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April 15, 2021

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

In planning and performing our audit of the financial statements of Montague County, Texas (County) for the year ended September 30, 2020, we considered the County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated April 15, 2021 on the financial statements of the County.

Prior Year Comments

In the prior year, we noted several matters that were listed in the management letter. During the current year audit, we reviewed the status of those comments and recommendations. A brief summary of each is listed below.

Outstanding Checks

Comment: During the review of the various bank reconciliations, we noted two bank accounts have outstanding checks in excess of one year old. At September 30, 2019, the Treasurer's operating account had 251 checks in excess of one year old totaling \$37,806 and the CSCD account had 47 checks totaling \$3,516. The CSCD has started escheating to the state, but has been instructed to do it annually after the checks become five years old. We recommended that old outstanding checks be investigated to determine if they should be reissued. If not, then the proper procedures should be followed to clear them, which could result in escheating the monies to the state.

Status: At September 30, 2020, the Treasurer's operating account had 39 checks in excess of one year old totaling \$16,711 and the CSCD account had 41 checks totaling \$2,716. During 2019-20, the County Treasurer wrote off \$37,422 of older outstanding checks. We continue to recommend that the older checks for the Treasurer's account be reviewed, reissued and/or be escheated to the state and that all bank reconciliations be reviewed to identify aging outstanding checks before they become very old.

State Fee Fund

Comment: At September 30, 2019, there was a net balance in the State Fee Fund (Fund 92) of \$79,658 (cash is greater than the stated liability). This is because the County Treasurer did not disburse the County's funds from this account for all of 2016-17, 2017-18, and 2018-19. We recommended that the County Treasurer disburse the County's funds from this account in 2019-20 and do so each quarter in the future.

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Status: During 2019-20, the County Treasurer remitted the older balances to the County and also began remitting them each quarter. We consider this matter closed.

Recording of Interest Income

Comment: At September 30, 2019, the TexPool and certificate of deposit accounts required audit adjustments to get the accounting records to agree to the respective bank statements at year-end.

Status: During 2019-20, the County Treasurer began recording interest income in the TexPool accounts. However, at September 30, 2020, the certificate of deposit account required an audit adjustment to get the accounting records to agree to the respective bank statement at year-end. We continue to recommend that the County record interest in the month that it is credited to the County's account by the financial institution.

Current Year Comments

There are no current year comments.

Closing Comments

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various County personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

We wish to thank management and all of those with whom we worked for their support and assistance during our audit.

This communication is intended solely for the use of the County Judge and County Commissioners and other members of management of the County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Edgin, Parkman, Fleming & Fleming, PC

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