| <u>-</u> | <u>244,843</u> | <u>2,786,232</u> | <u>15,334,465</u> |
| <u>\$ -</u> | <u>\$ 244,843</u> | <u>\$ 2,791,727</u> | <u>\$ 15,374,225</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, 2019

Total fund balances - governmental funds (Exhibit A-3) \$ 15,334,465

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 | \$ 25,365,302 | |
| Related accumulated depreciation | <u>12,934,239</u> | 12,431,063 |

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 | 1,125,000 | |
| Capital leases payable | <u>409,391</u> | <u>(1,534,391)</u> |

Total net position - governmental activities (Exhibit A-1) \$ 26,231,137

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, 2019

| | 94 | 95 | |
|---|----------------------|-------------------|-------------------|
| | General Fund | R&B #1 FEMA | R&B #2 FEMA |
| Revenues | | | |
| Property taxes | \$ 9,647,758 | \$ - | \$ - |
| Registrations, fines and fees | 1,607,219 | - | - |
| Public service fees | 170,025 | - | - |
| Intergovernmental | 301,600 | 111,590 | - |
| Interest income | 251,491 | - | - |
| Other | 209,094 | - | - |
| Total revenues | <u>12,187,187</u> | <u>111,590</u> | <u>-</u> |
| Expenditures | | | |
| Current: | | | |
| General government | 3,633,103 | - | - |
| Justice system | 1,808,479 | - | - |
| Public safety | 1,282,320 | - | - |
| Corrections and rehabilitation | 1,441,419 | - | - |
| Health and human services | 457,490 | - | - |
| Community and economic development | - | - | - |
| Infrastructure and environmental services | 3,608,923 | 684,880 | 503,812 |
| Debt service: | | | |
| Principal | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total expenditures | <u>12,231,734</u> | <u>684,880</u> | <u>503,812</u> |
| Excess (deficiency) of revenues over expenditures | <u>(44,547)</u> | <u>(573,290)</u> | <u>(503,812)</u> |
| Other financing sources (uses): | | | |
| Proceeds from the issuance of capital leases | 110,000 | - | - |
| Proceeds from the sale of capital assets | 81,103 | - | - |
| Transfers in | 713,036 | - | - |
| Transfers out | (983,968) | - | - |
| Total other financing sources (uses) | <u>(79,829)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (124,376) | (573,290) | (503,812) |
| Fund balance - beginning of year | <u>11,526,275</u> | <u>1,007,784</u> | <u>970,809</u> |
| Fund balances, end of year | <u>\$ 11,401,899</u> | <u>\$ 434,494</u> | <u>\$ 466,997</u> |

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

| 96 | 97 | Other Governmental Funds | Total Governmental Funds |
|------------------|-------------------|--------------------------------|--------------------------------|
| R&B #3 FEMA | R&B #4 FEMA | | |
| \$ - | \$ - | \$ 313,321 | \$ 9,961,079 |
| - | - | 612,692 | 2,219,911 |
| - | - | - | 170,025 |
| - | 70,682 | 661,346 | 1,145,218 |
| - | - | 41,942 | 293,433 |
| - | - | 18,618 | 227,712 |
| <u>-</u> | <u>70,682</u> | <u>1,647,919</u> | <u>14,017,378</u> |
| - | - | 183,327 | 3,816,430 |
| - | - | 140,159 | 1,948,638 |
| - | - | 1,956 | 1,284,276 |
| - | - | 1,095,124 | 2,536,543 |
| - | - | 2,014 | 459,504 |
| - | - | 345 | 345 |
| 310,135 | 346,967 | - | 5,454,717 |
| - | - | 260,000 | 260,000 |
| - | - | 27,693 | 27,693 |
| <u>310,135</u> | <u>346,967</u> | <u>1,710,618</u> | <u>15,788,146</u> |
| <u>(310,135)</u> | <u>(276,285)</u> | <u>(62,699)</u> | <u>(1,770,768)</u> |
| - | - | - | 110,000 |
| - | - | - | 81,103 |
| - | - | 453,526 | 1,166,562 |
| - | - | (182,594) | (1,166,562) |
| <u>-</u> | <u>-</u> | <u>270,932</u> | <u>191,103</u> |
| (310,135) | (276,285) | 208,233 | (1,579,665) |
| <u>310,135</u> | <u>521,128</u> | <u>2,577,999</u> | <u>16,914,130</u> |
| <u>\$ -</u> | <u>\$ 244,843</u> | <u>\$ 2,786,232</u> | <u>\$ 15,334,465</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, 2019

Net change in fund balances - total governmental funds (Exhibit A-5) \$ (1,579,665)

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 | \$ 1,541,350 | |
| Depreciation expense for the year | 1,302,274 | 239,076 |

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: (181,452)

Cash 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: (110,500)

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 | 260,000 | |
| Capital leases payable | 289,314 | 549,314 |

Change in net position of governmental activities (Exhibit A-2) \$ (1,083,227)

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
MODIFIED CASH BASIS - AGENCY FUNDS
SEPTEMBER 30, 2019

| | <u>Trust and Agency Funds</u> |
|---------------------------|-----------------------------------|
| Assets | |
| Cash | \$ 1,455,053 |
| Total assets | <u>\$ 1,455,053</u> |
| Liabilities | |
| Due to primary government | \$ 119,286 |
| Due to other governments | 467,214 |
| Due to others | 868,553 |
| Total liabilities | <u>\$ 1,455,053</u> |

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019

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 four *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 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 fund types:

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, and/or other agency 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, 2019

c. Basis of Accounting

The County's financial statements are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equities, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide financial statements. 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, 2019

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, 2019

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, 2019

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, 2019.

2. Deficit Fund Balance of Individual Funds

The County had the following individual fund with a deficit fund balance at September 30, 2019:

| | |
|---------------------------|----------|
| Other Governmental Funds: | |
| DA State Supplement | \$15,697 |

The deficit fund balance is the result of the County's financial statements being reported on the modified cash basis and the deficit balance 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 \$9,137,723, 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 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, 2019

At September 30, 2019, the County had investments as follows:

| | |
|---|---------------------|
| Money market savings accounts, reported as cash | \$ 8,092,008 |
| Certificates of deposit | 1,042,265 |
| TexPool | <u>6,236,502</u> |
| Total | <u>\$15,370,775</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, 2019

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, 2019, was \$.5327 per \$100 valuation.

Taxes levied for the payment of principal and interest related to long-term debt was \$.0173 per \$100 valuation for the year ended September 30, 2019. 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 2019. The total tax rate for Montague County for fiscal year 2019 was \$.5500.

E. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019 was as follows:

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

| Governmental Activities: | <u>Balance</u> <u>10/1/18</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>9/30/19</u> |
|---|----------------------------------|-------------------|------------------|----------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 382,194 | \$ - | \$ - | \$ 382,194 |
| Construction in progress | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total capital assets not being depreciated | <u>382,194</u> | <u>-</u> | <u>-</u> | <u>382,194</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 10,070,379 | - | - | 10,070,379 |
| Machinery and equipment | 7,081,868 | 1,117,726 | 1,129,643 | 7,069,951 |
| Infrastructure | <u>7,419,154</u> | <u>423,624</u> | <u>-</u> | <u>7,842,778</u> |
| Total capital assets being depreciated | <u>24,571,401</u> | <u>1,541,350</u> | <u>1,129,643</u> | <u>24,983,108</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 5,785,840 | 272,930 | - | 6,058,770 |
| Machinery and equipment | 4,093,642 | 656,620 | 948,191 | 3,802,071 |
| Infrastructure | <u>2,700,674</u> | <u>372,724</u> | <u>-</u> | <u>3,073,398</u> |
| Total accumulated depreciation | <u>12,580,156</u> | <u>1,302,274</u> | <u>948,191</u> | <u>12,934,239</u> |
| Total capital assets being depreciated, net | <u>11,991,245</u> | <u>239,076</u> | <u>181,452</u> | <u>12,048,869</u> |
| Governmental activities capital assets, net | <u>\$12,373,439</u> | <u>\$ 239,076</u> | <u>\$181,452</u> | <u>\$12,431,063</u> |

Under the machinery and equipment caption, there is \$767,388 of equipment under capital lease obligations with accumulated depreciation of \$180,841 at September 30, 2019.

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

| | |
|---|--------------------|
| Governmental activities: | |
| General government | \$ 125,376 |
| Judicial system | 1,801 |
| Public safety | 95,229 |
| Corrections and rehabilitation | 182,084 |
| Community and economic development | 72 |
| Infrastructure and environmental services | <u>897,712</u> |
| Total governmental depreciation | <u>\$1,302,274</u> |

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

There were no balances due to and from other funds at September 30, 2019.

Interfund transfers during the year ended September 30, 2019 were as follows:

| <u>Transfers From</u> | <u>Transfers To</u> | <u>Amount</u> | <u>Reason</u> |
|--------------------------|--------------------------|--------------------|----------------------------|
| General Fund | General Fund | \$ 713,036 | Supplement other resources |
| General Fund | Other Governmental Funds | 270,932 | Supplement other resources |
| Other Governmental Funds | Other Governmental Funds | <u>182,594</u> | Supplement other resources |
| | Total | <u>\$1,166,562</u> | |

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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, 2019 were as follows:

| Governmental Activities: | Balance <u>10/1/2018</u> | <u>Additions</u> | <u>Retirements</u> | Balance <u>9/30/2019</u> | Due Within <u>One Year</u> |
|--|-----------------------------|------------------|--------------------|-----------------------------|-------------------------------|
| General obligation bonds | \$1,385,000 | \$ - | \$260,000 | \$1,125,000 | \$270,000 |
| Capital leases | <u>588,205</u> | <u>110,500</u> | <u>289,314</u> | <u>409,391</u> | <u>218,052</u> |
| Total long-term liabilities – governmental activities | <u>\$1,973,205</u> | <u>\$110,500</u> | <u>\$549,314</u> | <u>\$1,534,391</u> | <u>\$488,052</u> |

Annual debt service requirements to maturity are as follows:

| Year Ending <u>September 30</u> | <u>All County Debt</u> | | |
|------------------------------------|------------------------|------------------|--------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2020 | \$ 488,052 | \$ 38,241 | \$ 526,293 |
| 2021 | 427,855 | 24,456 | 452,311 |
| 2022 | 323,484 | 12,259 | 335,743 |
| 2023 | <u>295,000</u> | <u>3,614</u> | <u>298,614</u> |
| Totals | <u>\$1,534,391</u> | <u>\$ 78,570</u> | <u>\$1,612,961</u> |

2. General Obligation Bonds

General obligation bonds outstanding at September 30, 2019 were as follows:

| | <u>Original Amount</u> | <u>Date of Issuance</u> | <u>Final Maturity</u> | <u>Interest Rate</u> | <u>Balance 9/30/2019</u> |
|--|----------------------------|-----------------------------|---------------------------|--------------------------|------------------------------|
| <u>General Obligation Bonds:</u> | | | | | |
| Certificates of Obligation, Series 2011 | \$2,565,000 | 2/15/2011 | 2/15/2023 | 1.75% to 2.45% | <u>\$1,125,000</u> |

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

Annual debt service requirements to maturity are as follows

| Year Ending September 30 | General Obligation Bonds | | |
|-----------------------------|--------------------------|------------------|--------------------|
| | Principal | Interest | Total |
| 2020 | \$ 270,000 | \$ 22,253 | \$ 292,253 |
| 2021 | 275,000 | 16,596 | 291,596 |
| 2022 | 285,000 | 10,434 | 295,434 |
| 2023 | <u>295,000</u> | <u>3,614</u> | <u>298,614</u> |
| Totals | <u>\$1,125,000</u> | <u>\$ 52,897</u> | <u>\$1,177,897</u> |

3. Capital Leases Payable

Capital leases payable outstanding at September 30, 2019 were as follows:

| | Original Amount | Date of Issuance | Final Maturity | Interest Rate | Balance 9/30/2019 |
|--|--------------------|---------------------|-------------------|------------------|----------------------|
| General Capital Corporation, JD 6110M Tractor w/ Boom Mower | \$103,769 | 4/14/2017 | 4/01/2021 | 3.59% | \$ 53,672 |
| General Capital Corporation, 7 Pickups | 256,942 | 10/26/2017 | 10/26/2020 | 3.73% | 174,412 |
| Komatsu Financial, GD655-6 Motor Grader | 237,100 | 4/13/2018 | 4/13/2021 | 3.50% | 70,807 |
| General Capital Corporation, JD 6110M Tractor w/ Boom Mower | 110,500 | 1/23/2019 | 4/01/2021 | 4.74% | <u>110,500</u> |
| Total | | | | | <u>\$409,391</u> |

Annual debt service requirements to maturity are as follows:

| Year Ending September 30 | Capital Leases Payable | | |
|-----------------------------|------------------------|-----------------|------------------|
| | Principal | Interest | Total |
| 2020 | \$218,052 | \$15,988 | \$234,040 |
| 2021 | 152,855 | 7,860 | 160,715 |
| 2022 | <u>38,484</u> | <u>1,825</u> | <u>40,309</u> |
| Totals | <u>\$409,391</u> | <u>\$25,673</u> | <u>\$435,064</u> |

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.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

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, 2019, 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.

Operating Leases

The County has entered into operating leases for five John Deere 672G Motor Graders. The leases for three of the John Deere 672G Motor Graders matured during the year ended September 30, 2019. During the year ended September 30, 2019, the County incurred \$116,745 of operating lease expenditures on these leases and future commitments are as follows:

| <u>Year Ending</u> <u>September 30,</u> | <u>Operating</u> <u>Lease Payment</u> |
|--|--|
| 2020 | <u>\$ 49,051</u> |

FEMA Grant

The County is participating in various FEMA grants that have matching components. At September 30, 2019, the County's remaining matching portion of the grants is \$382,111 and will be expended over numerous years as local funds are available.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

The contribution rate payable by the employee members for calendar year 2019 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.

During the year ended September 30, 2019, the County made an elective additional contribution of \$700,000.

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation.

Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2018 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 | 5.25% per year |
| Inflation | 2.75% per year |
| Long-term investment return | 8.00% per year, net of pension plan investments expenses |
| Growth in membership | 0.00% per year |
| Payroll growth | 3.25% 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 2019 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 2017.

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, 2019

The contribution rate payable by the employee members for calendar year 2019 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.

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Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2018 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 | 5.25% per year |
| Inflation | 2.75% per year |
| Long-term investment return | 8.00% per year, net of pension plan investments expenses |
| Growth in membership | 0.00% per year |
| Payroll growth | 3.25% 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 2019 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 2017.

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, 2019

| <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 | 10.50% | 5.40% |
| Private Equity | Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾ | 18.00% | 8.40% |
| Global Equities | MSCI World (net) Index | 2.50% | 5.70% |
| International Equities – Developed Markets | MSCI World Ex USA (net) Index | 10.00% | 5.40% |
| International Equities – Emerging Markets | MSCI Emerging Markets (net) Index | 7.00% | 5.90% |
| Investment-Grade Bonds | Bloomberg Barclays U.S. Aggregate Bond Index | 3.00% | 1.60% |
| Strategic Credit | FTSE High-Yield Cash-Pay Capped Index | 12.00% | 4.39% |
| Direct Lending | S&P/LSTA Leveraged Loan Index | 11.00% | 7.95% |
| Distressed Debt | Cambridge Associates Distressed Securities Index ⁽⁴⁾ | 2.00% | 7.20% |
| REIT Equities | 67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index | 2.00% | 4.15% |
| Master Limited Partnerships (MLPs) | Alerian MLP Index | 3.00% | 5.35% |
| Private Real Estate Partnerships | Cambridge Associates Real Estate Index ⁽⁵⁾ | 6.00% | 6.30% |
| Hedge Funds | Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index | 13.00% | 3.90% |

⁽¹⁾ Target asset allocation adopted at the April 2019 TCDRS Board Meeting.

⁽²⁾ Geometric real rates of return in addition to assumed inflation of 1.70%, per Cliffwater's 2019 capital market assumptions

⁽³⁾ Includes vintage years 2006 – present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2005 – present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007 – 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 (8.10%).

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

Changes in Net Pension Liability / (Asset)

| | Increase (Decrease) | | |
|--|-----------------------------------|----------------------------------|---|
| | Total Pension Liability (a) | Fiduciary Net Position (b) | Net Pension Liability / (Asset) (a) – (b) |
| Balances as of December 31, 2017 | \$23,108,812 | \$22,334,323 | \$774,488 |
| Changes for the year: | | | |
| Service cost | 763,828 | - | 763,828 |
| Interest on total pension liability | 1,888,700 | - | 1,888,700 |
| Effect of plan changes | - | - | - |
| Effect of economic/demographic gains or losses | 50,081 | - | 50,081 |
| Effect of assumptions changes or inputs | - | - | - |
| Refund of contributions | (88,452) | (88,452) | - |
| Benefit payments | (1,044,311) | (1,044,311) | - |
| Administrative expense | - | (17,820) | 17,820 |
| Member contributions | - | 347,780 | (347,780) |
| Net investment income | - | (413, 041) | 413,041 |
| Employer contributions | - | 1,057,488 | (1,057,488) |
| Other changes | - | 10,362 | (10,362) |
| Balances as of December 31, 2018 | <u>\$24,678,658</u> | <u>\$22,186,329</u> | <u>\$2,492,328</u> |

Sensitivity Analysis

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, 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 (7.10%) or 1 percentage point higher (9.10%) than the current rate.

| | 1% Decrease <u>7.10%</u> | Current Discount Rate <u>8.10%</u> | 1% Increase <u>9.10%</u> |
|-----------------------|--------------------------------|--|--------------------------------|
| Net pension liability | <u>\$5,442,080</u> | <u>\$2,492,328</u> | <u>(\$10,228)</u> |

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2019

Pension Expense

| | <u>January 1, 2018 to December 31, 2018</u> |
|--|---|
| Service cost | \$ 763,828 |
| Interest on total pension liability ⁽¹⁾ | 1,888,700 |
| Effect of plan changes | - |
| Administrative expenses | 17,820 |
| Member contributions | (347,780) |
| Expected investment return net of investment expenses | (1,819,606) |
| Recognition of deferred inflows/outflows of resources: | |
| Recognition of economic/demographic gains or losses | 65,752 |
| Recognition of assumption changes or inputs | 47,992 |
| Recognition of investment gains or losses | 564,825 |
| Other ⁽²⁾ | <u>(10,362)</u> |
| Pension expense | <u>\$ 1,171,169</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.

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, 2019

| | Budgeted Amounts | | Actual | Variance With Final Budget - Positive (Negative) |
|---|----------------------|----------------------|----------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Property taxes | \$ 9,518,332 | \$ 9,518,332 | \$ 9,647,758 | \$ 129,426 |
| Registrations, fines and fees | 1,544,958 | 1,544,958 | 1,607,219 | 62,261 |
| Public service fees | 155,070 | 155,070 | 170,025 | 14,955 |
| Intergovernmental | 280,738 | 280,738 | 301,600 | 20,862 |
| Interest income | 60,160 | 60,160 | 251,491 | 191,331 |
| Other | 887,910 | 1,072,135 | 209,094 | (863,041) |
| Total revenues | <u>12,447,168</u> | <u>12,631,393</u> | <u>12,187,187</u> | <u>(444,206)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 3,676,016 | 3,778,526 | 3,633,103 | 145,423 |
| Justice system | 2,302,934 | 2,207,234 | 1,808,479 | 398,755 |
| Public safety | 1,466,104 | 1,467,711 | 1,282,320 | 185,391 |
| Corrections and rehabilitation | 1,599,502 | 1,558,541 | 1,441,419 | 117,122 |
| Health and human services | 789,525 | 789,525 | 457,490 | 332,035 |
| Infrastructure and environmental services | 3,774,350 | 3,867,245 | 3,608,923 | 258,322 |
| Total expenditures | <u>13,608,431</u> | <u>13,668,782</u> | <u>12,231,734</u> | <u>1,437,048</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,161,263)</u> | <u>(1,037,389)</u> | <u>(44,547)</u> | <u>992,842</u> |
| Other financing sources (uses): | | | | |
| Proceeds from the issuance of capital leases | 110,000 | 110,000 | 110,000 | - |
| Proceeds from the sale of capital assets | 69,564 | 69,564 | 81,103 | 11,539 |
| Transfers in | 707,032 | 707,032 | 713,036 | 6,004 |
| Transfers out | (977,967) | (977,967) | (983,968) | (6,001) |
| Total other financing sources (uses) | <u>(91,371)</u> | <u>(91,371)</u> | <u>(79,829)</u> | <u>11,542</u> |
| Net change in fund balances | (1,252,634) | (1,128,760) | (124,376) | 1,004,384 |
| Fund balance - beginning of year | <u>11,526,275</u> | <u>11,526,275</u> | <u>11,526,275</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 10,273,641</u> | <u>\$ 10,397,515</u> | <u>\$ 11,401,899</u> | <u>\$ 1,004,384</u> |

MONTAGUE COUNTY, TEXAS

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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|---------------|---------------|---------------|---------------|---------------|------|------|------|------|------|
| Total Pension Liability | | | | | | | | | | |
| Service cost | \$ 763,828 | \$ 764,950 | \$ 793,010 | \$ 742,341 | \$ 696,475 | N/A | N/A | N/A | N/A | N/A |
| Interest on total pension liability | 1,888,700 | 1,742,640 | 1,590,718 | 1,542,080 | 1,449,541 | N/A | N/A | N/A | N/A | N/A |
| Effect of plan changes | - | - | - | (106,924) | - | N/A | N/A | N/A | N/A | N/A |
| Effect of assumptions changes or inputs | - | 191,969 | - | 229,808 | - | N/A | N/A | N/A | N/A | N/A |
| Effect of economic/demographic (gains) or losses | 50,081 | 143,099 | 39,850 | (849,160) | (110,934) | N/A | N/A | N/A | N/A | N/A |
| Benefit payments/refunds of contributions | (1,132,762) | (947,514) | (901,688) | (942,062) | (1,007,382) | N/A | N/A | N/A | N/A | N/A |
| Net change in total pension liability | 1,569,847 | 1,895,144 | 1,521,890 | 616,083 | 1,027,700 | N/A | N/A | N/A | N/A | N/A |
| Total pension liability, beginning | 23,108,811 | 21,213,667 | 19,691,777 | 19,075,694 | 18,047,994 | N/A | N/A | N/A | N/A | N/A |
| Total pension liability, ending (a) | \$ 24,678,658 | \$ 23,108,811 | \$ 21,213,667 | \$ 19,691,777 | \$ 19,075,694 | N/A | N/A | N/A | N/A | N/A |
| Fiduciary Net Position | | | | | | | | | | |
| Employer contributions | \$ 1,057,488 | \$ 1,367,535 | \$ 1,113,904 | \$ 663,861 | \$ 654,316 | N/A | N/A | N/A | N/A | N/A |
| Member contributions | 347,780 | 338,956 | 332,662 | 323,610 | 305,149 | N/A | N/A | N/A | N/A | N/A |
| Investment income net of investment expenses | (413,041) | 2,759,383 | 1,255,442 | (28,715) | 1,093,493 | N/A | N/A | N/A | N/A | N/A |
| Benefit payments/refunds of contributions | (1,132,763) | (947,514) | (901,689) | (942,062) | (1,007,382) | N/A | N/A | N/A | N/A | N/A |
| Administrative expenses | (17,820) | (14,853) | (13,632) | (12,293) | (12,873) | N/A | N/A | N/A | N/A | N/A |
| Other | 10,363 | 10,032 | 80,849 | (264,586) | (15,662) | N/A | N/A | N/A | N/A | N/A |
| Net change in fiduciary net position | (147,993) | 3,513,539 | 1,867,536 | (260,185) | 1,017,041 | N/A | N/A | N/A | N/A | N/A |
| Fiduciary net position, beginning | 22,334,323 | 18,820,784 | 16,953,248 | 17,213,433 | 16,196,392 | N/A | N/A | N/A | N/A | N/A |
| Fiduciary net position, ending (b) | \$ 22,186,330 | \$ 22,334,323 | \$ 18,820,784 | \$ 16,953,248 | \$ 17,213,433 | N/A | N/A | N/A | N/A | N/A |
| Net pension liability / (asset), ending = (a) - (b) | \$ 2,492,328 | \$ 774,488 | \$ 2,392,883 | \$ 2,738,529 | \$ 1,862,261 | N/A | N/A | N/A | N/A | N/A |
| Fiduciary net position as a % of total pension liability | 89.90% | 96.65% | 88.72% | 86.09% | 90.24% | N/A | N/A | N/A | N/A | N/A |
| Pensionable covered payroll | \$ 4,968,290 | \$ 4,842,234 | \$ 4,752,314 | \$ 4,623,000 | \$ 4,359,270 | N/A | N/A | N/A | N/A | N/A |
| Net pension liability as a % of covered payroll | 50.16% | 15.99% | 50.35% | 59.24% | 42.72% | N/A | N/A | N/A | N/A | N/A |

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.

MONAGUE 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> |
|---|--|---|---|--|--|
| 2009 | \$ 407,999 | \$ 407,999 | \$ - | \$ 3,544,736 | 11.5% |
| 2010 | 436,820 | 436,820 | - | 3,646,243 | 12.0% |
| 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% |

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

MONTAGUE COUNTY, TEXAS
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2019

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

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

*COMBINING STATEMENTS AND BUDGET COMPARISONS
AS SUPPLEMENTARY INFORMATION*

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

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
GENERAL FUND
SEPTEMBER 30, 2019

| | 10 General Fund | 12 Indigent Health Care | 13 Group Insurance Benefit |
|---|-----------------------|----------------------------------|-------------------------------------|
| ASSETS | | | |
| Cash on hand and in bank | \$ 3,771,026 | \$ 385,499 | \$ 18,343 |
| Investments | 4,188,197 | - | - |
| Total assets | <u>\$ 7,959,223</u> | <u>\$ 385,499</u> | <u>\$ 18,343</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Payroll deductions payable | <u>\$ 27,031</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund balances: | | | |
| Committed for: | | | |
| Indigent health care | - | 385,499 | - |
| Infrastructure and environmental services | - | - | - |
| Assigned for: | | | |
| Deficit budget for 2019-20 | 735,689 | - | - |
| Unassigned | <u>7,196,503</u> | <u>-</u> | <u>18,343</u> |
| Total fund balances | <u>7,932,192</u> | <u>385,499</u> | <u>18,343</u> |
| Total liabilities and fund balances | <u>\$ 7,959,223</u> | <u>\$ 385,499</u> | <u>\$ 18,343</u> |

EXHIBIT C-1

| 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 |
|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-------------------------------|-----------------------------|----------------------|
| \$ 282,020 | \$ 280,742 | \$ 287,498 | \$ 468,999 | \$ 36,181 | \$ 1,843 | \$ 5,532,151 |
| 209,246 | 209,246 | 209,246 | 209,246 | 91,022 | 787,810 | 5,904,013 |
| <u>\$ 491,266</u> | <u>\$ 489,988</u> | <u>\$ 496,744</u> | <u>\$ 678,245</u> | <u>\$ 127,203</u> | <u>\$ 789,653</u> | <u>\$ 11,436,164</u> |
| | | | | | | |
| \$ 1,816 | \$ 1,782 | \$ 1,820 | \$ 1,816 | \$ - | \$ - | \$ 34,265 |
| | | | | | | |
| - | - | - | - | - | - | 385,499 |
| 489,450 | 488,206 | 494,924 | 676,429 | 127,203 | 789,653 | 3,065,865 |
| | | | | | | |
| - | - | - | - | - | - | 735,689 |
| - | - | - | - | - | - | 7,214,846 |
| <u>489,450</u> | <u>488,206</u> | <u>494,924</u> | <u>676,429</u> | <u>127,203</u> | <u>789,653</u> | <u>11,401,899</u> |
| | | | | | | |
| <u>\$ 491,266</u> | <u>\$ 489,988</u> | <u>\$ 496,744</u> | <u>\$ 678,245</u> | <u>\$ 127,203</u> | <u>\$ 789,653</u> | <u>\$ 11,436,164</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, 2019

| | 10 General Fund | 12 Indigent Health Care | 13 Group Insurance Benefit |
|---|-----------------------|----------------------------------|-------------------------------------|
| REVENUES: | | | |
| Property taxes | \$ 6,999,923 | \$ 461,832 | \$ - |
| Registrations, fines and fees | 852,139 | - | - |
| Public service fees | 170,025 | - | - |
| Intergovernmental | 272,300 | - | - |
| Interest income | 161,737 | 6,648 | 228 |
| Other | 162,444 | - | (1,787) |
| Total revenues | <u>8,618,568</u> | <u>468,480</u> | <u>(1,559)</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | 3,633,103 | - | - |
| Justice system | 1,808,479 | - | - |
| Public safety | 1,282,320 | - | - |
| Corrections and rehabilitation | 1,441,419 | - | - |
| Health and human services | 320,616 | 136,874 | - |
| Infrastructure and environmental services | 27,979 | - | - |
| Total expenditures | <u>8,513,916</u> | <u>136,874</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>104,652</u> | <u>331,606</u> | <u>(1,559)</u> |
| Other financing sources (uses): | | | |
| Proceeds from the issuance of capital leases | - | - | - |
| Proceeds from the sale of capital assets | - | - | - |
| Transfers in | 650,000 | - | - |
| Transfers out | (327,968) | (650,000) | - |
| Total other financing sources (uses) | <u>322,032</u> | <u>(650,000)</u> | <u>-</u> |
| Net change in fund balances | 426,684 | (318,394) | (1,559) |
| Fund balance - beginning of year | <u>7,505,508</u> | <u>703,893</u> | <u>19,902</u> |
| Fund balance - end of year | <u>\$ 7,932,192</u> | <u>\$ 385,499</u> | <u>\$ 18,343</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 |
|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-------------------------------|-----------------------------|----------------------|
| \$ 544,237 | \$ 544,237 | \$ 544,237 | \$ 544,237 | \$ 9,055 | \$ - | \$ 9,647,758 |
| 188,770 | 188,770 | 188,770 | 188,770 | - | - | 1,607,219 |
| - | - | - | - | - | - | 170,025 |
| 7,325 | 7,325 | 7,325 | 7,325 | - | - | 301,600 |
| 18,072 | 17,460 | 11,556 | 15,222 | 2,433 | 18,135 | 251,491 |
| 16,865 | 5,760 | 12,418 | 13,394 | - | - | 209,094 |
| <u>775,269</u> | <u>763,552</u> | <u>764,306</u> | <u>768,948</u> | <u>11,488</u> | <u>18,135</u> | <u>12,187,187</u> |
| - | - | - | - | - | - | 3,633,103 |
| - | - | - | - | - | - | 1,808,479 |
| - | - | - | - | - | - | 1,282,320 |
| - | - | - | - | - | - | 1,441,419 |
| - | - | - | - | - | - | 457,490 |
| <u>986,398</u> | <u>929,227</u> | <u>737,156</u> | <u>928,163</u> | <u>-</u> | <u>-</u> | <u>3,608,923</u> |
| <u>986,398</u> | <u>929,227</u> | <u>737,156</u> | <u>928,163</u> | <u>-</u> | <u>-</u> | <u>12,231,734</u> |
| (211,129) | (165,675) | 27,150 | (159,215) | 11,488 | 18,135 | (44,547) |
| 110,000 | - | - | - | - | - | 110,000 |
| 8,000 | 73,103 | - | - | - | - | 81,103 |
| 14,259 | 20,259 | 14,259 | 14,259 | - | - | 713,036 |
| - | - | - | (6,000) | - | - | (983,968) |
| <u>132,259</u> | <u>93,362</u> | <u>14,259</u> | <u>8,259</u> | <u>-</u> | <u>-</u> | <u>(79,829)</u> |
| (78,870) | (72,313) | 41,409 | (150,956) | 11,488 | 18,135 | (124,376) |
| <u>568,320</u> | <u>560,519</u> | <u>453,515</u> | <u>827,385</u> | <u>115,715</u> | <u>771,518</u> | <u>11,526,275</u> |
| <u>\$ 489,450</u> | <u>\$ 488,206</u> | <u>\$ 494,924</u> | <u>\$ 676,429</u> | <u>\$ 127,203</u> | <u>\$ 789,653</u> | <u>\$ 11,401,899</u> |

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | General Fund (10) | | | Variance With Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES: | | | | |
| Property taxes | \$ 6,908,531 | \$ 6,908,531 | \$ 6,999,923 | \$ 91,392 |
| Registrations, fines and fees | 784,958 | 784,958 | 852,139 | 67,181 |
| Public service fees | 155,070 | 155,070 | 170,025 | 14,955 |
| Intergovernmental | 251,938 | 251,938 | 272,300 | 20,362 |
| Interest income | 57,000 | 57,000 | 161,737 | 104,737 |
| Other | 84,101 | 85,718 | 162,444 | 76,726 |
| Total revenues | <u>8,241,598</u> | <u>8,243,215</u> | <u>8,618,568</u> | <u>375,353</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 3,676,016 | 3,778,526 | 3,633,103 | 145,423 |
| Justice system | 2,302,934 | 2,207,234 | 1,808,479 | 398,755 |
| Public safety | 1,466,104 | 1,467,711 | 1,282,320 | 185,391 |
| Corrections and rehabilitation | 1,599,502 | 1,558,541 | 1,441,419 | 117,122 |
| Health and human services | 324,190 | 324,190 | 320,616 | 3,574 |
| Infrastructure and environmental services | 36,483 | 36,483 | 27,979 | 8,504 |
| Total expenditures | <u>9,405,229</u> | <u>9,372,685</u> | <u>8,513,916</u> | <u>858,769</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,163,631)</u> | <u>(1,129,470)</u> | <u>104,652</u> | <u>1,234,122</u> |
| Other financing sources (uses): | | | | |
| Proceeds from the issuance of capital leases | - | - | - | - |
| Proceeds from the sale of capital assets | - | - | - | - |
| Transfers in | 650,000 | 650,000 | 650,000 | - |
| Transfers out | (327,967) | (327,967) | (327,968) | (1) |
| Total other financing sources (uses) | <u>322,033</u> | <u>322,033</u> | <u>322,032</u> | <u>(1)</u> |
| Net change in fund balances | (841,598) | (807,437) | 426,684 | 1,234,121 |
| Fund balance - beginning of year | <u>7,505,508</u> | <u>7,505,508</u> | <u>7,505,508</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 6,663,910</u> | <u>\$ 6,698,071</u> | <u>\$ 7,932,192</u> | <u>\$ 1,234,121</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 | | |
| \$ 454,906 | \$ 454,906 | \$ 461,832 | \$ 6,926 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 1,500 | 1,500 | 6,648 | 5,148 | - | - | 228 | 228 |
| - | - | - | - | - | - | (1,787) | (1,787) |
| <u>456,406</u> | <u>456,406</u> | <u>468,480</u> | <u>12,074</u> | <u>-</u> | <u>-</u> | <u>(1,559)</u> | <u>(1,559)</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 465,335 | 465,335 | 136,874 | 328,461 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>465,335</u> | <u>465,335</u> | <u>136,874</u> | <u>328,461</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| (8,929) | (8,929) | 331,606 | 340,535 | - | - | (1,559) | (1,559) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| (650,000) | (650,000) | (650,000) | - | - | - | - | - |
| <u>(650,000)</u> | <u>(650,000)</u> | <u>(650,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| (658,929) | (658,929) | (318,394) | 340,535 | - | - | (1,559) | (1,559) |
| <u>703,893</u> | <u>703,893</u> | <u>703,893</u> | <u>-</u> | <u>19,902</u> | <u>19,902</u> | <u>19,902</u> | <u>-</u> |
| <u>\$ 44,964</u> | <u>\$ 44,964</u> | <u>\$ 385,499</u> | <u>\$ 340,535</u> | <u>\$ 19,902</u> | <u>\$ 19,902</u> | <u>\$ 18,343</u> | <u>\$ (1,559)</u> |

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | Road & Bridge Precinct #1 (21) | | | Variance With Final Budget - Positive (Negative) |
|---|--------------------------------|-------------------|-------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES: | | | | |
| Property taxes | \$ 536,469 | \$ 536,469 | \$ 544,237 | \$ 7,768 |
| Registrations, fines and fees | 190,000 | 190,000 | 188,770 | (1,230) |
| Public service fees | - | - | - | - |
| Intergovernmental | 7,200 | 7,200 | 7,325 | 125 |
| Interest income | 40 | 40 | 18,072 | 18,032 |
| Other | 254,284 | 414,892 | 16,865 | (398,027) |
| Total revenues | <u>987,993</u> | <u>1,148,601</u> | <u>775,269</u> | <u>(373,332)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Justice system | - | - | - | - |
| Public safety | - | - | - | - |
| Corrections and rehabilitation | - | - | - | - |
| Health and human services | - | - | - | - |
| Infrastructure and environmental services | 878,298 | 949,193 | 986,398 | (37,205) |
| Total expenditures | <u>878,298</u> | <u>949,193</u> | <u>986,398</u> | <u>(37,205)</u> |
| Excess (deficiency) of revenues over expenditures | <u>109,695</u> | <u>199,408</u> | <u>(211,129)</u> | <u>(410,537)</u> |
| Other financing sources (uses): | | | | |
| Proceeds from the issuance of capital leases | 110,000 | 110,000 | 110,000 | - |
| Proceeds from the sale of capital assets | - | - | 8,000 | 8,000 |
| Transfers in | 14,258 | 14,258 | 14,259 | 1 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>124,258</u> | <u>124,258</u> | <u>132,259</u> | <u>8,001</u> |
| Net change in fund balances | 233,953 | 323,666 | (78,870) | (402,536) |
| Fund balance - beginning of year | <u>568,320</u> | <u>568,320</u> | <u>568,320</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 802,273</u> | <u>\$ 891,986</u> | <u>\$ 489,450</u> | <u>\$ (402,536)</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 | | |
| \$ 536,469 | \$ 536,469 | \$ 544,237 | \$ 7,768 | \$ 536,469 | \$ 536,469 | \$ 544,237 | \$ 7,768 |
| 190,000 | 190,000 | 188,770 | (1,230) | 190,000 | 190,000 | 188,770 | (1,230) |
| - | - | - | - | - | - | - | - |
| 7,200 | 7,200 | 7,325 | 125 | 7,200 | 7,200 | 7,325 | 125 |
| 40 | 40 | 17,460 | 17,420 | 40 | 40 | 11,556 | 11,516 |
| 270,443 | 292,443 | 5,760 | (286,683) | 174,378 | 174,378 | 12,418 | (161,960) |
| <u>1,004,152</u> | <u>1,026,152</u> | <u>763,552</u> | <u>(262,600)</u> | <u>908,087</u> | <u>908,087</u> | <u>764,306</u> | <u>(143,781)</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 928,961 | 950,961 | 929,227 | 21,734 | 891,748 | 891,748 | 737,156 | 154,592 |
| <u>928,961</u> | <u>950,961</u> | <u>929,227</u> | <u>21,734</u> | <u>891,748</u> | <u>891,748</u> | <u>737,156</u> | <u>154,592</u> |
| 75,191 | 75,191 | (165,675) | (240,866) | 16,339 | 16,339 | 27,150 | 10,811 |
| - | - | - | - | - | - | - | - |
| 51,064 | 51,064 | 73,103 | 22,039 | 8,500 | 8,500 | - | (8,500) |
| 14,258 | 14,258 | 20,259 | 6,001 | 14,258 | 14,258 | 14,259 | 1 |
| <u>65,322</u> | <u>65,322</u> | <u>93,362</u> | <u>28,040</u> | <u>22,758</u> | <u>22,758</u> | <u>14,259</u> | <u>(8,499)</u> |
| 140,513 | 140,513 | (72,313) | (212,826) | 39,097 | 39,097 | 41,409 | 2,312 |
| <u>560,519</u> | <u>560,519</u> | <u>560,519</u> | <u>-</u> | <u>453,515</u> | <u>453,515</u> | <u>453,515</u> | <u>-</u> |
| <u>\$ 701,032</u> | <u>\$ 701,032</u> | <u>\$ 488,206</u> | <u>\$ (212,826)</u> | <u>\$ 492,612</u> | <u>\$ 492,612</u> | <u>\$ 494,924</u> | <u>\$ 2,312</u> |

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | Road & Bridge Precinct #4 (24) | | | Variance With Final Budget - Positive (Negative) |
|---|--------------------------------|-------------------|-------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES: | | | | |
| Property taxes | \$ 536,469 | \$ 536,469 | \$ 544,237 | \$ 7,768 |
| Registrations, fines and fees | 190,000 | 190,000 | 188,770 | (1,230) |
| Public service fees | - | - | - | - |
| Intergovernmental | 7,200 | 7,200 | 7,325 | 125 |
| Interest income | 40 | 40 | 15,222 | 15,182 |
| Other | 104,704 | 104,704 | 13,394 | (91,310) |
| Total revenues | <u>838,413</u> | <u>838,413</u> | <u>768,948</u> | <u>(69,465)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Justice system | - | - | - | - |
| Public safety | - | - | - | - |
| Corrections and rehabilitation | - | - | - | - |
| Health and human services | - | - | - | - |
| Infrastructure and environmental services | 1,038,860 | 1,038,860 | 928,163 | 110,697 |
| Total expenditures | <u>1,038,860</u> | <u>1,038,860</u> | <u>928,163</u> | <u>110,697</u> |
| Excess (deficiency) of revenues over expenditures | <u>(200,447)</u> | <u>(200,447)</u> | <u>(159,215)</u> | <u>41,232</u> |
| Other financing sources (uses): | | | | |
| Proceeds from the issuance of capital leases | - | - | - | - |
| Proceeds from the sale of capital assets | 10,000 | 10,000 | - | (10,000) |
| Transfers in | 14,258 | 14,258 | 14,259 | 1 |
| Transfers out | - | - | (6,000) | (6,000) |
| Total other financing sources (uses) | <u>24,258</u> | <u>24,258</u> | <u>8,259</u> | <u>(15,999)</u> |
| Net change in fund balances | (176,189) | (176,189) | (150,956) | 25,233 |
| Fund balance - beginning of year | <u>827,385</u> | <u>827,385</u> | <u>827,385</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 651,196</u> | <u>\$ 651,196</u> | <u>\$ 676,429</u> | <u>\$ 25,233</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 | | |
| \$ 9,019 | \$ 9,019 | \$ 9,055 | \$ 36 | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 1,500 | 1,500 | 2,433 | 933 | - | - | 18,135 | 18,135 |
| - | - | - | - | - | - | - | - |
| <u>10,519</u> | <u>10,519</u> | <u>11,488</u> | <u>969</u> | <u>-</u> | <u>-</u> | <u>18,135</u> | <u>18,135</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>10,519</u> | <u>10,519</u> | <u>11,488</u> | <u>969</u> | <u>-</u> | <u>-</u> | <u>18,135</u> | <u>18,135</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>10,519</u> | <u>10,519</u> | <u>11,488</u> | <u>969</u> | <u>-</u> | <u>-</u> | <u>18,135</u> | <u>18,135</u> |
| <u>115,715</u> | <u>115,715</u> | <u>115,715</u> | <u>-</u> | <u>771,518</u> | <u>771,518</u> | <u>771,518</u> | <u>-</u> |
| <u>\$ 126,234</u> | <u>\$ 126,234</u> | <u>\$ 127,203</u> | <u>\$ 969</u> | <u>\$ 771,518</u> | <u>\$ 771,518</u> | <u>\$ 789,653</u> | <u>\$ 18,135</u> |

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

| | Combined | | | Variance With Final Budget - Positive (Negative) |
|---|---------------------|----------------------|----------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES: | | | | |
| Property taxes | \$ 9,518,332 | \$ 9,518,332 | \$ 9,647,758 | \$ 129,426 |
| Registrations, fines and fees | 1,544,958 | 1,544,958 | 1,607,219 | 62,261 |
| Public service fees | 155,070 | 155,070 | 170,025 | 14,955 |
| Intergovernmental | 280,738 | 280,738 | 301,600 | 20,862 |
| Interest income | 60,160 | 60,160 | 251,491 | 191,331 |
| Other | 887,910 | 1,072,135 | 209,094 | (863,041) |
| Total revenues | <u>12,447,168</u> | <u>12,631,393</u> | <u>12,187,187</u> | <u>(444,206)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 3,676,016 | 3,778,526 | 3,633,103 | 145,423 |
| Justice system | 2,302,934 | 2,207,234 | 1,808,479 | 398,755 |
| Public safety | 1,466,104 | 1,467,711 | 1,282,320 | 185,391 |
| Corrections and rehabilitation | 1,599,502 | 1,558,541 | 1,441,419 | 117,122 |
| Health and human services | 789,525 | 789,525 | 457,490 | 332,035 |
| Infrastructure and environmental services | 3,774,350 | 3,867,245 | 3,608,923 | 258,322 |
| Total expenditures | <u>13,608,431</u> | <u>13,668,782</u> | <u>12,231,734</u> | <u>1,437,048</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,161,263)</u> | <u>(1,037,389)</u> | <u>(44,547)</u> | <u>992,842</u> |
| Other financing sources (uses): | | | | |
| Proceeds from the issuance of capital leases | 110,000 | 110,000 | 110,000 | - |
| Proceeds from the sale of capital assets | 69,564 | 69,564 | 81,103 | 11,539 |
| Transfers in | 707,032 | 707,032 | 713,036 | 6,004 |
| Transfers out | (977,967) | (977,967) | (983,968) | (6,001) |
| Total other financing sources (uses) | <u>(91,371)</u> | <u>(91,371)</u> | <u>(79,829)</u> | <u>11,542</u> |
| Net change in fund balances | (1,252,634) | (1,128,760) | (124,376) | 1,004,384 |
| Fund balance - beginning of year | <u>11,526,275</u> | <u>11,526,275</u> | <u>11,526,275</u> | <u>-</u> |
| Fund balance - end of year | <u>\$10,273,641</u> | <u>\$ 10,397,515</u> | <u>\$ 11,401,899</u> | <u>\$ 1,004,384</u> |

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

| | 15 | 16 | 17 | 18 |
|--------------------------------------|-----------------------|------------------------|---------------------|--------------------------------------|
| | Records Management | Courthouse Security | BVS Preservation | Dist. Clerk Records Management |
| ASSETS | | | | |
| Cash on hand and in bank | \$ 185,454 | \$ (11,314) | \$ (1,095) | \$ (3,861) |
| Investments | 209,606 | 112,027 | 10,462 | 7,323 |
| Total assets | <u>\$ 395,060</u> | <u>\$ 100,713</u> | <u>\$ 9,367</u> | <u>\$ 3,462</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Payroll deductions payable | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund balances: | | | | |
| Restricted for: | | | | |
| Records management/preservation | 395,060 | - | 9,367 | 3,462 |
| Public safety | - | 100,713 | - | - |
| Justice system | - | - | - | - |
| Corrections and rehabilitation | - | - | - | - |
| Debt service | - | - | - | - |
| Other | - | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balances | <u>395,060</u> | <u>100,713</u> | <u>9,367</u> | <u>3,462</u> |
| Total liabilities and fund balances | <u>\$ 395,060</u> | <u>\$ 100,713</u> | <u>\$ 9,367</u> | <u>\$ 3,462</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 |
| \$ (11,868) | \$ 121,665 | \$ 1,905 | \$ 340 | \$ 770 | \$ 14,635 | \$ (9,139) |
| 104,623 | 20,925 | 5,337 | 2,093 | 1,568 | 2,093 | 523,114 |
| <u>\$ 92,755</u> | <u>\$ 142,590</u> | <u>\$ 7,242</u> | <u>\$ 2,433</u> | <u>\$ 2,338</u> | <u>\$ 16,728</u> | <u>\$ 513,975</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| 92,755 | - | - | - | - | - | - |
| - | - | - | 2,433 | - | 16,728 | - |
| - | - | - | - | - | - | 513,975 |
| - | - | - | - | - | - | - |
| - | 142,590 | 7,242 | - | 2,338 | - | - |
| - | - | - | - | - | - | - |
| <u>92,755</u> | <u>142,590</u> | <u>7,242</u> | <u>2,433</u> | <u>2,338</u> | <u>16,728</u> | <u>513,975</u> |
| <u>\$ 92,755</u> | <u>\$ 142,590</u> | <u>\$ 7,242</u> | <u>\$ 2,433</u> | <u>\$ 2,338</u> | <u>\$ 16,728</u> | <u>\$ 513,975</u> |

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

| | 35 District Attorney Hot Check | 36 DA State Supplement | 38 District Attorney Hot Check | 39 Estray |
|--------------------------------------|---|------------------------------|---|-----------------|
| ASSETS | | | | |
| Cash on hand and in bank | \$ 5,440 | \$ (15,697) | \$ 1,639 | \$ 8,141 |
| Investments | 5,231 | - | 5,231 | - |
| Total assets | <u>\$ 10,671</u> | <u>\$ (15,697)</u> | <u>\$ 6,870</u> | <u>\$ 8,141</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Payroll deductions payable | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund balances: | | | | |
| Restricted for: | | | | |
| Records management/preservation | - | - | - | - |
| Public safety | - | - | - | - |
| Justice system | 10,671 | - | 6,870 | - |
| Corrections and rehabilitation | - | - | - | - |
| Debt service | - | - | - | - |
| Other | - | - | - | 8,141 |
| Unassigned | - | (15,697) | - | - |
| Total fund balances | <u>10,671</u> | <u>(15,697)</u> | <u>6,870</u> | <u>8,141</u> |
| Total liabilities and fund balances | <u>\$ 10,671</u> | <u>\$ (15,697)</u> | <u>\$ 6,870</u> | <u>\$ 8,141</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. |
| \$ 28,186 | \$ 258,788 | \$ 31,581 | \$ 199,364 | \$ - | \$ 53,170 | \$ 9,493 |
| - | - | - | - | - | - | - |
| <u>\$ 28,186</u> | <u>\$ 258,788</u> | <u>\$ 31,581</u> | <u>\$ 199,364</u> | <u>\$ -</u> | <u>\$ 53,170</u> | <u>\$ 9,493</u> |
| | | | | | | |
| \$ - | \$ 2,590 | \$ 277 | \$ 1,855 | \$ - | \$ - | \$ 773 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 28,186 | 256,198 | 31,304 | 197,509 | - | 53,170 | 8,720 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>28,186</u> | <u>256,198</u> | <u>31,304</u> | <u>197,509</u> | <u>-</u> | <u>53,170</u> | <u>8,720</u> |
| | | | | | | |
| <u>\$ 28,186</u> | <u>\$ 258,788</u> | <u>\$ 31,581</u> | <u>\$ 199,364</u> | <u>\$ -</u> | <u>\$ 53,170</u> | <u>\$ 9,493</u> |

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

| | 48 Court Reporter Fees | 49 Supplement Guardianship Fees | 50 Family Protection Fees | 52 Law Library Fees |
|--|---------------------------------|--|------------------------------------|------------------------------|
| ASSETS | | | | |
| Cash on hand and in bank | \$ 37,673 | \$ 19,420 | \$ 18,135 | \$ 102,722 |
| Investments | - | - | - | - |
| Total assets | <u>\$ 37,673</u> | <u>\$ 19,420</u> | <u>\$ 18,135</u> | <u>\$ 102,722</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Payroll deductions payable | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund balances: | | | | |
| Restricted for: | | | | |
| Records management/preservation | - | - | - | - |
| Public safety | - | - | - | - |
| Justice system | 37,673 | - | - | 102,722 |
| Corrections and rehabilitation | - | - | - | - |
| Debt service | - | - | - | - |
| Other | - | 19,420 | 18,135 | - |
| Unassigned | - | - | - | - |
| Total fund balances | <u>37,673</u> | <u>19,420</u> | <u>18,135</u> | <u>102,722</u> |
| Total liabilities and fund balances | <u>\$ 37,673</u> | <u>\$ 19,420</u> | <u>\$ 18,135</u> | <u>\$ 102,722</u> |

Special Revenue Funds

| 54 | 55 | 56 | 81 | 82 | 83 | 84 |
|--------------------|--------------------------|----------------------|-----------------------|-----------------------|------------------|-------------------------------|
| Courthouse Dome | Historical Commission | JP Court Security | Constable #1 LEOSE | Constable #2 LEOSE | Sheriff LEOSE | District Attorney LEOSE |
| \$ 35,285 | \$ 16,052 | \$ 1,336 | \$ 1,768 | \$ 2,002 | \$ 8,231 | \$ 2,098 |
| - | - | 12,554 | - | - | - | - |
| <u>\$ 35,285</u> | <u>\$ 16,052</u> | <u>\$ 13,890</u> | <u>\$ 1,768</u> | <u>\$ 2,002</u> | <u>\$ 8,231</u> | <u>\$ 2,098</u> |
| | | | | | | |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | | | |
| - | - | - | - | - | - | - |
| - | - | 13,890 | 1,768 | 2,002 | 8,231 | - |
| - | - | - | - | - | - | 2,098 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 35,285 | 16,052 | - | - | - | - | - |
| <u>35,285</u> | <u>16,052</u> | <u>13,890</u> | <u>1,768</u> | <u>2,002</u> | <u>8,231</u> | <u>2,098</u> |
| | | | | | | |
| <u>\$ 35,285</u> | <u>\$ 16,052</u> | <u>\$ 13,890</u> | <u>\$ 1,768</u> | <u>\$ 2,002</u> | <u>\$ 8,231</u> | <u>\$ 2,098</u> |

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

| | Special Revenue Funds | | | |
|--------------------------------------|----------------------------------|------------------------------------|-------------------------------------|---------------------------------------|
| | 85 County Clerk Archive | 86 District Clerk Archive | 87 County Clerk Technology | 89 District Clerk Technology |
| ASSETS | | | | |
| Cash on hand and in bank | \$ 183,601 | \$ 12,042 | \$ 2,283 | \$ 17,995 |
| Investments | 209,246 | 9,416 | 3,139 | 8,369 |
| Total assets | <u>\$ 392,847</u> | <u>\$ 21,458</u> | <u>\$ 5,422</u> | <u>\$ 26,364</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Payroll deductions payable | \$ - | \$ - | \$ - | \$ - |
| Fund balances: | | | | |
| Restricted for: | | | | |
| Records management/preservation | 392,847 | 21,458 | 5,422 | 26,364 |
| Public safety | - | - | - | - |
| Justice system | - | - | - | - |
| Corrections and rehabilitation | - | - | - | - |
| Debt service | - | - | - | - |
| Other | - | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balances | <u>392,847</u> | <u>21,458</u> | <u>5,422</u> | <u>26,364</u> |
| Total liabilities and fund balances | <u>\$ 392,847</u> | <u>\$ 21,458</u> | <u>\$ 5,422</u> | <u>\$ 26,364</u> |

| 90 | Debt Service Fund 61 | Total |
|------------------|-------------------------------|---------------------|
| JP Technology | Annex Sinking Fund | Combined |
| \$ 5,245 | \$ 83,488 | \$ 1,416,973 |
| 23,017 | 99,380 | 1,374,754 |
| <u>\$ 28,262</u> | <u>\$ 182,868</u> | <u>\$ 2,791,727</u> |
| | | |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,495</u> |
| | | |
| - | - | 946,735 |
| - | - | 145,765 |
| 28,262 | - | 702,271 |
| - | - | 575,087 |
| - | 182,868 | 182,868 |
| - | - | 249,203 |
| - | - | (15,697) |
| <u>28,262</u> | <u>182,868</u> | <u>2,786,232</u> |
| | | |
| <u>\$ 28,262</u> | <u>\$ 182,868</u> | <u>\$ 2,791,727</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, 2019

| | 15 | 16 | 17 | 18 |
|---|-----------------------|------------------------|---------------------|--------------------------------------|
| | Records Management | Courthouse Security | BVS Preservation | Dist. Clerk Records Management |
| REVENUES: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Registrations, fines and fees | 53,505 | 13,033 | 1,176 | 1,905 |
| Intergovernmental | - | - | - | - |
| Interest income | 7,103 | 2,578 | 240 | 169 |
| Other | - | - | - | - |
| Total revenues | <u>60,608</u> | <u>15,611</u> | <u>1,416</u> | <u>2,074</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 48,776 | 22,247 | 1,903 | 3,735 |
| 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>48,776</u> | <u>22,247</u> | <u>1,903</u> | <u>3,735</u> |
| Excess (deficiency) of revenues over expenditures | <u>11,832</u> | <u>(6,636)</u> | <u>(487)</u> | <u>(1,661)</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 | 11,832 | (6,636) | (487) | (1,661) |
| Fund balance - beginning of year | <u>383,228</u> | <u>107,349</u> | <u>9,854</u> | <u>5,123</u> |
| Fund balance - end of year | <u>\$ 395,060</u> | <u>\$ 100,713</u> | <u>\$ 9,367</u> | <u>\$ 3,462</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 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 6,768 | - | - | - | 53 | - | - |
| - | 91,501 | 2,856 | - | - | - | - |
| 2,697 | 482 | 123 | 49 | 76 | 189 | 12,201 |
| - | - | - | - | - | 2,557 | 6,470 |
| <u>9,465</u> | <u>91,983</u> | <u>2,979</u> | <u>49</u> | <u>129</u> | <u>2,746</u> | <u>18,671</u> |
| 43,864 | 15,000 | 2,292 | - | - | - | - |
| - | - | - | - | - | - | 75,730 |
| - | - | - | - | - | 226 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>43,864</u> | <u>15,000</u> | <u>2,292</u> | <u>-</u> | <u>-</u> | <u>226</u> | <u>75,730</u> |
| <u>(34,399)</u> | <u>76,983</u> | <u>687</u> | <u>49</u> | <u>129</u> | <u>2,520</u> | <u>(57,059)</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>(34,399)</u> | <u>76,983</u> | <u>687</u> | <u>49</u> | <u>129</u> | <u>2,520</u> | <u>(57,059)</u> |
| <u>127,154</u> | <u>65,607</u> | <u>6,555</u> | <u>2,384</u> | <u>2,209</u> | <u>14,208</u> | <u>571,034</u> |
| <u>\$ 92,755</u> | <u>\$142,590</u> | <u>\$ 7,242</u> | <u>\$ 2,433</u> | <u>\$ 2,338</u> | <u>\$ 16,728</u> | <u>\$ 513,975</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, 2019

| | 35 District Attorney Hot Check | 36 DA State Supplement | 38 District Attorney Hot Check | 39 Estray |
|---|---|------------------------------|---|-----------------|
| REVENUES: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Registrations, fines and fees | 1,216 | - | - | - |
| Intergovernmental | - | 4,072 | - | - |
| Interest income | 171 | - | 121 | 67 |
| Other | - | - | - | 8,842 |
| Total revenues | <u>1,387</u> | <u>4,072</u> | <u>121</u> | <u>8,909</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Justice system | - | 46,321 | - | - |
| Public safety | - | - | - | - |
| Corrections and rehabilitation | - | - | - | - |
| Health and human services | - | - | - | 2,014 |
| Community and economic development | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>-</u> | <u>46,321</u> | <u>-</u> | <u>2,014</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,387</u> | <u>(42,249)</u> | <u>121</u> | <u>6,895</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | 16,513 | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>16,513</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 1,387 | (25,736) | 121 | 6,895 |
| Fund balance - beginning of year | <u>9,284</u> | <u>10,039</u> | <u>6,749</u> | <u>1,246</u> |
| Fund balance - end of year | <u>\$ 10,671</u> | <u>\$ (15,697)</u> | <u>\$ 6,870</u> | <u>\$ 8,141</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. |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | 341,875 | - | 102,657 | - | - | - |
| - | 137,086 | 304,471 | - | 43,364 | - | 73,669 |
| 294 | 2,667 | - | 2,041 | - | 573 | - |
| - | 10 | - | - | - | - | - |
| <u>294</u> | <u>481,638</u> | <u>304,471</u> | <u>104,698</u> | <u>43,364</u> | <u>573</u> | <u>73,669</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 463,540 | 119,553 | 341,657 | 43,294 | 11,041 | 116,039 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>-</u> | <u>463,540</u> | <u>119,553</u> | <u>341,657</u> | <u>43,294</u> | <u>11,041</u> | <u>116,039</u> |
| 294 | 18,098 | 184,918 | (236,959) | 70 | (10,468) | (42,370) |
| - | - | - | 239,796 | - | - | 41,429 |
| - | (41,429) | (141,165) | - | - | - | - |
| - | (41,429) | (141,165) | 239,796 | - | - | 41,429 |
| 294 | (23,331) | 43,753 | 2,837 | 70 | (10,468) | (941) |
| 27,892 | 279,529 | (12,449) | 194,672 | (70) | 63,638 | 9,661 |
| <u>\$ 28,186</u> | <u>\$ 256,198</u> | <u>\$ 31,304</u> | <u>\$ 197,509</u> | <u>\$ -</u> | <u>\$ 53,170</u> | <u>\$ 8,720</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, 2019

| | 48 Court Reporter Fees | 49 Supplement Guardianship Fees | 50 Family Protection Fees | 52 Law Library Fees |
|---|---------------------------------|--|------------------------------------|------------------------------|
| REVENUES: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Registrations, fines and fees | 6,060 | 2,320 | 1,710 | 14,280 |
| Intergovernmental | - | - | - | - |
| Interest income | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>6,060</u> | <u>2,320</u> | <u>1,710</u> | <u>14,280</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Justice system | 699 | 312 | - | 7,773 |
| 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>312</u> | <u>-</u> | <u>7,773</u> |
| Excess (deficiency) of revenues over expenditures | <u>5,361</u> | <u>2,008</u> | <u>1,710</u> | <u>6,507</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 30,032 | 16,752 | 15,645 | 93,359 |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>30,032</u> | <u>16,752</u> | <u>15,645</u> | <u>93,359</u> |
| Net change in fund balances | 35,393 | 18,760 | 17,355 | 99,866 |
| Fund balance - beginning of year | <u>2,280</u> | <u>660</u> | <u>780</u> | <u>2,856</u> |
| Fund balance - end of year | <u>\$ 37,673</u> | <u>\$ 19,420</u> | <u>\$ 18,135</u> | <u>\$ 102,722</u> |

Special Revenue Funds

| 54 | 55 | 56 | 81 | 82 | 83 | 84 |
|--------------------|--------------------------|----------------------|-----------------------|-----------------------|------------------|-------------------------------|
| Courthouse Dome | Historical Commission | JP Court Security | Constable #1 LEOSE | Constable #2 LEOSE | Sheriff LEOSE | District Attorney LEOSE |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | 682 | 681 | 2,283 | 681 |
| 368 | 166 | 289 | - | - | - | - |
| - | 739 | - | - | - | - | - |
| <u>368</u> | <u>905</u> | <u>289</u> | <u>682</u> | <u>681</u> | <u>2,283</u> | <u>681</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 1,351 |
| - | - | 202 | 799 | 579 | 150 | - |
| - | - | - | - | - | - | - |
| - | 345 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>-</u> | <u>345</u> | <u>202</u> | <u>799</u> | <u>579</u> | <u>150</u> | <u>1,351</u> |
| <u>368</u> | <u>560</u> | <u>87</u> | <u>(117)</u> | <u>102</u> | <u>2,133</u> | <u>(670)</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> |
| 368 | 560 | 87 | (117) | 102 | 2,133 | (670) |
| <u>34,917</u> | <u>15,492</u> | <u>13,803</u> | <u>1,885</u> | <u>1,900</u> | <u>6,098</u> | <u>2,768</u> |
| <u>\$ 35,285</u> | <u>\$ 16,052</u> | <u>\$ 13,890</u> | <u>\$ 1,768</u> | <u>\$ 2,002</u> | <u>\$ 8,231</u> | <u>\$ 2,098</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, 2019

| | Special Revenue Funds | | | |
|---|----------------------------------|------------------------------------|-------------------------------------|---------------------------------------|
| | 85 County Clerk Archive | 86 District Clerk Archive | 87 County Clerk Technology | 89 District Clerk Technology |
| REVENUES: | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Registrations, fines and fees | 54,110 | 3,555 | 366 | 3,294 |
| Intergovernmental | - | - | - | - |
| Interest income | 4,817 | 216 | 94 | 363 |
| Other | - | - | - | - |
| Total revenues | <u>58,927</u> | <u>3,771</u> | <u>460</u> | <u>3,657</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 32,167 | - | - | - |
| 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>32,167</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>26,760</u> | <u>3,771</u> | <u>460</u> | <u>3,657</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 | 26,760 | 3,771 | 460 | 3,657 |
| Fund balance - beginning of year | <u>366,087</u> | <u>17,687</u> | <u>4,962</u> | <u>22,707</u> |
| Fund balance - end of year | <u>\$ 392,847</u> | <u>\$ 21,458</u> | <u>\$ 5,422</u> | <u>\$ 26,364</u> |

| 90 | Debt Service Fund 61 | |
|------------------|-------------------------------|---------------------|
| JP Technology | Annex Sinking Fund | Total Combined |
| \$ - | \$ 313,321 | \$ 313,321 |
| 4,809 | - | 612,692 |
| - | - | 661,346 |
| 623 | 3,165 | 41,942 |
| - | - | 18,618 |
| <u>5,432</u> | <u>316,486</u> | <u>1,647,919</u> |
| - | 13,343 | 183,327 |
| 7,973 | - | 140,159 |
| - | - | 1,956 |
| - | - | 1,095,124 |
| - | - | 2,014 |
| - | - | 345 |
| - | 260,000 | 260,000 |
| - | 27,693 | 27,693 |
| <u>7,973</u> | <u>301,036</u> | <u>1,710,618</u> |
| <u>(2,541)</u> | <u>15,450</u> | <u>(62,699)</u> |
| - | - | 453,526 |
| - | - | (182,594) |
| - | - | <u>270,932</u> |
| (2,541) | 15,450 | 208,233 |
| <u>30,803</u> | <u>167,418</u> | <u>2,577,999</u> |
| <u>\$ 28,262</u> | <u>\$ 182,868</u> | <u>\$ 2,786,232</u> |

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
- MODIFIED CASH BASIS
AGENCY FUNDS
SEPTEMBER 30, 2019

| | Sheriff Department Accounts | Coke Fund | County Tax A/C Accounts | County Clerk Accounts | District Clerk Accounts |
|---------------------------|-----------------------------------|-----------------|-------------------------------|-----------------------------|-------------------------------|
| ASSETS | | | | | |
| Cash | \$ 18,943 | \$ 1,540 | \$ 324,267 | \$ 178,274 | \$ 552,106 |
| Total assets | <u>\$ 18,943</u> | <u>\$ 1,540</u> | <u>\$ 324,267</u> | <u>\$ 178,274</u> | <u>\$ 552,106</u> |
| LIABILITIES | | | | | |
| Due to primary government | \$ 2,193 | \$ - | \$ - | \$ 42,446 | \$ 47,135 |
| Due to other governments | - | - | 277,984 | - | - |
| Due to others | 16,750 | 1,540 | 46,283 | 135,828 | 504,971 |
| Total liabilities | <u>\$ 18,943</u> | <u>\$ 1,540</u> | <u>\$ 324,267</u> | <u>\$ 178,274</u> | <u>\$ 552,106</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>\$ 3,512</u> | <u>\$ 2,315</u> | <u>\$ 12,118</u> | <u>\$ 15,394</u> | <u>\$ 157,354</u> | <u>\$ 189,230</u> | <u>\$ 1,455,053</u> |
| <u>\$ 3,512</u> | <u>\$ 2,315</u> | <u>\$ 12,118</u> | <u>\$ 15,394</u> | <u>\$ 157,354</u> | <u>\$ 189,230</u> | <u>\$ 1,455,053</u> |
| | | | | | | |
| \$ - | \$ - | \$ 12,118 | \$ 15,394 | \$ - | \$ - | \$ 119,286 |
| - | - | - | - | - | 189,230 | 467,214 |
| 3,512 | 2,315 | - | - | 157,354 | - | 868,553 |
| <u>\$ 3,512</u> | <u>\$ 2,315</u> | <u>\$ 12,118</u> | <u>\$ 15,394</u> | <u>\$ 157,354</u> | <u>\$ 189,230</u> | <u>\$ 1,455,053</u> |