

MONTAGUE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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FOR THE YEAR ENDED SEPTEMBER 30, 2017

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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, 2017 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, 2017, 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 April 2, 2018, 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
April 2, 2018

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, 2017. 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, 2017 by \$27,327,181 (net position). Of this amount, \$10,519,428 (unrestricted net position) may be used to meet the County's obligations.
- During the year, the County's total net position increased by \$628,962. The County's expenses, which totaled \$14,491,591, were less than the County's program revenues of \$5,415,621 and general revenues and special item of \$9,704,932.
- The total cost of the County's programs decreased \$134,749 or 1% from the prior year.
- The governmental funds reported a fund balance at September 30, 2017 of \$17,249,876, which is a decrease of \$1,484,918 in comparison with the prior year amount.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$6,014,960, or 56% 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			
	2017	2016	Change	% Change
Current and other assets	\$ 17,249,876	\$ 18,734,794	\$ (1,484,918)	-8%
Capital assets, net	11,957,608	10,252,202	1,705,406	17%
Total Assets	29,207,484	28,986,996	220,488	1%
Noncurrent liabilities	1,880,303	2,288,777	(408,474)	-18%
Total Liabilities	1,880,303	2,288,777	(408,474)	-18%
Net position:				
Net investment in capital assets	10,077,305	7,963,425	2,113,880	27%
Restricted	6,730,448	9,088,045	(2,357,597)	-26%
Unrestricted	10,519,428	9,646,749	872,679	9%
Total Net Position	\$ 27,327,181	\$ 26,698,219	\$ 628,962	2%

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 \$10,077,305. 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, \$6,730,448, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position of \$10,519,428 may be used to meet the County's ongoing obligations.

Changes in Net Position

The County's total revenues, both program and general, were \$15,120,553. A significant portion, 61%, of the County's revenue comes from property taxes. Charges for services accounted for 17% of the County's revenue while operating grants and contributions represented 8% and capital grants and contributions represented 11%. Exhibited below in Table 2 are the County's revenues for the years ended September 30, 2017 and 2016 for the County's *governmental activities*.

Table 2 - County's Revenues

	Governmental Activities			
	2017	Percent	2016	Percent
Charges for services	\$ 2,565,380	17%	\$ 2,740,479	12%
Operating grants and contributions	1,140,267	8%	9,826,620	43%
Capital grants and contributions	1,709,974	11%	305,311	1%
Property taxes	9,131,095	61%	9,103,678	40%
License and permits	9,877	0%	11,613	0%
Investment earnings	56,774	0%	14,215	0%
Miscellaneous	507,186	3%	836,269	4%
Total Revenues	\$ 15,120,553	100%	\$ 22,838,185	100%

Exhibited below in Table 3 are the County's expenses for the years ended September 30, 2017 and 2016 for the County's *governmental activities*. The total cost of all programs and services was \$14,491,591.

Table 3 - County's Expenses

	Governmental Activities			
	2017	Percent	2016	Percent
General government	\$ 2,975,650	20%	\$ 2,923,142	21%
Justice system	1,820,636	13%	1,969,421	13%
Public safety	1,411,291	10%	1,369,401	9%
Corrections and rehabilitation	2,786,755	19%	2,731,249	19%
Health and human services	376,207	3%	343,059	2%
Community and economic development	4,936	0%	3,584	0%
Infrastructure and environmental services	5,079,565	35%	5,245,733	36%
Interest	36,551	0%	40,751	0%
Total Expenses	\$ 14,491,591	100%	\$ 14,626,340	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			
	2017	2016	\$ Change	% Change
Revenues:				
Program revenues:				
Charges for services	\$ 2,565,380	\$ 2,740,479	\$ (175,099)	-6%
Operating grants and contributions	1,140,267	9,826,620	(8,686,353)	-88%
Capital grants and contributions	1,709,974	305,311	1,404,663	460%
General revenues:				
Property taxes	9,131,095	9,103,678	27,417	0%
Licenses and permits	9,877	11,613	(1,736)	-15%
Investment earnings	56,774	14,215	42,559	299%
Miscellaneous	378,952	836,269	(457,317)	-55%
Special item	128,234	-	128,234	N/A
Total revenues and special item	<u>15,120,553</u>	<u>22,838,185</u>	<u>(7,717,632)</u>	<u>-34%</u>
Expenses:				
General government	2,975,650	2,923,142	52,508	2%
Justice system	1,820,636	1,969,421	(148,785)	-8%
Public safety	1,411,291	1,369,401	41,890	3%
Corrections and rehabilitation	2,786,755	2,731,249	55,506	2%
Health and human services	376,207	343,059	33,148	10%
Community and economic development	4,936	3,584	1,352	38%
Infrastructure and environmental services	5,079,565	5,245,733	(166,168)	-3%
Interest and fiscal charges	36,551	40,751	(4,200)	-10%
Total expenses	<u>14,491,591</u>	<u>14,626,340</u>	<u>(134,749)</u>	<u>-1%</u>
Change in net position	<u>\$ 628,962</u>	<u>\$ 8,211,845</u>	<u>\$ (7,582,883)</u>	<u>-92%</u>

Significant fluctuations between years were as follows:

- Operating grants and contributions decreased \$8,686,353, or 88%, mostly due to the decreases in the funding of the CETRZ grant of \$1,565,786 and the FEMA grant of \$7,154,645.
- Capital grants and contributions increased \$1,404,663, or 460%, due to a significant increase in TxDOT donated road and bridge projects in 2016-17 compared to 2015-16.
- Miscellaneous revenues decreased \$457,317 or 55%, mostly due to the net result of an unusually large DA forfeiture receipt of \$644,137 in 2015-16 less approximately \$90,000 in TAC refund from 2015 coverage in 2016-17.

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			
	2017	Percent	2016	Percent
General government	\$ 1,529,948	16%	\$ 1,410,519	81%
Justice system	1,156,768	13%	1,247,600	70%
Public safety	1,265,370	14%	1,275,895	73%
Corrections and rehabilitation	1,789,086	20%	1,693,488	97%
Infrastructure and environmental services	2,917,104	32%	(4,260,966)	-243%
Other	417,694	5%	387,394	22%
Total Net Cost	\$ 9,075,970	100%	\$ 1,753,930	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, 2017, the County's governmental funds reported a combined ending fund balance of \$17,249,876, a decrease of \$1,484,918 from the previous year. Table 6 illustrates the fund balances of the governmental funds.

**Table 6 - Governmental Funds - Fund Balances
September 30, 2017**

	General Fund	FEMA Funds	Other Funds	Totals
Restricted for:				
Records management/preservation	\$ -	\$ -	\$ 858,501	\$ 858,501
Public safety	-	-	176,028	176,028
Justice system	-	-	653,231	653,231
Corrections and rehabilitation	-	-	544,852	544,852
Infrastructure and environmental services	-	4,251,291	-	4,251,291
Debt service	-	-	137,012	137,012
Other	-	-	109,533	109,533
Committed for:				
Indigent health care	424,166	-	-	424,166
Infrastructure and environmental services	3,578,871	-	-	3,578,871
Assigned for deficit budget for 2017-18	544,868	-	-	544,868
Unassigned	6,014,960	-	(43,437)	5,971,523
Total Fund Balances	\$ 10,562,865	\$ 4,251,291	\$ 2,435,720	\$ 17,249,876

General Fund

At the end of the current fiscal year, the ending fund balance for the General Fund was \$10,562,865, of which \$4,003,037 was committed, \$544,868 was assigned and \$6,014,960 was unassigned. The total unassigned fund balance represents 56% of the total General Fund expenditures for the year ended September 30, 2017. The fund balance increased \$833,395 in the current fiscal year.

General Fund revenues totaled \$11,145,478, a decrease of only \$2,203, or less than 1%, over the preceding year. There were no significant changes between years in any revenue category.

General Fund expenditures totaled \$10,661,350, an increase of \$17,892, or less than 1%, over the preceding year. There were no significant changes in functional categories.

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. In 2015-16, the County received \$7,365,519 of the grant funds in advance and incurred expenditures of \$797,261, leaving a restricted fund balance of \$6,568,258 at September 30, 2016. In 2016-17, the County only received \$210,876 of grant funds and expended \$2,527,843 of grant funds previously received leaving a restricted fund balance of \$4,251,291 at September 30, 2017.

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 \$2,435,720, a decrease of \$1,346 from the previous year. All of the fund balance at September 30, 2017 is restricted.

Other Governmental Funds' revenues totaled \$1,737,690, a decrease of \$2,197,760, or 56%, over the preceding year. The most significant changes between years were in the following revenues:

- Intergovernmental revenues decreased \$1,579,585, or 67%, over the prior year due to the decline in CERTZ grant funding (\$1,565,786) and the decrease in the CDBG street grant funding (\$50,914).
- Other revenues decreased \$580,366 or 89%, mostly due to a one time forfeiture by the District Attorney of \$644,137 in 2015-16, which vary annually.

Other Government Funds' expenditures totaled \$1,810,491, a decrease of \$1,361,690, or 43%, over the preceding year. The most significant change between years related to infrastructure and environmental services which decreased \$1,381,024 due to the decline in CETRZ and CDBG grant projects.

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget several times. With these adjustments, revenues were \$464,954 below the final budgeted amount. Most revenues fell within normal variance above and below budgeted levels with the exception of other revenues. Other revenues were below the budgeted amount by \$702,774 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 \$1,195,348 below final budget amounts. All functional areas were well below their budget except for public safety and corrections and rehabilitation which exceeded their budgeted amounts by only \$16,104 and \$9,971, respectively.

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, general government expenditures, public safety expenditures and infrastructure and environmental services expenditures. Other revenue increased \$850,799 because the County incorrectly budgeted grant forced labor and equipment accounts in the road and bridge funds. General government expenditures increased \$578,618 because the County made an additional one-time TCDRS payment of \$678,000. Public safety expenditures increased \$228,938 because the County chose to pay the remainder of the Sheriff's Department vehicle leases of \$203,730. Infrastructure and environmental services increased \$209,350 because the County planned additional road projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2017, the County had invested in a broad range of capital assets totaling \$11,957,608, net of accumulated depreciation, including land, buildings, equipment, and infrastructure. See Table 7 below.

Table 7 - Capital Assets, Net

	2017	2016	\$ Change	% Change
Land	\$ 382,194	\$ 366,344	\$ 15,850	4%
Buildings and improvements	4,510,699	4,781,483	(270,784)	-6%
Machinery and equipment	2,352,489	1,793,134	559,355	31%
Infrastructure	4,700,818	3,311,241	1,389,577	42%
Construction in progress	11,408	-	11,408	N/A
Totals	\$ 11,957,608	\$ 10,252,202	\$ 1,705,406	17%

Capital assets, net of accumulated depreciation, increased \$1,705,406 from the previous year. The increase relates to the current year additions of \$2,909,728 less depreciation expense of \$1,100,134 less dispositions of \$104,188 in 2016-17. Additional information about the County's capital assets is presented in the notes to the financial statements.

Long-term Obligations

At September 30, 2017, the County had \$1,880,303 in long-term obligations outstanding as shown in Table 8 below.

Table 8 - Long-term Debt

	2017	2016	\$ Change	% Change
General obligation debt	\$ 1,635,000	\$ 1,880,000	\$ (245,000)	-13%
Capital leases payable	245,303	408,777	(163,474)	-40%
Totals	\$ 1,880,303	\$ 2,288,777	\$ (408,474)	-18%

During the year, the County issued \$188,300 in additional debt, but repaid \$596,774 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 2017-18 budget preparation was \$1,824,767,703, a decrease of \$11,376,548, or 1%, from the prior year. Additionally, the M&O tax rate for 2017-18 is \$.5327 per \$100 valuation; an increase of \$.04 or 8%.

Revenues budgeted in the General Fund's budget for 2017-18 are \$11,436,417, a decrease of \$290,939 or 3% from the final 2016-17 revenues of \$11,145,478.

Expenditures budgeted in the General Funds' budget for 2017-18 are \$12,276,963, an increase of \$1,615,613 or 15% from the 2016-17 expenditures of \$10,661,350. The increase is due to increased ambulance costs and increases in the R&B funds for local matching costs of the FEMA grants. The County does not anticipate any new programs or projects being added in 2017-18 budget.

If these estimates are realized, the County's General Fund's fund balance is expected to decrease by \$942,351 by September 30, 2018.

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, 2017

	<u>Governmental Activities</u>
Assets	
Cash on hand and in bank	\$ 10,223,188
Investments	7,026,688
Capital assets, net	11,957,608
Total assets	<u>29,207,484</u>
Liabilities	
Long-term debt:	
Due within one year	329,813
Due in more than one year	1,550,490
Total liabilities	<u>1,880,303</u>
Net Position	
Net investment in capital assets	10,077,305
Restricted for:	
Records management/preservation	858,501
Public safety	176,028
Justice system	653,231
Corrections and rehabilitation	544,852
Infrastructure and environmental services	4,251,291
Debt service	137,012
Other	109,533
Unrestricted	10,519,428
Total net position	<u>\$ 27,327,181</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, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary Government:					
General government	\$ 2,975,650	\$ 1,399,710	\$ 45,992	\$ -	\$ (1,529,948)
Justice system	1,820,636	604,337	59,531	-	(1,156,768)
Public safety	1,411,291	86,814	59,107	-	(1,265,370)
Corrections and rehabilitation	2,786,755	476,319	521,350	-	(1,789,086)
Health and human services	376,207	-	-	-	(376,207)
Community and economic development	4,936	-	-	-	(4,936)
Infrastructure and environmental services	5,079,565	(1,800)	454,287	1,709,974	(2,917,104)
Interest on long-term debt	36,551	-	-	-	(36,551)
Total governmental activities	<u>\$ 14,491,591</u>	<u>\$ 2,565,380</u>	<u>\$ 1,140,267</u>	<u>\$ 1,709,974</u>	<u>(9,075,970)</u>
General revenues:					
Property taxes, levied for general purposes					8,826,427
Property taxes, levied for debt service					304,668
License and permits					9,877
Investment earnings					56,774
Other					378,952
Special item - gain on sale of capital assets					128,234
Total general revenues and special item					<u>9,704,932</u>
Change in net position					628,962
Net position - beginning					<u>26,698,219</u>
Net position - ending					<u>\$ 27,327,181</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	94	95	
	General Fund	R&B #1 FEMA	R&B #2 FEMA
ASSETS			
Cash on hand and in bank	\$ 4,865,879	\$ 1,484,899	\$ 1,489,660
Investments	5,696,986	-	-
Total assets	<u>\$ 10,562,865</u>	<u>\$ 1,484,899</u>	<u>\$ 1,489,660</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Restricted for:			
Records management/preservation	-	-	-
Public safety	-	-	-
Justice system	-	-	-
Corrections and rehabilitation	-	-	-
Infrastructure and environmental services	-	1,484,899	1,489,660
Debt service	-	-	-
Other	-	-	-
Committed for:			
Indigent health care	424,166	-	-
Infrastructure and environmental services	3,578,871	-	-
Assigned for:			
Deficit budget for 2017-18	544,868	-	-
Unassigned	6,014,960	-	-
Total fund balances	<u>10,562,865</u>	<u>1,484,899</u>	<u>1,489,660</u>
 Total liabilities and fund balances	 <u>\$ 10,562,865</u>	 <u>\$ 1,484,899</u>	 <u>\$ 1,489,660</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		
\$ 395,066	\$ 881,666	\$ 1,106,018	\$ 10,223,188
-	-	1,329,702	7,026,688
<u>\$ 395,066</u>	<u>\$ 881,666</u>	<u>\$ 2,435,720</u>	<u>\$ 17,249,876</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	858,501	858,501
-	-	176,028	176,028
-	-	653,231	653,231
-	-	544,852	544,852
395,066	881,666	-	4,251,291
-	-	137,012	137,012
-	-	109,533	109,533
-	-	-	424,166
-	-	-	3,578,871
-	-	-	544,868
-	-	(43,437)	5,971,523
<u>395,066</u>	<u>881,666</u>	<u>2,435,720</u>	<u>17,249,876</u>
<u>\$ 395,066</u>	<u>\$ 881,666</u>	<u>\$ 2,435,720</u>	<u>\$ 17,249,876</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, 2017

Total fund balances - governmental funds (Exhibit A-3) \$ 17,249,876

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	\$ 23,648,770	
Related accumulated depreciation	<u>11,691,162</u>	11,957,608

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	1,635,000	
Capital leases payable	<u>245,303</u>	<u>(1,880,303)</u>

Total net position - governmental activities (Exhibit A-1) \$ 27,327,181

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, 2017

		94	95
	General Fund	R&B #1 FEMA	R&B #2 FEMA
Revenues			
Property taxes	\$ 8,826,426	\$ -	\$ -
Registrations, fines and fees	1,548,787	-	-
Public service fees	173,972	-	-
Intergovernmental	344,838	27,943	-
Interest income	47,430	-	-
Other	204,025	-	-
Total revenues	<u>11,145,478</u>	<u>27,943</u>	<u>-</u>
Expenditures			
Current:			
General government	2,828,239	-	-
Justice system	1,736,318	-	-
Public safety	1,517,422	-	-
Corrections and rehabilitation	1,487,627	-	-
Health and human services	374,717	-	-
Community and economic development	-	-	-
Infrastructure and environmental services	2,717,027	473,068	700,640
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>10,661,350</u>	<u>473,068</u>	<u>700,640</u>
Excess (deficiency) of revenues over expenditures	<u>484,128</u>	<u>(445,125)</u>	<u>(700,640)</u>
Other financing sources (uses):			
Proceeds from the issuance of capital leases	188,300	-	-
Proceeds from the sale of capital assets	232,422	-	-
Transfers in	834,661	-	22,597
Transfers out	(906,116)	-	-
Total other financing sources (uses)	<u>349,267</u>	<u>-</u>	<u>22,597</u>
Net change in fund balances	833,395	(445,125)	(678,043)
Fund balance - beginning of year	<u>9,729,470</u>	<u>1,930,024</u>	<u>2,167,703</u>
Fund balances, end of year	<u>\$ 10,562,865</u>	<u>\$ 1,484,899</u>	<u>\$ 1,489,660</u>

The accompanying notes are an integral part of this statement.

96	97	Other	Total
R&B #3	R&B #4	Governmental	Governmental
FEMA	FEMA	Funds	Funds
\$ -	\$ -	\$ 304,669	\$ 9,131,095
-	-	589,027	2,137,814
-	-	-	173,972
130,815	52,118	764,555	1,320,269
-	-	9,344	56,774
-	-	70,095	274,120
<u>130,815</u>	<u>52,118</u>	<u>1,737,690</u>	<u>13,094,044</u>
-	-	78,017	2,906,256
-	-	76,339	1,812,657
-	-	1,333	1,518,755
-	-	1,205,584	2,693,211
-	-	1,490	376,207
-	-	4,864	4,864
802,174	551,961	161,313	5,406,183
-	-	245,000	245,000
-	-	36,551	36,551
<u>802,174</u>	<u>551,961</u>	<u>1,810,491</u>	<u>14,999,684</u>
<u>(671,359)</u>	<u>(499,843)</u>	<u>(72,801)</u>	<u>(1,905,640)</u>
-	-	-	188,300
-	-	-	232,422
-	7,640	316,149	1,181,047
<u>(7,640)</u>	<u>(22,597)</u>	<u>(244,694)</u>	<u>(1,181,047)</u>
<u>(7,640)</u>	<u>(14,957)</u>	<u>71,455</u>	<u>420,722</u>
(678,999)	(514,800)	(1,346)	(1,484,918)
<u>1,074,065</u>	<u>1,396,466</u>	<u>2,437,066</u>	<u>18,734,794</u>
<u>\$ 395,066</u>	<u>\$ 881,666</u>	<u>\$ 2,435,720</u>	<u>\$ 17,249,876</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, 2017

Net change in fund balances - total governmental funds (Exhibit A-5) \$ (1,484,918)

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	\$ 2,909,728	
Depreciation expense for the year	1,100,134	1,809,594

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: (104,188)

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: (188,300)

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	245,000	
Capital leases payable	351,774	596,774

Change in net position of governmental activities (Exhibit A-2) \$ 628,962

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, 2017

	<u>Trust and Agency Funds</u>
Assets	
Cash	\$ 1,879,000
Total assets	<u>\$ 1,879,000</u>
Liabilities	
Due to primary government	\$ 98,082
Due to other governments	352,451
Due to others	<u>1,428,467</u>
Total liabilities	<u>\$ 1,879,000</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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 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, 2017

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, 2017

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, 2017

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, 2017

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 in 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, 2017

B. COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions are to be reported, along with actions taken to address such violations. For the year ended September 30, 2017, the County did not have any such violations.

2. Deficit Fund Balance of Individual Funds

The County had the following individual funds with deficit fund balances at September 30, 2017:

Other Governmental Funds:	
DA Supplement	\$ 8,754
State Juvenile Probation	20,583
Commitment Diversion	15,813
NRPC Grant	44,843

All of the deficit fund balances are the results of the County's financial statements being reported on the modified cash basis. All are grant-funded funds and the deficit balances will be eliminated when the pending grant revenues are received.

C. DEPOSITS AND INVESTMENTS

1. Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$11,239,041, 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, 2017

At September 30, 2017, the County had investments as follows:

Money market savings accounts, reported as cash	\$10,219,738
Certificates of deposit	1,015,853
TexPool	<u>6,010,835</u>
	<u>\$17,246,426</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, 2017

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, 2017, was \$.4927 per \$100 valuation.

Taxes levied for the payment of principal and interest related to long-term debt was \$.0170 per \$100 valuation for the year ended September 30, 2017. 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 2017. The total tax rate for Montague County for fiscal year 2017 was \$.5097.

E. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 was as follows:

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2017

Governmental Activities:	<u>Balance</u> <u>10/1/16</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>9/30/17</u>
Capital assets not being depreciated:				
Land	\$ 366,344	\$ 15,850	\$ -	\$ 382,194
Construction in progress	<u>-</u>	<u>11,408</u>	<u>-</u>	<u>11,408</u>
Total capital assets not being depreciated	<u>366,344</u>	<u>27,258</u>	<u>-</u>	<u>393,602</u>
Capital assets being depreciated:				
Buildings and improvements	10,025,061	-	-	10,025,061
Machinery and equipment	5,694,783	1,172,496	684,736	6,182,543
Infrastructure	<u>5,337,590</u>	<u>1,709,974</u>	<u>-</u>	<u>7,047,564</u>
Total capital assets being depreciated	<u>21,057,434</u>	<u>2,882,470</u>	<u>684,736</u>	<u>23,255,168</u>
Less accumulated depreciation for:				
Buildings and improvements	5,243,578	270,782	-	5,514,360
Machinery and equipment	3,901,649	508,953	580,548	3,830,054
Infrastructure	<u>2,026,349</u>	<u>320,399</u>	<u>-</u>	<u>2,346,748</u>
Total accumulated depreciation	<u>11,171,576</u>	<u>1,100,134</u>	<u>580,548</u>	<u>11,691,162</u>
Total capital assets being depreciated, net	<u>9,885,858</u>	<u>1,782,336</u>	<u>104,188</u>	<u>11,564,006</u>
Governmental activities capital assets, net	<u>\$10,252,202</u>	<u>\$1,809,594</u>	<u>\$104,188</u>	<u>\$11,957,608</u>

Under the machinery and equipment caption, there is \$313,613 of equipment under capital lease obligations with accumulated depreciation of \$31,259 at September 30, 2017.

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

Governmental activities:		
General government		\$ 124,925
Judicial system		7,979
Public safety		158,100
Corrections and rehabilitation		175,175
Community and economic development		71
Infrastructure and environmental services		<u>633,884</u>
Total governmental depreciation		<u>\$1,100,134</u>

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

There were no balances due to and from other funds at September 30, 2017.

Interfund transfers during the year ended September 30, 2017 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	General Fund	\$ 804,316	Supplement other resources
General Fund	Other Governmental Funds	101,800	Supplement other resources
Other Governmental Funds	General Fund	30,345	Supplement other resources
Other Governmental Funds	Other Governmental Funds	214,349	Supplement other resources
R&B #4 FEMA	R&B #2 FEMA	22,597	Supplement other resources
R&B #3 FEMA	R&B #4 FEMA	<u>7,640</u>	Supplement other resources
	Total	<u>\$1,181,047</u>	

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2017

G. LONG-TERM DEBT

The County issues general obligation bonds, certificates of obligation bonds, note payable 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, 2017 were as follows:

Governmental Activities:	<u>Balance</u> <u>10/1/2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>9/30/2017</u>	<u>Due Within</u> <u>One Year</u>
General obligation bonds	\$1,880,000	\$ -	\$245,000	\$1,635,000	\$250,000
Capital leases	<u>408,777</u>	<u>188,300</u>	<u>351,774</u>	<u>245,303</u>	<u>79,813</u>
Total long-term liabilities – governmental activities	<u>\$2,288,777</u>	<u>\$188,300</u>	<u>\$596,774</u>	<u>\$1,880,303</u>	<u>\$329,813</u>

Annual debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>All County Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 329,813	\$ 36,951	\$ 366,764
2019	342,688	30,350	373,038
2020	325,492	23,226	348,718
2021	302,310	16,596	318,906
2022	285,000	10,434	295,434
2023	<u>295,000</u>	<u>3,614</u>	<u>298,614</u>
Totals	<u>\$1,880,303</u>	<u>\$121,171</u>	<u>\$2,001,474</u>

2. General Obligation Bonds

General obligation bonds outstanding at September 30, 2017 were as follows:

	<u>Original</u> <u>Amount</u>	<u>Date of</u> <u>Issuance</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>9/30/2017</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>\$1,635,000</u>

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2017

Annual debt service requirements to maturity are as follows

Year Ending September 30	General Obligation Bonds		
	Principal	Interest	Total
2018	\$ 250,000	\$ 31,820	\$ 281,820
2019	260,000	27,293	287,293
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>\$1,635,000</u>	<u>\$112,010</u>	<u>\$1,747,010</u>

4. Capital Leases Payable

Capital leases payable outstanding at September 30, 2017 were as follows:

	Original Amount	Date of Issuance	Final Maturity	Interest Rate	Balance 9/30/2017
General Capital Corporation, Packer, 2014 Bomag BW211	\$ 85,313	6/27/2016	2/01/2019	3.94%	\$ 57,003
General Capital Corporation, JD 6110M Tractor w/ Boom Mower	103,769	4/14/2017	4/01/2021	3.59%	103,769
General Capital Corporation, 2018 Kenneth T880	84,531	6/23/2017	7/01/2020	3.34%	<u>84,531</u>
Total					<u>\$245,303</u>

Annual debt service requirements to maturity are as follows:

Year Ending September 30	Capital Leases Payable		
	Principal	Interest	Total
2018	\$ 79,813	\$ 5,131	\$ 84,944
2019	82,688	3,057	85,745
2020	55,492	973	56,465
2021	<u>27,310</u>	<u>-</u>	<u>27,310</u>
Totals	<u>\$245,303</u>	<u>\$ 9,161</u>	<u>\$254,464</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, 2017

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, 2017, the County was involved in a lawsuit where the plaintiff demanded that the County maintain their roads. The County's total exposure is its deductible of \$10,000.

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 one John Deere 670G Motor Grader, three John Deere 672G Motor Graders and two Caterpillar 140M3 Motor Graders. The leases for the John Deere 670G Motor Grader and one of the Caterpillar 140M3 Motor Graders matured in October 2017. During the year ended September 30, 2017, the County incurred \$121,165 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>
2018	\$87,653
2019	67,693

FEMA Grant

The County is participating in various FEMA grants that have matching components. At September 30, 2017, the County's remaining matching portion of the grants is \$1,417,097 and will be expended over numerous years as local funds are available.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2017

J. DEFINED BENEFIT PENSION PLAN

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional, defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 735 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis that is publicly available at www.tcdrs.org.

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

2. Benefits Provided

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

Employees Covered by Benefit Terms

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	90
Inactive employees entitled to but not yet receiving benefits	89
Active employees	103

3. Contributions

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 13.97% for the months of the accounting year in 2016, and 14.24% for the months of the accounting year in 2017.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2017

The contribution rate payable by the employee members for calendar year 2017 is the rate of 7% as adopted by the Commissioners' Court of the County. The employee contribution rate and the County contribution rate may be changed by the Commissioners' Court of the County within the options available in the TCDRS Act.

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation.

Actuarial Assumptions

Updated mortality assumptions were adopted in 2015. All other actuarial assumptions that determined the total pension liability as of December 31, 2016 were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

Real rate of return	5.0% per year
Inflation	3.0% per year
Long-term investment return	8.0% per year, net of pension plan investments expenses
Growth in membership	0.0% per year
Payroll growth	3.5% per year

Salary increases were based on a service-related table. The mortality rates for active members were based on the RP2000 Active Employee Mortality Table for males with a two-year set-forward and the RP2000 Active Employee Mortality Table for females with a four-year setback, both projected to 2014 with scale AA and then 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 the RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females. The mortality rates for disabled retirees were based on the RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two-year set-forward for females.

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 based on January 2017 information for a 7-10 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 2013.

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, 2017

<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	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
International Equities – Developed Markets	MSCI World Ex USA (net)	10.00%	4.70%
International Equities – Emerging Markets	MSCI EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%

⁽¹⁾ Target asset allocation adopted at the April 2017 TCDRS Board Meeting.

⁽²⁾ Geometric real rates of return in addition to assumed inflation of 2.0%, per Cliffwater's 2017 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, 2017

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, 2015	\$19,691,778	\$16,953,247	\$2,738,531
Changes for the year:			
Service cost	793,010	-	793,010
Interest on total pension liability	1,590,718	-	1,590,718
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	39,850	-	39,850
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(54,435)	(54,435)	-
Benefit payments	(847,254)	(847,254)	-
Administrative expense	-	(13,632)	13,632
Member contributions	-	332,662	(332,662)
Net investment income	-	1,255,442	(1,255,442)
Employer contributions	-	1,113,904	(1,113,904)
Other changes	-	80,849	(80,849)
Balances as of December 31, 2016	<u>\$21,213,667</u>	<u>\$18,820,783</u>	<u>\$2,392,884</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 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Net pension liability	<u>\$4,976,966</u>	<u>\$2,392,884</u>	<u>\$227,094</u>

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2017

Pension Expense

	<u>January 1, 2016 to December 31, 2016</u>
Service cost	\$ 793,010
Interest on total pension liability ⁽¹⁾	1,590,718
Effect of plan changes	-
Administrative expenses	13,632
Member contributions	(332,662)
Expected investment return net of investment expenses	(1,397,520)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(297,503)
Recognition of assumption changes or inputs	76,603
Recognition of investment gains or losses	359,287
Other ⁽²⁾	<u>(80,849)</u>
 Pension expense	 <u>\$ 724,716</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.

For the year ended December 31, 2016, there were no changes to the Plan relative to assumptions and benefit terms, except changes to the mortality tables.

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, 2017

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 8,744,465	\$ 8,744,465	\$ 8,826,426	\$ 81,961
Registrations, fines and fees	1,491,350	1,491,350	1,548,787	57,437
Public service fees	186,650	186,650	173,972	(12,678)
Intergovernmental	280,458	280,458	344,838	64,380
Interest income	710	710	47,430	46,720
Other	56,000	906,799	204,025	(702,774)
Total revenues	<u>10,759,633</u>	<u>11,610,432</u>	<u>11,145,478</u>	<u>(464,954)</u>
EXPENDITURES:				
Current:				
General government	2,419,218	2,997,836	2,828,239	169,597
Justice system	2,051,838	1,964,828	1,736,318	228,510
Public safety	1,272,380	1,501,318	1,517,422	(16,104)
Corrections and rehabilitation	1,418,212	1,477,656	1,487,627	(9,971)
Health and human services	616,224	616,224	374,717	241,507
Infrastructure and environmental services	3,089,486	3,298,836	2,717,027	581,809
Total expenditures	<u>10,867,358</u>	<u>11,856,698</u>	<u>10,661,350</u>	<u>1,195,348</u>
Excess (deficiency) of revenues over expenditures	<u>(107,725)</u>	<u>(246,266)</u>	<u>484,128</u>	<u>730,394</u>
Other financing sources (uses):				
Proceeds from the issuance of capital leases	-	-	188,300	188,300
Proceeds from the sale of capital assets	10,000	219,350	232,422	13,072
Transfers in	54,316	834,661	834,661	-
Transfers out	(156,486)	(906,486)	(906,116)	370
Total other financing sources (uses)	<u>(92,170)</u>	<u>147,525</u>	<u>349,267</u>	<u>201,742</u>
Net change in fund balances	(199,895)	(98,741)	833,395	932,136
Fund balance - beginning of year	<u>9,729,470</u>	<u>9,729,470</u>	<u>9,729,470</u>	<u>-</u>
Fund balance - end of year	<u>\$ 9,529,575</u>	<u>\$ 9,630,729</u>	<u>\$ 10,562,865</u>	<u>\$ 932,136</u>

MONTAGUE COUNTY, TEXAS

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service cost	\$ 793,010	\$ 742,341	\$ 696,475	N/A						
Interest on total pension liability	1,590,718	1,542,080	1,449,541	N/A						
Effect of plan changes	-	(106,924)	-	N/A						
Effect of plan changes or inputs	-	229,808	-	N/A						
Effect of economic/demographic (gains) or losses	39,850	(849,160)	(110,934)	N/A						
Benefit payments/refunds of contributions	(901,688)	(942,062)	(1,007,382)	N/A						
Net change in total pension liability	1,521,890	616,083	1,027,700	N/A						
Total pension liability, beginning	19,691,777	19,075,694	18,047,994	N/A						
Total pension liability, ending (a)	\$ 21,213,667	\$ 19,691,777	\$ 19,075,694	N/A						
Fiduciary Net Position										
Employer contributions	\$ 1,113,904	\$ 663,861	\$ 654,316	N/A						
Member contributions	332,662	323,610	305,149	N/A						
Investment income net of investment expenses	1,255,442	(28,715)	1,093,493	N/A						
Benefit payments/refunds of contributions	(901,689)	(942,062)	(1,007,382)	N/A						
Administrative expenses	(13,632)	(12,293)	(12,873)	N/A						
Other	80,849	(264,586)	(15,662)	N/A						
Net change in fiduciary net position	1,867,536	(260,185)	1,017,041	N/A						
Fiduciary net position, beginning	16,953,248	17,213,433	16,196,392	N/A						
Fiduciary net position, ending (b)	\$ 18,820,784	\$ 16,953,248	\$ 17,213,433	N/A						
Net pension liability / (asset), ending = (a) - (b)	\$ 2,392,883	\$ 2,738,529	\$ 1,862,261	N/A						
Fiduciary net position as a % of total pension liability	88.72%	86.09%	90.24%	N/A						
Pensionable covered payroll	\$ 4,752,314	\$ 4,623,000	\$ 4,359,270	N/A						
Net pension liability as a % of covered payroll	50.35%	59.24%	42.72%	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 prepared.

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>
2007	\$ 342,851	\$ 342,851	\$ -	\$ 2,937,887	11.7%
2008	398,205	398,205	-	3,386,101	11.8%
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%

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

MONTAGUE COUNTY, TEXAS
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2017

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 during the year, except changes to the mortality tables.

***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, 2017

	10 General Fund	12 Indigent Health Care	13 Group Insurance Benefit
ASSETS			
Cash on hand and in bank	\$ 2,496,255	\$ 424,166	\$ 20,495
Investments	4,043,078	-	-
Total assets	<u>\$ 6,539,333</u>	<u>\$ 424,166</u>	<u>\$ 20,495</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Committed for:			
Indigent health care	-	424,166	-
Infrastructure and environmental services	-	-	-
Assigned for:			
Deficit budget for 2017-18	544,868	-	-
Unassigned	<u>5,994,465</u>	<u>-</u>	<u>20,495</u>
Total fund balances	<u>6,539,333</u>	<u>424,166</u>	<u>20,495</u>
Total liabilities and fund balances	<u>\$ 6,539,333</u>	<u>\$ 424,166</u>	<u>\$ 20,495</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
\$ 453,663	\$ 349,600	\$ 425,744	\$ 678,117	\$ 17,453	\$ 386	\$ 4,865,879
201,696	201,696	201,696	201,696	87,738	759,386	5,696,986
<u>\$ 655,359</u>	<u>\$ 551,296</u>	<u>\$ 627,440</u>	<u>\$ 879,813</u>	<u>\$ 105,191</u>	<u>\$ 759,772</u>	<u>\$ 10,562,865</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	424,166
655,359	551,296	627,440	879,813	105,191	759,772	3,578,871
-	-	-	-	-	-	544,868
-	-	-	-	-	-	6,014,960
<u>655,359</u>	<u>551,296</u>	<u>627,440</u>	<u>879,813</u>	<u>105,191</u>	<u>759,772</u>	<u>10,562,865</u>
<u>\$ 655,359</u>	<u>\$ 551,296</u>	<u>\$ 627,440</u>	<u>\$ 879,813</u>	<u>\$ 105,191</u>	<u>\$ 759,772</u>	<u>\$ 10,562,865</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, 2017

	10 General Fund	12 Indigent Health Care	13 Group Insurance Benefit
REVENUES:			
Property taxes	\$ 6,442,475	\$ 403,259	\$ -
Registrations, fines and fees	816,739	-	-
Public service fees	173,972	-	-
Intergovernmental	272,765	8,281	-
Interest income	36,440	(928)	4
Other	186,821	-	(1,800)
Total revenues	<u>7,929,212</u>	<u>410,612</u>	<u>(1,796)</u>
EXPENDITURES:			
Current:			
General government	2,828,239	-	-
Justice system	1,736,318	-	-
Public safety	1,517,422	-	-
Corrections and rehabilitation	1,487,627	-	-
Health and human services	209,066	165,651	-
Infrastructure and environmental services	25,399	-	-
Total expenditures	<u>7,804,071</u>	<u>165,651</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>125,141</u>	<u>244,961</u>	<u>(1,796)</u>
Other financing sources (uses):			
Proceeds from the issuance of capital leases	-	-	-
Proceeds from the sale of capital assets	16,226	-	-
Transfers in	780,345	-	-
Transfers out	(156,116)	(750,000)	-
Total other financing sources (uses)	<u>640,455</u>	<u>(750,000)</u>	<u>-</u>
Net change in fund balances	765,596	(505,039)	(1,796)
Fund balance - beginning of year	<u>5,773,737</u>	<u>929,205</u>	<u>22,291</u>
Fund balance - end of year	<u>\$ 6,539,333</u>	<u>\$ 424,166</u>	<u>\$ 20,495</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
\$ 492,931	\$ 492,931	\$ 492,931	\$ 492,931	\$ 8,968	\$ -	\$ 8,826,426
183,012	183,012	183,012	183,012	-	-	1,548,787
-	-	-	-	-	-	173,972
15,948	15,948	15,948	15,948	-	-	344,838
1,518	1,522	1,494	1,531	609	5,240	47,430
2,096	5,409	-	11,499	-	-	204,025
<u>695,505</u>	<u>698,822</u>	<u>693,385</u>	<u>704,921</u>	<u>9,577</u>	<u>5,240</u>	<u>11,145,478</u>
-	-	-	-	-	-	2,828,239
-	-	-	-	-	-	1,736,318
-	-	-	-	-	-	1,517,422
-	-	-	-	-	-	1,487,627
-	-	-	-	-	-	374,717
539,068	661,549	791,306	699,705	-	-	2,717,027
<u>539,068</u>	<u>661,549</u>	<u>791,306</u>	<u>699,705</u>	<u>-</u>	<u>-</u>	<u>10,661,350</u>
156,437	37,273	(97,921)	5,216	9,577	5,240	484,128
-	-	84,531	103,769	-	-	188,300
-	43,846	33,000	139,350	-	-	232,422
13,579	13,579	13,579	13,579	-	-	834,661
-	-	-	-	-	-	(906,116)
<u>13,579</u>	<u>57,425</u>	<u>131,110</u>	<u>256,698</u>	<u>-</u>	<u>-</u>	<u>349,267</u>
170,016	94,698	33,189	261,914	9,577	5,240	833,395
485,343	456,598	594,251	617,899	95,614	754,532	9,729,470
<u>\$ 655,359</u>	<u>\$ 551,296</u>	<u>\$ 627,440</u>	<u>\$ 879,813</u>	<u>\$ 105,191</u>	<u>\$ 759,772</u>	<u>\$ 10,562,865</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General Fund (10)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 6,383,882	\$ 6,383,882	\$ 6,442,475	\$ 58,593
Registrations, fines and fees	731,350	731,350	816,739	85,389
Public service fees	186,650	186,650	173,972	(12,678)
Intergovernmental	251,658	251,658	272,765	21,107
Interest income	500	500	36,440	35,940
Other	56,000	56,000	186,821	130,821
Total revenues	<u>7,610,040</u>	<u>7,610,040</u>	<u>7,929,212</u>	<u>319,172</u>
EXPENDITURES:				
Current:				
General government	2,419,218	2,997,836	2,828,239	169,597
Justice system	2,051,838	1,964,828	1,736,318	228,510
Public safety	1,272,380	1,501,318	1,517,422	(16,104)
Corrections and rehabilitation	1,418,212	1,477,656	1,487,627	(9,971)
Health and human services	211,197	211,197	209,066	2,131
Infrastructure and environmental services	36,798	36,798	25,399	11,399
Total expenditures	<u>7,409,643</u>	<u>8,189,633</u>	<u>7,804,071</u>	<u>385,562</u>
Excess (deficiency) of revenues over expenditures	<u>200,397</u>	<u>(579,593)</u>	<u>125,141</u>	<u>704,734</u>
Other financing sources (uses):				
Proceeds from the issuance of capital leases	-	-	-	-
Proceeds from the sale of capital assets	-	-	16,226	16,226
Transfers in	-	780,345	780,345	-
Transfers out	(156,486)	(156,486)	(156,116)	370
Total other financing sources (uses)	<u>(156,486)</u>	<u>623,859</u>	<u>640,455</u>	<u>16,596</u>
Net change in fund balances	43,911	44,266	765,596	721,330
Fund balance - beginning of year	<u>5,773,737</u>	<u>5,773,737</u>	<u>5,773,737</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,817,648</u>	<u>\$ 5,818,003</u>	<u>\$ 6,539,333</u>	<u>\$ 721,330</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		
\$ 398,169	\$ 398,169	\$ 403,259	\$ 5,090	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	8,281	8,281	-	-	-	-
50	50	(928)	(978)	-	-	4	4
-	-	-	-	-	-	(1,800)	(1,800)
<u>398,219</u>	<u>398,219</u>	<u>410,612</u>	<u>12,393</u>	<u>-</u>	<u>-</u>	<u>(1,796)</u>	<u>(1,796)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
405,027	405,027	165,651	239,376	-	-	-	-
-	-	-	-	-	-	-	-
<u>405,027</u>	<u>405,027</u>	<u>165,651</u>	<u>239,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(6,808)	(6,808)	244,961	251,769	-	-	(1,796)	(1,796)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(750,000)	(750,000)	-	-	-	-	-
-	(750,000)	(750,000)	-	-	-	-	-
(6,808)	(756,808)	(505,039)	251,769	-	-	(1,796)	(1,796)
<u>929,205</u>	<u>929,205</u>	<u>929,205</u>	<u>-</u>	<u>22,291</u>	<u>22,291</u>	<u>22,291</u>	<u>-</u>
<u>\$ 922,397</u>	<u>\$ 172,397</u>	<u>\$ 424,166</u>	<u>\$ 251,769</u>	<u>\$ 22,291</u>	<u>\$ 22,291</u>	<u>\$ 20,495</u>	<u>\$ (1,796)</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Road & Bridge Precinct #1 (21)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 488,361	\$ 488,361	\$ 492,931	\$ 4,570
Registrations, fines and fees	190,000	190,000	183,012	(6,988)
Public service fees	-	-	-	-
Intergovernmental	7,200	7,200	15,948	8,748
Interest income	40	40	1,518	1,478
Other	-	90,428	2,096	(88,332)
Total revenues	<u>685,601</u>	<u>776,029</u>	<u>695,505</u>	<u>(80,524)</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	722,734	722,734	539,068	183,666
Total expenditures	<u>722,734</u>	<u>722,734</u>	<u>539,068</u>	<u>183,666</u>
Excess (deficiency) of revenues over expenditures	<u>(37,133)</u>	<u>53,295</u>	<u>156,437</u>	<u>103,142</u>
Other financing sources (uses):				
Proceeds from the issuance of capital leases	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	13,579	13,579	13,579	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>13,579</u>	<u>13,579</u>	<u>13,579</u>	<u>-</u>
Net change in fund balances	(23,554)	66,874	170,016	103,142
Fund balance - beginning of year	<u>485,343</u>	<u>485,343</u>	<u>485,343</u>	<u>-</u>
Fund balance - end of year	<u>\$ 461,789</u>	<u>\$ 552,217</u>	<u>\$ 655,359</u>	<u>\$ 103,142</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		
\$ 488,361	\$ 488,361	\$ 492,931	\$ 4,570	\$ 488,361	\$ 488,361	\$ 492,931	\$ 4,570
190,000	190,000	183,012	(6,988)	190,000	190,000	183,012	(6,988)
-	-	-	-	-	-	-	-
7,200	7,200	15,948	8,748	7,200	7,200	15,948	8,748
40	40	1,522	1,482	40	40	1,494	1,454
-	307,659	5,409	(302,250)	-	324,831	-	(324,831)
<u>685,601</u>	<u>993,260</u>	<u>698,822</u>	<u>(294,438)</u>	<u>685,601</u>	<u>1,010,432</u>	<u>693,385</u>	<u>(317,047)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
763,864	803,864	661,549	142,315	758,895	788,895	791,306	(2,411)
<u>763,864</u>	<u>803,864</u>	<u>661,549</u>	<u>142,315</u>	<u>758,895</u>	<u>788,895</u>	<u>791,306</u>	<u>(2,411)</u>
(78,263)	189,396	37,273	(152,123)	(73,294)	221,537	(97,921)	(319,458)
-	-	-	-	-	-	84,531	84,531
-	40,000	43,846	3,846	-	30,000	33,000	3,000
13,579	13,579	13,579	-	13,579	13,579	13,579	-
-	-	-	-	-	-	-	-
<u>13,579</u>	<u>53,579</u>	<u>57,425</u>	<u>3,846</u>	<u>13,579</u>	<u>43,579</u>	<u>131,110</u>	<u>87,531</u>
(64,684)	242,975	94,698	(148,277)	(59,715)	265,116	33,189	(231,927)
<u>456,598</u>	<u>456,598</u>	<u>456,598</u>	<u>-</u>	<u>594,251</u>	<u>594,251</u>	<u>594,251</u>	<u>-</u>
<u>\$ 391,914</u>	<u>\$ 699,573</u>	<u>\$ 551,296</u>	<u>\$ (148,277)</u>	<u>\$ 534,536</u>	<u>\$ 859,367</u>	<u>\$ 627,440</u>	<u>\$ (231,927)</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Road & Bridge Precinct #4 (24)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 488,361	\$ 488,361	\$ 492,931	\$ 4,570
Registrations, fines and fees	190,000	190,000	183,012	(6,988)
Public service fees	-	-	-	-
Intergovernmental	7,200	7,200	15,948	8,748
Interest income	40	40	1,531	1,491
Other	-	127,881	11,499	(116,382)
Total revenues	<u>685,601</u>	<u>813,482</u>	<u>704,921</u>	<u>(108,561)</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	807,195	946,545	699,705	246,840
Total expenditures	<u>807,195</u>	<u>946,545</u>	<u>699,705</u>	<u>246,840</u>
Excess (deficiency) of revenues over expenditures	<u>(121,594)</u>	<u>(133,063)</u>	<u>5,216</u>	<u>138,279</u>
Other financing sources (uses):				
Proceeds from the issuance of capital leases	-	-	103,769	103,769
Proceeds from the sale of capital assets	10,000	149,350	139,350	(10,000)
Transfers in	13,579	13,579	13,579	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>23,579</u>	<u>162,929</u>	<u>256,698</u>	<u>93,769</u>
Net change in fund balances	(98,015)	29,866	261,914	232,048
Fund balance - beginning of year	<u>617,899</u>	<u>617,899</u>	<u>617,899</u>	<u>-</u>
Fund balance - end of year	<u>\$ 519,884</u>	<u>\$ 647,765</u>	<u>\$ 879,813</u>	<u>\$ 232,048</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		
\$ 8,970	\$ 8,970	\$ 8,968	\$ (2)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	609	609	-	-	5,240	5,240
-	-	-	-	-	-	-	-
<u>8,970</u>	<u>8,970</u>	<u>9,577</u>	<u>607</u>	<u>-</u>	<u>-</u>	<u>5,240</u>	<u>5,240</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>8,970</u>	<u>8,970</u>	<u>9,577</u>	<u>607</u>	<u>-</u>	<u>-</u>	<u>5,240</u>	<u>5,240</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>8,970</u>	<u>8,970</u>	<u>9,577</u>	<u>607</u>	<u>-</u>	<u>-</u>	<u>5,240</u>	<u>5,240</u>
<u>95,614</u>	<u>95,614</u>	<u>95,614</u>	<u>-</u>	<u>754,532</u>	<u>754,532</u>	<u>754,532</u>	<u>-</u>
<u>\$ 104,584</u>	<u>\$ 104,584</u>	<u>\$ 105,191</u>	<u>\$ 607</u>	<u>\$ 754,532</u>	<u>\$ 754,532</u>	<u>\$ 759,772</u>	<u>\$ 5,240</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Combined			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 8,744,465	\$ 8,744,465	\$ 8,826,426	\$ 81,961
Registrations, fines and fees	1,491,350	1,491,350	1,548,787	57,437
Public service fees	186,650	186,650	173,972	(12,678)
Intergovernmental	280,458	280,458	344,838	64,380
Interest income	710	710	47,430	46,720
Other	56,000	906,799	204,025	(702,774)
Total revenues	<u>10,759,633</u>	<u>11,610,432</u>	<u>11,145,478</u>	<u>(464,954)</u>
EXPENDITURES:				
Current:				
General government	2,419,218	2,997,836	2,828,239	169,597
Justice system	2,051,838	1,964,828	1,736,318	228,510
Public safety	1,272,380	1,501,318	1,517,422	(16,104)
Corrections and rehabilitation	1,418,212	1,477,656	1,487,627	(9,971)
Health and human services	616,224	616,224	374,717	241,507
Infrastructure and environmental services	3,089,486	3,298,836	2,717,027	581,809
Total expenditures	<u>10,867,358</u>	<u>11,856,698</u>	<u>10,661,350</u>	<u>1,195,348</u>
Excess (deficiency) of revenues over expenditures	<u>(107,725)</u>	<u>(246,266)</u>	<u>484,128</u>	<u>730,394</u>
Other financing sources (uses):				
Proceeds from the issuance of capital leases	-	-	188,300	188,300
Proceeds from the sale of capital assets	10,000	219,350	232,422	13,072
Transfers in	54,316	834,661	834,661	-
Transfers out	(156,486)	(906,486)	(906,116)	370
Total other financing sources (uses)	<u>(92,170)</u>	<u>147,525</u>	<u>349,267</u>	<u>201,742</u>
Net change in fund balances	(199,895)	(98,741)	833,395	932,136
Fund balance - beginning of year	<u>9,729,470</u>	<u>9,729,470</u>	<u>9,729,470</u>	<u>-</u>
Fund balance - end of year	<u>\$ 9,529,575</u>	<u>\$ 9,630,729</u>	<u>\$ 10,562,865</u>	<u>\$ 932,136</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	15	16	17	18
	Records Management	Courthouse Security	BVS Preservation	Dist. Clerk Records Management
ASSETS				
Cash on hand and in bank	\$ 144,791	\$ 9,802	\$ (243)	\$ (20)
Investments	201,696	107,986	10,084	7,059
Total assets	<u>\$ 346,487</u>	<u>\$ 117,788</u>	<u>\$ 9,841</u>	<u>\$ 7,039</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:				
Restricted for:				
Records management/preservation	346,487	-	9,841	7,039
Public safety	-	117,788	-	-
Justice system	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>346,487</u>	<u>117,788</u>	<u>9,841</u>	<u>7,039</u>
Total liabilities and fund balances	<u>\$ 346,487</u>	<u>\$ 117,788</u>	<u>\$ 9,841</u>	<u>\$ 7,039</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
\$ 19,786	\$ 17,167	\$ (1,547)	\$ 336	\$ 418	\$ 32,225	\$ 102,081
100,848	20,170	10,084	2,017	1,513	2,017	504,241
<u>\$ 120,634</u>	<u>\$ 37,337</u>	<u>\$ 8,537</u>	<u>\$ 2,353</u>	<u>\$ 1,931</u>	<u>\$ 34,242</u>	<u>\$ 606,322</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
120,634	-	-	-	-	-	-
-	-	-	2,353	-	34,242	-
-	-	-	-	-	-	606,322
-	-	-	-	-	-	-
-	37,337	8,537	-	1,931	-	-
-	-	-	-	-	-	-
<u>120,634</u>	<u>37,337</u>	<u>8,537</u>	<u>2,353</u>	<u>1,931</u>	<u>34,242</u>	<u>606,322</u>
<u>\$ 120,634</u>	<u>\$ 37,337</u>	<u>\$ 8,537</u>	<u>\$ 2,353</u>	<u>\$ 1,931</u>	<u>\$ 34,242</u>	<u>\$ 606,322</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	35 District Attorney Hot Check	36 DA State Supplement	38 District Attorney Hot Check	39 Estray
ASSETS				
Cash on hand and in bank	\$ 2,821	\$ (8,754)	\$ 1,629	\$ 1,689
Investments	5,043	-	5,043	-
Total assets	\$ 7,864	\$ (8,754)	\$ 6,672	\$ 1,689
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other governments	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted for:				
Records management/preservation	-	-	-	-
Public safety	-	-	-	-
Justice system	7,864	-	6,672	-
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	-	-	-	1,689
Unassigned	-	(8,754)	-	-
Total fund balances	7,864	(8,754)	6,672	1,689
Total liabilities and fund balances	\$ 7,864	\$ (8,754)	\$ 6,672	\$ 1,689

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.
\$ 29,298	\$ 298,733	\$ (20,583)	\$ 179,449	\$ (15,813)	\$ 73,768	\$ 10,160
-	-	-	-	-	-	-
<u>\$ 29,298</u>	<u>\$ 298,733</u>	<u>\$ (20,583)</u>	<u>\$ 179,449</u>	<u>\$ (15,813)</u>	<u>\$ 73,768</u>	<u>\$ 10,160</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
29,298	298,733	(20,583)	179,449	(15,813)	73,768	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>29,298</u>	<u>298,733</u>	<u>(20,583)</u>	<u>179,449</u>	<u>(15,813)</u>	<u>73,768</u>	<u>10,160</u>
<u>\$ 29,298</u>	<u>\$ 298,733</u>	<u>\$ (20,583)</u>	<u>\$ 179,449</u>	<u>\$ (15,813)</u>	<u>\$ 73,768</u>	<u>\$ 10,160</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	51 Livestock Compost Grant	54 Courthouse Dome	55 Historical Commission	56 JP Court Security
ASSETS				
Cash on hand and in bank	\$ 10,019	\$ 34,657	\$ 15,363	\$ 1,514
Investments	-	-	-	12,055
Total assets	<u>\$ 10,019</u>	<u>\$ 34,657</u>	<u>\$ 15,363</u>	<u>\$ 13,569</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:				
Restricted for:				
Records management/preservation	-	-	-	-
Public safety	-	-	-	13,569
Justice system	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	10,019	34,657	15,363	-
Unassigned	-	-	-	-
Total fund balances	<u>10,019</u>	<u>34,657</u>	<u>15,363</u>	<u>13,569</u>
Total liabilities and fund balances	<u>\$ 10,019</u>	<u>\$ 34,657</u>	<u>\$ 15,363</u>	<u>\$ 13,569</u>

Special Revenue Funds

71	72	73	74	81	82	83
R&B #1 CETZ	R&B #2 CETZ	R&B #3 CETZ	R&B #4 CETZ	Constable #1 LEOSE	Constable #2 LEOSE	Sheriff LEOSE
\$ -	\$ -	\$ -	\$ -	\$ 1,744	\$ 1,680	\$ 4,652
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,744</u>	<u>\$ 1,680</u>	<u>\$ 4,652</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	1,744	1,680	4,652
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,744	1,680	4,652
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,744</u>	<u>\$ 1,680</u>	<u>\$ 4,652</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue Funds			
	84 District Attorney LEOSE	85 County Clerk Archive	86 District Clerk Archive	87 County Clerk Technology
ASSETS				
Cash on hand and in bank	\$ 2,031	\$ 129,940	\$ 9,930	\$ 1,663
Investments	-	201,696	9,076	3,025
Total assets	<u>\$ 2,031</u>	<u>\$ 331,636</u>	<u>\$ 19,006</u>	<u>\$ 4,688</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other governments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:				
Restricted for:				
Records management/preservation	-	331,636	19,006	4,688
Public safety	-	-	-	-
Justice system	2,031	-	-	-
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,031</u>	<u>331,636</u>	<u>19,006</u>	<u>4,688</u>
Total liabilities and fund balances	<u>\$ 2,031</u>	<u>\$ 331,636</u>	<u>\$ 19,006</u>	<u>\$ 4,688</u>

89 District Clerk Technology	90 JP Technology	98 NRPC Grant	Debt Service Fund 61 Annex Sinking Fund	Total Combined
\$ 11,102	\$ 8,155	\$ (44,843)	\$ 41,218	\$ 1,106,018
8,068	22,187	-	95,794	1,329,702
<u>\$ 19,170</u>	<u>\$ 30,342</u>	<u>\$ (44,843)</u>	<u>\$ 137,012</u>	<u>\$ 2,435,720</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
19,170	-	-	-	858,501
-	-	-	-	176,028
-	30,342	-	-	653,231
-	-	-	-	544,852
-	-	-	137,012	137,012
-	-	-	-	109,533
-	-	(44,843)	-	(43,437)
<u>19,170</u>	<u>30,342</u>	<u>(44,843)</u>	<u>137,012</u>	<u>2,435,720</u>
<u>\$ 19,170</u>	<u>\$ 30,342</u>	<u>\$ (44,843)</u>	<u>\$ 137,012</u>	<u>\$ 2,435,720</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, 2017

	15	16	17	18
	Records Management	Courthouse Security	BVS Preservation	Dist. Clerk Records Management
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	54,890	14,605	970	2,065
Intergovernmental	-	-	-	-
Interest income	1,415	787	69	48
Other	-	-	-	-
Total revenues	<u>56,305</u>	<u>15,392</u>	<u>1,039</u>	<u>2,113</u>
EXPENDITURES:				
Current:				
General government	19,785	29,834	1,884	5,487
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Community and economic development	-	-	-	-
Infrastructure and environmental services	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>19,785</u>	<u>29,834</u>	<u>1,884</u>	<u>5,487</u>
Excess (deficiency) of revenues over expenditures	<u>36,520</u>	<u>(14,442)</u>	<u>(845)</u>	<u>(3,374)</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	36,520	(14,442)	(845)	(3,374)
Fund balance - beginning of year	<u>309,967</u>	<u>132,230</u>	<u>10,686</u>	<u>10,413</u>
Fund balance - end of year	<u>\$ 346,487</u>	<u>\$ 117,788</u>	<u>\$ 9,841</u>	<u>\$ 7,039</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,077	-	-	-	97	-	-
-	17,089	2,578	-	-	-	-
697	139	68	14	16	15	3,503
-	-	254	-	-	29,769	32,611
<u>9,774</u>	<u>17,228</u>	<u>2,900</u>	<u>14</u>	<u>113</u>	<u>29,784</u>	<u>36,114</u>
2,801	15,000	3,226	-	-	-	-
-	-	-	-	-	-	23,008
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,801</u>	<u>15,000</u>	<u>3,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,008</u>
<u>6,973</u>	<u>2,228</u>	<u>(326)</u>	<u>14</u>	<u>113</u>	<u>29,784</u>	<u>13,106</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,345)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,345)</u>
6,973	2,228	(326)	14	113	29,784	(17,239)
<u>113,661</u>	<u>35,109</u>	<u>8,863</u>	<u>2,339</u>	<u>1,818</u>	<u>4,458</u>	<u>623,561</u>
<u>\$ 120,634</u>	<u>\$ 37,337</u>	<u>\$ 8,537</u>	<u>\$ 2,353</u>	<u>\$ 1,931</u>	<u>\$ 34,242</u>	<u>\$ 606,322</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, 2017

	35 District Attorney Hot Check	36 DA State Supplement	38 District Attorney Hot Check	39 Estray
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	2,140	-	-	-
Intergovernmental	-	31,943	-	-
Interest income	34	-	35	-
Other	-	-	-	1,895
Total revenues	<u>2,174</u>	<u>31,943</u>	<u>35</u>	<u>1,895</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	1,908	47,038	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	1,490
Community and economic development	-	-	-	-
Infrastructure and environmental services	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,908</u>	<u>47,038</u>	<u>-</u>	<u>1,490</u>
Excess (deficiency) of revenues over expenditures	<u>266</u>	<u>(15,095)</u>	<u>35</u>	<u>405</u>
Other financing sources (uses):				
Transfers in	-	15,448	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>15,448</u>	<u>-</u>	<u>-</u>
Net change in fund balances	266	353	35	405
Fund balance - beginning of year	<u>7,598</u>	<u>(9,107)</u>	<u>6,637</u>	<u>1,284</u>
Fund balance - end of year	<u>\$ 7,864</u>	<u>\$ (8,754)</u>	<u>\$ 6,672</u>	<u>\$ 1,689</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.
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	356,522	-	79,176	-	-	-
-	106,830	264,612	-	74,821	-	75,088
6	64	-	31	-	15	-
-	-	-	-	-	-	-
<u>6</u>	<u>463,416</u>	<u>264,612</u>	<u>79,207</u>	<u>74,821</u>	<u>15</u>	<u>75,088</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	484,654	173,210	332,690	90,634	10,143	114,253
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	484,654	173,210	332,690	90,634	10,143	114,253
<u>6</u>	<u>(21,238)</u>	<u>91,402</u>	<u>(253,483)</u>	<u>(15,813)</u>	<u>(10,128)</u>	<u>(39,165)</u>
-	-	-	249,517	-	-	51,184
-	(51,184)	(163,165)	-	-	-	-
-	(51,184)	(163,165)	249,517	-	-	51,184
6	(72,422)	(71,763)	(3,966)	(15,813)	(10,128)	12,019
<u>29,292</u>	<u>371,155</u>	<u>51,180</u>	<u>183,415</u>	<u>-</u>	<u>83,896</u>	<u>(1,859)</u>
<u>\$ 29,298</u>	<u>\$ 298,733</u>	<u>\$ (20,583)</u>	<u>\$ 179,449</u>	<u>\$ (15,813)</u>	<u>\$ 73,768</u>	<u>\$ 10,160</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, 2017

	51 Livestock Compost Grant	54 Courthouse Dome	55 Historical Commission	56 JP Court Security
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	-	-	-	481
Intergovernmental	-	-	-	-
Interest income	2	7	2	37
Other	-	-	5,566	-
Total revenues	<u>2</u>	<u>7</u>	<u>5,568</u>	<u>518</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Community and economic development	-	-	4,864	-
Infrastructure and environmental services	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>4,864</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2</u>	<u>7</u>	<u>704</u>	<u>518</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	2	7	704	518
Fund balance - beginning of year	<u>10,017</u>	<u>34,650</u>	<u>14,659</u>	<u>13,051</u>
Fund balance - end of year	<u>\$ 10,019</u>	<u>\$ 34,657</u>	<u>\$ 15,363</u>	<u>\$ 13,569</u>

Special Revenue Funds

71	72	73	74	81	82	83
R&B #1 CETRZ	R&B #2 CETRZ	R&B #3 CETRZ	R&B #4 CETRZ	Constable #1 LEOSE	Constable #2 LEOSE	Sheriff LEOSE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
87,513	14,456	128	-	683	684	1,320
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>87,513</u>	<u>14,456</u>	<u>128</u>	<u>-</u>	<u>683</u>	<u>684</u>	<u>1,320</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	479	854	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
46,680	5,585	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>46,680</u>	<u>5,585</u>	<u>-</u>	<u>-</u>	<u>479</u>	<u>854</u>	<u>-</u>
<u>40,833</u>	<u>8,871</u>	<u>128</u>	<u>-</u>	<u>204</u>	<u>(170)</u>	<u>1,320</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
40,833	8,871	128	-	204	(170)	1,320
<u>(40,833)</u>	<u>(8,871)</u>	<u>(128)</u>	<u>-</u>	<u>1,540</u>	<u>1,850</u>	<u>3,332</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,744</u>	<u>\$ 1,680</u>	<u>\$ 4,652</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, 2017

	Special Revenue Funds			
	84 District Attorney LEOSE	85 County Clerk Archive	86 District Clerk Archive	87 County Clerk Technology
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	-	54,706	4,025	570
Intergovernmental	682	-	-	-
Interest income	-	1,391	63	20
Other	-	-	-	-
Total revenues	<u>682</u>	<u>56,097</u>	<u>4,088</u>	<u>590</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Community and economic development	-	-	-	-
Infrastructure and environmental services	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>682</u>	<u>56,097</u>	<u>4,088</u>	<u>590</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	682	56,097	4,088	590
Fund balance - beginning of year	<u>1,349</u>	<u>275,539</u>	<u>14,918</u>	<u>4,098</u>
Fund balance - end of year	<u>\$ 2,031</u>	<u>\$ 331,636</u>	<u>\$ 19,006</u>	<u>\$ 4,688</u>

89 District Clerk Technology	90 JP Technology	98 NRPC Grant	Debt Service Fund 61 Annex Sinking Fund	Total Combined
\$ -	\$ -	\$ -	\$ 304,669	\$ 304,669
3,582	6,121	-	-	589,027
-	-	86,128	-	764,555
57	154	-	655	9,344
-	-	-	-	70,095
<u>3,639</u>	<u>6,275</u>	<u>86,128</u>	<u>305,324</u>	<u>1,737,690</u>
-	-	-	-	78,017
52	4,333	-	-	76,339
-	-	-	-	1,333
-	-	-	-	1,205,584
-	-	-	-	1,490
-	-	-	-	4,864
-	-	109,048	-	161,313
-	-	-	245,000	245,000
-	-	-	36,551	36,551
<u>52</u>	<u>4,333</u>	<u>109,048</u>	<u>281,551</u>	<u>1,810,491</u>
<u>3,587</u>	<u>1,942</u>	<u>(22,920)</u>	<u>23,773</u>	<u>(72,801)</u>
-	-	-	-	316,149
-	-	-	-	(244,694)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,455</u>
3,587	1,942	(22,920)	23,773	(1,346)
<u>15,583</u>	<u>28,400</u>	<u>(21,923)</u>	<u>113,239</u>	<u>2,437,066</u>
<u>\$ 19,170</u>	<u>\$ 30,342</u>	<u>\$ (44,843)</u>	<u>\$ 137,012</u>	<u>\$ 2,435,720</u>

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
- MODIFIED CASH BASIS
AGENCY FUNDS
SEPTEMBER 30, 2017

	Sheriff Department Accounts	Coke Fund	County Tax A/C Accounts	County Clerk Accounts	District Clerk Accounts
ASSETS					
Cash	\$ 15,093	\$ 1,523	\$ 377,210	\$ 216,547	\$ 1,081,037
Total assets	<u>\$ 15,093</u>	<u>\$ 1,523</u>	<u>\$ 377,210</u>	<u>\$ 216,547</u>	<u>\$ 1,081,037</u>
LIABILITIES					
Due to primary government	\$ 857	\$ -	\$ -	\$ 38,692	\$ 22,324
Due to other governments	-	-	261,957	-	-
Due to others	14,236	1,523	115,253	177,855	1,058,713
Total liabilities	<u>\$ 15,093</u>	<u>\$ 1,523</u>	<u>\$ 377,210</u>	<u>\$ 216,547</u>	<u>\$ 1,081,037</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>
\$ 4,395	\$ 719	\$ 14,330	\$ 21,879	\$ 55,773	\$ 90,494	\$ 1,879,000
<u>\$ 4,395</u>	<u>\$ 719</u>	<u>\$ 14,330</u>	<u>\$ 21,879</u>	<u>\$ 55,773</u>	<u>\$ 90,494</u>	<u>\$ 1,879,000</u>
\$ -	\$ -	\$ 14,330	\$ 21,879	\$ -	\$ -	\$ 98,082
-	-	-	-	-	90,494	352,451
4,395	719	-	-	55,773	-	1,428,467
<u>\$ 4,395</u>	<u>\$ 719</u>	<u>\$ 14,330</u>	<u>\$ 21,879</u>	<u>\$ 55,773</u>	<u>\$ 90,494</u>	<u>\$ 1,879,000</u>