

MONTAGUE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2023

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FINANCIAL SECTION



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Independent Auditor's Report

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

Opinions

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, 2023 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - 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.

Responsibilities of Management 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, and for 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 fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Other information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, budgetary comparison information, Texas County and District Retirement System schedules, and the combining statements and budget comparisons on pages 4-13, 39, 40-42, and 43-73 respectively, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated February 22, 2024, 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
February 22, 2024

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, 2023. 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, 2023 by \$35,579,889 (net position). Of this amount, \$16,161,952 (unrestricted net position) may be used to meet the County's obligations.
- During the year, the County's total net position increased by \$2,473,813. The County's expenses, which totaled \$16,371,428, were less than the County's program revenues of \$5,956,004 and general revenues of \$12,889,237.
- The total cost of the County's programs decreased \$421,559 or 3% from the prior year.
- The governmental funds reported a fund balance at September 30, 2023 of \$20,910,090, which is an increase of \$983,833 in comparison with the prior year amount.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$9,902,907, or 75% 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 Fiscal Recovery 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 separate statements of fiduciary net position and changes in fiduciary net position.

Notes to the Basic Financial Statements

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

Other Information

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

Basis of Accounting

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

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

Government-wide Financial Analysis

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

Table 1 - County's Net Position

	Governmental Activities			
	2023	2022	\$ Change	% Change
Current and other assets	\$ 20,910,090	\$ 19,926,257	\$ 983,833	5%
Capital assets, net	15,543,754	14,634,720	909,034	6%
Total Assets	36,453,844	34,560,977	1,892,867	5%
Current liabilities	-	-	-	N/A
Noncurrent liabilities	873,955	1,454,901	(580,946)	-40%
Total Liabilities	873,955	1,454,901	(580,946)	-40%
Net position:				
Net investment in capital assets	14,669,799	13,179,819	1,489,980	11%
Restricted	4,748,138	6,318,277	(1,570,139)	-25%
Unrestricted	16,161,952	13,607,980	2,553,972	19%
Total Net Position	\$ 35,579,889	\$ 33,106,076	\$ 2,473,813	7%

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 \$14,669,799. 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, \$4,748,138, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position of \$16,161,952 may be used to meet the County's ongoing obligations.

Changes in Net Position

The County's total revenues, both program and general, were \$18,845,241. A significant portion, 64%, of the County's revenue comes from property taxes. Charges for services accounted for 16% of the County's revenue while operating grants and contributions represented 8%. Exhibited below in Table 2 are the County's revenues for the years ended September 30, 2023 and 2022 for the County's *governmental activities*.

Table 2 - County's Revenues

	Governmental Activities			
	2023	Percent	2022	Percent
Charges for services	\$ 3,088,792	16%	\$ 2,619,458	14%
Operating grants and contributions	1,492,327	8%	4,400,667	23%
Capital grants and contributions	1,374,885	7%	-	0%
Property taxes	12,005,642	64%	11,155,819	60%
License and permits	16,425	0%	15,042	0%
Investment earnings	553,429	3%	79,783	0%
Miscellaneous	313,741	2%	468,688	3%
Total Revenues	\$ 18,845,241	100%	\$ 18,739,457	100%

Exhibited below in Table 3 are the County's expenses for the years ended September 30, 2023 and 2022 for the County's *governmental activities*. The total cost of all programs and services was \$16,371,428.

Table 3 - County's Expenses

	Governmental Activities			
	2023	Percent	2022	Percent
General government	\$ 3,638,093	22%	\$ 3,666,801	22%
Justice system	2,376,910	15%	2,470,944	15%
Public safety	1,539,546	9%	1,609,599	10%
Corrections and rehabilitation	2,809,087	17%	2,824,824	17%
Health and human services	420,753	3%	433,925	3%
Community and economic development	4,072	0%	72	0%
Infrastructure and environmental services	4,838,535	29%	5,396,488	31%
Fiscal recovery	740,818	5%	379,500	2%
Interest on bonded debt	3,614	0%	10,834	0%
Total Expenses	\$ 16,371,428	100%	\$ 16,792,987	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			
	2023	2022	\$ Change	% Change
Revenues:				
Program revenues:				
Charges for services	\$ 3,088,792	\$ 2,619,458	\$ 469,334	18%
Operating grants and contributions	1,492,327	4,400,667	(2,908,340)	-66%
Capital grants and contributions	1,374,885	-	1,374,885	N/A
General revenues:				
Property taxes	12,005,642	11,155,819	849,823	8%
Licenses and permits	16,425	15,042	1,383	9%
Investment earnings	553,429	79,783	473,646	594%
Miscellaneous	313,741	468,688	(154,947)	-33%
Total revenues	<u>18,845,241</u>	<u>18,739,457</u>	<u>105,784</u>	<u>1%</u>
Expenses				
General government	3,638,093	3,666,801	(28,708)	-1%
Justice system	2,376,910	2,470,944	(94,034)	-4%
Public safety	1,539,546	1,609,599	(70,053)	-4%
Corrections and rehabilitation	2,809,087	2,824,824	(15,737)	-1%
Health and human services	420,753	433,925	(13,172)	-3%
Community and economic development	4,072	72	4,000	5556%
Infrastructure and environmental services	4,838,535	5,396,488	(557,953)	-10%
Fiscal recovery	740,818	379,500	361,318	95%
Interest on bonded debt	3,614	10,834	(7,220)	-67%
Total expenses	<u>16,371,428</u>	<u>16,792,987</u>	<u>(421,559)</u>	<u>-3%</u>
Change in net position	<u>\$ 2,473,813</u>	<u>\$ 1,946,470</u>	<u>\$ 527,343</u>	<u>27%</u>

Significant fluctuations between years were as follows:

- Charges for services increased \$469,334 or 18%, mostly due to additional revenue from prisoner housing in the current year.
- Operating grants and contributions decreased \$2,908,340 or 66%, due to final ARPA payment received and the completion of FEMA projects in the prior year.
- Capital grants and contributions increased \$1,374,885 or 100%, due to Texas Department of Transportation infrastructure projects in the current year and none in the prior year.
- Investment earnings increased \$473,646 or 594%, due to rising interest rates in the current year.
- Infrastructure and environmental services expenses decreased \$557,953 or 10%, mostly due to a decline in FEMA federal and CTIF state funding of road and bridge projects in the current year.
- Fiscal recovery expenses increased \$361,318 or 95%, due to additional ARPA grant funds spent in the current year.

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

Table 5 - Net Cost of County Functions

	Governmental Activities			
	2023	Percent	2022	Percent
General government	\$ 1,688,474	16%	\$ 4,193	0%
Justice system	1,924,762	18%	1,891,106	19%
Public safety	1,463,719	14%	1,561,033	16%
Corrections and rehabilitation	1,376,454	13%	1,839,009	19%
Infrastructure and environmental services	2,792,758	27%	3,653,190	37%
Other	1,169,257	11%	824,331	8%
Total Net Costs	\$ 10,415,424	100%	\$ 9,772,862	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, 2023, the County's governmental funds reported a combined ending fund balance of \$20,910,090, an increase of \$983,833 from the previous year. Table 6 illustrates the fund balances of the governmental funds.

**Table 6 - Governmental Funds - Fund Balances
September 30, 2023**

	General Fund	Fiscal Recovery Funds	Other Funds	Totals
Restricted for:				
Records management/preservation	\$ -	\$ -	\$ 1,217,958	\$ 1,217,958
Public safety	-	-	151,823	151,823
Justice system	-	-	661,686	661,686
Corrections and rehabilitation	-	-	457,152	457,152
Fiscal recovery	-	2,101,901	-	2,101,901
Debt service	-	-	36,237	36,237
Other	-	-	121,381	121,381
Committed for:				
Indigent health care	2,132,903	-	-	2,132,903
Infrastructure and environmental services	3,274,084	-	-	3,274,084
Assigned for deficit budget for 2023-24	852,058	-	-	852,058
Unassigned	9,902,907	-	-	9,902,907
Total Fund Balances	\$ 16,161,952	\$ 2,101,901	\$ 2,646,237	\$ 20,910,090

General Fund

At the end of the current fiscal year, the ending fund balance for the General Fund was \$16,161,952, of which \$5,406,987 was committed, \$852,058 was assigned and \$9,902,907 was unassigned. The total unassigned fund balance represents 75% of the total General Fund expenditures for the year ended September 30, 2023. The fund balance increased \$2,283,146 in the current fiscal year.

General Fund revenues totaled \$15,628,118, an increase of \$2,148,195, or 16%, over the preceding year. The only revenue categories with significant changes between years were property taxes which increased \$1,134,030, intergovernmental which increased \$771,740, and interest income which increased \$428,755. The increase to property taxes was due to increased taxable values offset by a reduced tax rate. The increase of intergovernmental revenues was due to increases in District Attorney funding from Archer and Clay counties, prisoner housing, and grant revenues. Interest income increased due to rising interest rates between years.

General Fund expenditures totaled \$13,257,350, a decrease of \$95,942, or 1%, over the preceding year. The most significant changes between years were in the following functional areas:

- Justice system expenditures increased \$247,625 or 11%, mostly due to the District Court software conversion process in the current year.
- Infrastructure and environmental services expenditures decreased \$262,805 or 7%, mostly due to fewer road projects in the current year.

General Fund other sources and uses netted to other uses of \$87,622 in the current year compared to other sources of \$7,570 in the preceding year mostly due to \$80,000 of debt issued in the prior year.

Fiscal Recovery Funds

The County was awarded American Rescue Plan fiscal recovery funds from the federal COVID-19 economic relief grants in fiscal years 2021 and 2022. The County expended \$1,368,013 on various improvements and equipment leaving a fund balance of \$2,101,901 at September 30, 2023.

Other Governmental Funds

Other governmental funds consist of the various non-major special revenue and debt service funds. The total ending fund balance for the non-major special revenue and debt service funds combined was \$2,646,237, an increase of \$68,746 from the previous year. All of the fund balance at September 30, 2023 is restricted as shown in Table 6.

Other Governmental Funds' revenues totaled \$1,834,344, a decrease of \$1,500,483, or 45%, over the preceding year. The individual revenues with significant changes were property taxes which decreased \$284,207, and intergovernmental revenues which decreased \$1,247,399. The decrease in property taxes was due to the I&S tax rate decreasing 89% between years from \$0.0166 to \$0.0018. The decrease in intergovernmental revenue was mostly due to the FEMA grant projects wrapping up in the prior year.

Other Government Funds' expenditures totaled \$1,861,260, a decrease of \$1,777,953, or 49%, over the preceding year. The most significant changes between years were in the following functional areas:

- Public safety expenditures decreased \$127,148 or 96%, due to spending coronavirus relief funds for public safety expenditures in the prior year.
- Corrections and rehabilitations expenditures decreased \$164,590 or 13%, mostly due to spending coronavirus relief funds for improvements at the County jail in the prior year.
- Infrastructure and environmental services expenditures decreased \$1,422,830 or 99%, due to FEMA grant road projects wrapping up in the prior year.

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget several times. With these adjustments, revenues were \$1,271,891 above the final budgeted amount. Most revenues fell within normal variance above and below budgeted levels except for intergovernmental revenues. Intergovernmental revenues were above the budgeted amount by \$835,219 mostly due to the County not amending the budget for additional inmate housing revenue during the year.

Relative to actual expenditures, they were \$2,452,269 below final budget amounts. All functional areas were well below their budget due to conservative budgeting.

As noted above, the original budget was amended throughout the year. However, the budget line items in the original budget were not materially different than in the final adopted budget except for other revenues and infrastructure and environmental services expenditures. Other revenue increased \$295,907 to allow for additional income from grants which should have been allocated to intergovernmental revenues. Infrastructure and environmental services increased \$294,850 for potential year-end costs that never occurred.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2023, the County had invested in a broad range of capital assets totaling \$15,543,754, net of accumulated depreciation, including land, buildings, equipment, infrastructure, and construction in progress. See Table 7.

Table 7 - Capital Assets, Net

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 420,047	\$ 420,047	\$ -	0%
Buildings and improvements	3,065,028	3,242,336	(177,308)	-5%
Machinery and equipment	4,871,256	5,072,603	(201,347)	-4%
Infrastructure	6,753,443	5,899,734	853,709	14%
Construction in progress	433,980	-	433,980	N/A
Totals	<u>\$15,543,754</u>	<u>\$14,634,720</u>	<u>\$ 909,034</u>	<u>6%</u>

Capital assets, net of accumulated depreciation, increased \$909,034 from the previous year. The increase relates to the current year depreciation expense of \$1,615,276 and current year additions of \$2,524,410. Additional information about the County's capital assets is presented in the notes to the financial statements.

Long-term Obligations

At September 30, 2023, the County had \$873,955 in long-term obligations outstanding as shown in Table 8.

Table 8 - Long-term Debt

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
General Obligation Bonds	\$ -	\$ 295,000	\$ (295,000)	-100%
Notes Payable	843,162	1,159,901	(316,739)	-27%
SBITA Payable	30,793	-	30,793	N/A
Totals	<u>\$ 873,955</u>	<u>\$ 1,454,901</u>	<u>\$ (580,946)</u>	<u>-40%</u>

During the year, the County issued \$30,793 in additional debt, but repaid \$611,739 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

The appraised value used for the 2023-24 budget preparation was \$2,637,185,756, an increase of \$177,428,107, or 7%, from the prior year actual appraised value. Additionally, the M&O tax rate for 2023-24 is \$.5017 per \$100 valuation which is a less than 1% decrease from \$.5018 per \$100 used in 2022-23.

Revenues budgeted in the General Fund's budget for 2023-24 are \$15,011,942, a decrease of \$616,176 or a decrease of only 4% from the final 2022-23 revenues of \$15,628,118.

Expenditures budgeted in the General Funds' budget for 2023-24 are \$116,571,615, an increase of \$3,314,265 or 25% from the 2022-23 expenditures of \$13,257,350. The increase is due to budgeting for increases in most categories including payroll and benefits and most vendors as well as a large capital outlays and contingency for unknowns.

If these estimates are realized, the County's General Fund's fund balance is expected to decrease by \$1,559,673 by September 30, 2024. However, only \$852,058 was set aside as assigned fund balance at September 30, 2023 since restricted fund balance amounts will be used for the other \$707,615 deficit.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

MONTAGUE COUNTY, TEXAS
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
SEPTEMBER 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash on hand and in bank	\$ 20,910,090
Capital assets not being depreciated	854,027
Capital assets being depreciated, net	<u>14,689,727</u>
Total assets	<u>36,453,844</u>
LIABILITIES	
Noncurrent liabilities:	
Due within one year	423,964
Due in more than one year	<u>449,991</u>
Total liabilities	<u>873,955</u>
NET POSITION	
Net investment in capital assets	14,669,799
Restricted for:	
Records management/preservation	1,217,958
Public safety	151,823
Justice system	661,686
Corrections and rehabilitation	457,152
Fiscal recovery	2,101,901
Debt service	36,237
Other	121,381
Unrestricted	<u>16,161,952</u>
Total net position	<u>\$ 35,579,889</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, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary Government:					
General government	\$ 3,638,093	\$ 1,778,773	\$ 170,846	\$ -	\$ (1,688,474)
Justice system	2,376,910	372,540	79,608	-	(1,924,762)
Public safety	1,539,546	72,218	3,609	-	(1,463,719)
Corrections and rehabilitation	2,809,087	865,111	567,522	-	(1,376,454)
Health and human services	420,753	-	-	-	(420,753)
Community and economic development	4,072	-	-	-	(4,072)
Infrastructure and environmental services	4,838,535	150	670,742	1,374,885	(2,792,758)
Fiscal recovery	740,818	-	-	-	(740,818)
Interest on bonded debt	3,614	-	-	-	(3,614)
Total governmental activities	<u>\$ 16,371,428</u>	<u>\$ 3,088,792</u>	<u>\$ 1,492,327</u>	<u>\$ 1,374,885</u>	<u>(10,415,424)</u>
General revenues:					
Property taxes, levied for general purposes					11,961,516
Property taxes, levied for debt service					44,126
License and permits					16,425
Investment earnings					553,429
Other					313,741
Total general revenues					<u>12,889,237</u>
Change in net position					2,473,813
Net position - beginning					<u>33,106,076</u>
Net position - ending					<u>\$ 35,579,889</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

EXHIBIT A-3

	General Fund	Fiscal Recovery Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash on hand and in bank	\$ 16,161,952	\$ 2,101,901	\$ 2,646,237	\$ 20,910,090
Total assets	<u>\$ 16,161,952</u>	<u>\$ 2,101,901</u>	<u>\$ 2,646,237</u>	<u>\$ 20,910,090</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:				
Restricted for:				
Records management/preservation	-	-	1,217,958	1,217,958
Public safety	-	-	151,823	151,823
Justice system	-	-	661,686	661,686
Corrections and rehabilitation	-	-	457,152	457,152
Fiscal recovery	-	2,101,901	-	2,101,901
Debt service	-	-	36,237	36,237
Other	-	-	121,381	121,381
Committed for:				
Indigent health care	2,132,903	-	-	2,132,903
Infrastructure and environmental services	3,274,084	-	-	3,274,084
Assigned for:				
Deficit budget for 2023-24	852,058	-	-	852,058
Unassigned	9,902,907	-	-	9,902,907
Total fund balances	<u>16,161,952</u>	<u>2,101,901</u>	<u>2,646,237</u>	<u>20,910,090</u>
Total liabilities and fund balances	<u>\$ 16,161,952</u>	<u>\$ 2,101,901</u>	<u>\$ 2,646,237</u>	<u>\$ 20,910,090</u>

MONTAGUE COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET - MODIFIED CASH BASIS TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
SEPTEMBER 30, 2023

Total fund balances - governmental funds (Exhibit A-3) \$ 20,910,090

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	\$ 33,898,238	
Related accumulated depreciation	<u>18,354,484</u>	15,543,754

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:

Notes payable	843,162	
SBITA payable	<u>30,793</u>	<u>(873,955)</u>

Total net position - governmental activities (Exhibit A-1) \$ 35,579,889

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, 2023

EXHIBIT A-5

	General Fund	Fiscal Recovery Funds	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 11,961,516	\$ -	\$ 44,126	\$ 12,005,642
Registrations, fines and fees	1,384,668	-	599,560	1,984,228
Public service fees	185,005	-	-	185,005
Intergovernmental	1,368,539	-	982,911	2,351,450
Interest income	498,813	(46)	54,662	553,429
Other	229,577	-	153,085	382,662
Total revenues	<u>15,628,118</u>	<u>(46)</u>	<u>1,834,344</u>	<u>17,462,416</u>
EXPENDITURES				
Current:				
General government	3,250,783	-	299,800	3,550,583
Justice system	2,524,846	-	137,664	2,662,510
Public safety	1,713,828	-	4,995	1,718,823
Corrections and rehabilitation	1,610,894	-	1,099,811	2,710,705
Health and human services	419,253	-	1,500	420,753
Community and economic development	-	-	4,000	4,000
Infrastructure and environmental services	3,737,746	-	14,876	3,752,622
Fiscal recovery expenditures	-	1,368,013	-	1,368,013
Debt service - bonded debt:				
Principal	-	-	295,000	295,000
Interest and fiscal charges	-	-	3,614	3,614
Total expenditures	<u>13,257,350</u>	<u>1,368,013</u>	<u>1,861,260</u>	<u>16,486,623</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,370,768</u>	<u>(1,368,059)</u>	<u>(26,916)</u>	<u>975,793</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from the sale of capital assets	8,040	-	-	8,040
Transfers in	78,201	-	320,830	399,031
Transfers out	(173,863)	-	(225,168)	(399,031)
Total other financing sources (uses)	<u>(87,622)</u>	<u>-</u>	<u>95,662</u>	<u>8,040</u>
NET CHANGE IN FUND BALANCE	2,283,146	(1,368,059)	68,746	983,833
Fund balances - beginning of year	<u>13,878,806</u>	<u>3,469,960</u>	<u>2,577,491</u>	<u>19,926,257</u>
Fund balances - end of year	<u>\$ 16,161,952</u>	<u>\$ 2,101,901</u>	<u>\$ 2,646,237</u>	<u>\$ 20,910,090</u>

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, 2023

Net change in fund balances - total governmental funds (Exhibit A-5)		\$	983,833
Amounts reported for <i>governmental activities</i> 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	\$	2,524,410	
Depreciation expense for the year		<u>1,615,276</u>	909,134
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:			
			(100)
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 SBITA liabilities issued in the current year was:			
			(30,793)
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		295,000	
Notes payable		<u>316,739</u>	<u>611,739</u>
Change in net position of governmental activities (Exhibit A-2)			<u>\$ 2,473,813</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION -
MODIFIED CASH BASIS - CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	Custodial Funds
ASSETS	
Cash	\$ 1,444,560
Total assets	<u>1,444,560</u>
LIABILITIES	
Accounts payable	-
Total liabilities	<u>-</u>
NET POSITION	
Restricted for other purposes	1,444,560
Total net position	<u>\$ 1,444,560</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
MODIFIED CASH BASIS - CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	Custodial Funds
	<u> </u>
ADDITIONS	
Sheriff Department	\$ 148,217
Coke Fund	1,172
County Tax A/C	17,412,367
County Clerk	161,223
District Clerk	450,799
County Attorney	3,404
Probation Departments	223,638
JP #1	20,763
JP #2	33,262
Pending Forfeitures	182,512
State Fees	124,799
TOTAL ADDITIONS	<u>18,762,156</u>
DEDUCTIONS	
Sheriff Department	156,079
Coke Fund	1,115
County Tax A/C	17,363,181
County Clerk	311,731
District Clerk	259,994
County Attorney	3,404
Probation Departments	241,501
JP #1	22,543
JP #2	39,303
Pending Forfeitures	196,318
State Fees	134,506
TOTAL DEDUCTIONS	<u>18,729,675</u>
CHANGE IN NET POSITION	32,481
NET POSITION - BEGINNING	1,412,079
NET POSITION - ENDING	<u>\$ 1,444,560</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

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

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

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

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

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the County. For the most part, the effects of interfund activity have been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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

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

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

a. Financial Statement Presentation

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

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

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

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

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

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

Additionally, the County reports the following fiduciary fund types:

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

b. **Measurement Focus**

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

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

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

c. Basis of Accounting

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

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

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

d. Other Guidance

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

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

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

4. Assets, Liabilities, and Net Position or Equity

a. Deposits and Investments

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

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

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

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 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 \$5,000 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	5 - 40 years
Machinery and Equipment	3 - 35 years
Infrastructure	20 years

6. Subscription-Based Information Technology Agreements (SBITAs)

The District has a noncancellable contract with a SBITA vendor for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

At the commencement of a SBITA, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.

The subscription term includes the noncancellable period of the SBITA.

Subscription payments included in the measurement of the subscription liability is composed of fixed payments and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

7. 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.

8. 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.

9. 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.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

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.

10. New Accounting Standard Adopted

For fiscal year 2023, the County implemented GASB Statement No. 96, “Subscription-Based Information Technology Arrangements”. GASB Statement No. 96 requires recognition of certain subscription assets and liabilities that were previously recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

B. COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

The County had no violations of finance-related legal and contractual provisions for the year ended September 30, 2023.

2. Deficit Fund Balance of Individual Funds

As of September 30, 2023, the County had no funds with a deficit fund balance or net position.

C. DEPOSITS AND INVESTMENTS

1. Cash

At year end, the carrying amount of the County’s cash on hand and deposits was \$20,910,090, 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.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

2. Investments

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

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

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

At September 30, 2023, the County had investments as follows:

	<u>Fair Value</u>	<u>Weighted Maturity Months</u>
Money market savings accounts, reported as cash	\$ 5,728,096	1
TexPool, reported as cash	<u>15,181,994</u>	1
Total	<u>\$20,910,090</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.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

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.

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 participates in the TexPool investment pool. TexPool is a local government investment pool organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. Pursuant to the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. under an agreement with the Comptroller, acting on behalf of the Trust Company. As required by the Act, the Advisory Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool. TexPool is comprised of two investment alternatives: TexPool (which the County is invested in) and TexPool Prime. Both funds seek to maintain a net asset value of \$1.00 per unit and are rated AAAM by Standard and Poor's.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

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, 2023, was \$.5018 per \$100 valuation.

Taxes levied for the payment of principal and interest related to long-term debt was \$.0018 per \$100 valuation for the year ended September 30, 2023. 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 2023. The total tax rate for Montague County for fiscal year 2023 was \$.5036.

E. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

Governmental Activities:	Balance 10/1/22	Increases	Decreases	Balance 9/30/23
Capital assets not being depreciated:				
Land	\$ 420,047	\$ -	\$ -	\$ 420,047
Construction in progress	-	433,980	-	433,980
Total capital assets not being depreciated	<u>420,047</u>	<u>433,980</u>	<u>-</u>	<u>854,027</u>
Capital assets being depreciated:				
Buildings and improvements	10,104,608	-	-	10,104,608
Machinery and equipment	10,554,221	715,545	14,000	11,255,766
Infrastructure	10,308,952	1,374,885	-	11,683,837
Total capital assets being depreciated	<u>30,967,781</u>	<u>2,090,430</u>	<u>14,000</u>	<u>33,044,211</u>
Less accumulated depreciation for:				
Buildings and improvements	6,862,272	177,308	-	7,039,580
Machinery and equipment	5,481,618	916,792	13,900	6,384,510
Infrastructure	4,409,218	521,176	-	4,930,394
Total accumulated depreciation	<u>16,753,108</u>	<u>1,615,276</u>	<u>13,900</u>	<u>18,354,484</u>
Total capital assets being depreciated, net	<u>14,214,673</u>	<u>475,154</u>	<u>(100)</u>	<u>14,689,727</u>
Governmental activities capital assets, net	<u>\$14,634,720</u>	<u>\$ 909,134</u>	<u>(\$ 100)</u>	<u>\$15,543,754</u>

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

Governmental activities:	
General government	\$ 104,610
Public safety	93,686
Corrections and rehabilitation	98,381
Community and economic development	72
Infrastructure and environmental services	<u>1,318,527</u>
Total governmental depreciation	<u>\$1,615,276</u>

Included in construction in progress at September 30, 2023 is \$285,600 of SBITA costs for the District Court software that was not completed.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

There were no balances due to and from other funds at September 30, 2023.

Interfund transfers during the year ended September 30, 2023 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	General Fund	\$ 61,833	Supplement other resources
General Fund	Other Governmental Funds	112,030	Supplement other resources
Other Governmental Funds	General Fund	16,368	Supplement other resources
Other Governmental Funds	Other Governmental Funds	<u>208,800</u>	Supplement other resources
	Total	<u>\$399,031</u>	

G. LONG-TERM DEBT

The County issues general obligation bonds, certificates of obligation bonds, notes payable and subscription-based information technology arrangement (SBITA) payables to provide funds for the acquisition and construction of major capital facilities, and to purchase equipment and software. 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, 2023 were as follows:

Governmental Activities:	<u>Balance</u> <u>10/1/2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>9/30/2023</u>	<u>Due Within</u> <u>One Year</u>
General obligation bonds	\$ 295,000	\$ -	\$295,000	\$ -	\$ -
Notes payable	1,159,901	-	316,739	843,162	408,944
SBITA payable	-	<u>30,793</u>	-	<u>30,793</u>	<u>15,020</u>
Total long-term liabilities – governmental activities	<u>\$1,454,901</u>	<u>\$30,793</u>	<u>\$611,739</u>	<u>\$873,955</u>	<u>\$423,964</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>
2024	\$423,964	\$24,321	\$448,285
2025	229,628	12,515	242,143
2026	<u>220,363</u>	<u>5,951</u>	<u>226,314</u>
Totals	<u>\$873,955</u>	<u>\$42,787</u>	<u>\$916,742</u>

2. Notes Payable

Notes payable outstanding at September 30, 2023 were as follows:

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

	<u>Original Amount</u>	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/2023</u>
General Capital Corporation, CAT 140 Motor Grader	\$126,787	3/9/2020	3/9/2026	3.30%	\$ 66,474
General Capital Corporation, John Deere 670G Motor Grader	460,000	5/4/2020	5/4/2026	3.11%	240,585
General Capital Corporation, CAT 140 Motor Grader	130,432	8/24/2020	8/24/2026	3.09%	68,195
General Capital Corporation, 2 Komatsu Motor Graders	238,836	12/4/2020	12/4/2025	2.96%	147,461
General Capital Corporation, 7 Silverado Pickups	301,832	6/14/2021	7/2/2024	2.94%	103,544
First National Bank Leasing, 2022 Mack Truck	126,989	6/2/2021	6/15/2024	2.35%	97,859
First National Bank Leasing, 2021 Komatsu Motor Grader	264,630	9/27/2021	9/15/2026	2.50%	58,124
General Capital Corporation, 2019 Drum Roller	80,000	1/25/2022	1/25/2026	3.15%	<u>60,920</u>
Total					<u>\$843,162</u>

Annual debt service requirements to maturity are as follows:

<u>Year Ending September 30</u>	<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$408,944	\$22,781	\$431,725
2025	213,855	11,728	225,583
2026	<u>220,363</u>	<u>5,951</u>	<u>226,313</u>
Totals	<u>\$843,162</u>	<u>\$40,460</u>	<u>\$883,621</u>

3. SBITA Payable

The County entered into a subscription agreement for the District Court's Tyler Technologies software in June 2022. The contract is to be paid in equal annual installments of \$16,560, with an imputed interest rate of 5% and a term of three years.

Annual debt service requirements to maturity are as follows:

<u>Year Ending September 30</u>	<u>SBITA Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$15,020	\$1,540	\$16,560
2025	<u>15,773</u>	<u>787</u>	<u>16,560</u>
Totals	<u>\$30,793</u>	<u>\$2,327</u>	<u>\$33,120</u>

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

H. RISK MANAGEMENT

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

I. CONTINGENT LIABILITIES AND COMMITMENTS

Federal and State Grants

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

Litigation

In the normal course of providing services to the public, the County from time-to-time is subjected to litigation claims. The County defends itself against such claims based on internal assessment of liability and risk. Litigation expenses and related damages are recorded as expenditures in the period payments are made. At September 30, 2023, there is no reportable litigation pending against the County.

Trust Funds

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

Construction and Contract Commitments

The County has two construction and contract commitments at September 30, 2023. The remaining commitment for the radio upgrade project is \$587,637 and is being funded by the Fiscal Recovery Fund. The remaining commitment for the District Court software is \$43,628 and is being funded by the General Fund.

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 over 800 nontraditional defined benefit pension plans. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis that is publicly available at www.tcdrs.org.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	108
Inactive employees entitled to but not yet receiving benefits	111
Active employees	117

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's actuarially determined contribution rate was 12.02% for the months of the accounting year in 2022, and 11.04% for the months of the accounting year in 2023. However, the County paid 14.24% in both years. Additionally, the County paid a lump sum payment of \$500,000 during the year ended September 30, 2023.

The contribution rate payable by the employee members for calendar year 2022 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 Asset

The County's Net Pension Asset (NPA) was measured as of December 31, 2022, and the Total Pension Liability used to calculate the Net Pension Asset was determined by an actuarial valuation.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

Actuarial Assumptions

The actuarial assumptions were developed from an actuarial experience investigation of TCDRS over 2017-2020. They were recommended by Milliman and adopted by the TCDRS Board of Trustees in March of 2021. These assumptions, except where required to be different by GASB 68, are used to determine the total pension liability as of December 31, 2022. The assumptions are reviewed annually for continued compliance with the relevant actuarial standards of practice.

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

Salary increases were based on a service-related table. The mortality rates for active members were based on 135% of Pub-2010 General Employees Amount-Weighted Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. The mortality rate for service retirees, beneficiaries, and non-depositing members was based on 135% of Pub-2010 General Retirees Amount-Weighted Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010. The mortality rates for disabled retirees were based on 160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown below are based on January 2023 information for a 10-year time horizon.

The valuation assumption for long-term expected return is re-assessed a minimum of every four years, and is set based on a long-term time horizon. The TCDRS Board of Trustees adopted the current assumption at their March 2021 meeting.

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, 2023

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u> ⁽¹⁾	<u>Geometric Real Rate of Return (Expected minus Inflation)</u> ⁽²⁾
US Equities	Dow Jones U.S. Total Stock Market Index	11.50%	4.95%
Global Equities	MSCI World (net) Index	2.50%	4.95%
International Equities – Developed Markets	MSCI World Ex USA (net) Index	5.00%	4.95%
International Equities – Emerging Markets	MSCI Emerging Markets (net) Index	6.00%	4.95%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	2.40%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.00%	3.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.00%	6.95%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽³⁾	4.00%	7.60%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% S&P Global REIT (net) Index	2.00%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁴⁾	6.00%	5.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽⁵⁾	25.00%	7.95%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	6.00%	2.90%
Cash Equivalents	90-Day U.S. Treasury	2.00%	0.20%

⁽¹⁾ Target asset allocation adopted at the March 2023 TCDRS Board Meeting.

⁽²⁾ Geometric real rates of return equal the expected rate for the asset class minus the assumed inflation rate of 2.3%, per Cliffwater's 2023 capital market assumptions

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

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

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

Discount Rate

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

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

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, 2021	\$30,973,733	\$36,000,444	(\$5,026,712)
Changes for the year:			
Service cost	912,282	-	912,282
Interest on total pension liability	2,368,970	-	2,368,970
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	253,616	-	253,616
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(76,147)	(76,147)	-
Benefit payments	(1,381,244)	(1,381,244)	-
Administrative expense	-	(20,137)	20,137
Member contributions	-	410,140	(410,140)
Net investment income	-	(2,147,736)	2,147,736
Employer contributions	-	1,484,342	(1,484,342)
Other changes	-	92,436	(92,436)
Balances as of December 31, 2022	<u>\$33,051,210</u>	<u>\$34,362,098</u>	<u>(\$1,310,889)</u>

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

Sensitivity Analysis

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

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Net pension liability (asset)	<u>\$2,865,721</u>	<u>(\$1,310,889)</u>	<u>(\$4,820,129)</u>

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2023

Pension Expense

	<u>January 1, 2022 to December 31, 2022</u>
Service cost	\$ 912,282
Interest on total pension liability ⁽¹⁾	2,368,970
Effect of plan changes	-
Administrative expenses	20,137
Member contributions	(410,140)
Expected investment return net of investment expenses	(2,755,036)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	160,037
Recognition of assumption changes or inputs	473,574
Recognition of investment gains or losses	100,792
Other ⁽²⁾	(92,436)
 Pension expense	 <u>\$ 778,180</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.*

The pension expense above is on the based on the full accrual basis and is not reflected in the modified cash basis financial statements.

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, 2023

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 11,853,608	\$ 11,853,608	\$ 11,961,516	\$ 107,908
Registrations, fines and fees	1,365,681	1,365,681	1,384,668	18,987
Public service fees	187,470	187,470	185,005	(2,465)
Intergovernmental	533,320	533,320	1,368,539	835,219
Interest income	7,800	7,800	498,813	491,013
Other	112,441	408,348	229,577	(178,771)
Total revenues	<u>14,060,320</u>	<u>14,356,227</u>	<u>15,628,118</u>	<u>1,271,891</u>
EXPENDITURES:				
Current:				
General government	3,742,786	3,636,768	3,250,783	385,985
Justice system	2,970,100	2,972,963	2,524,846	448,117
Public safety	1,778,222	1,900,214	1,713,828	186,386
Corrections and rehabilitation	1,727,575	1,727,575	1,610,894	116,681
Health and human services	910,875	910,875	419,253	491,622
Infrastructure and environmental services	4,266,374	4,561,224	3,737,746	823,478
Total expenditures	<u>15,395,932</u>	<u>15,709,619</u>	<u>13,257,350</u>	<u>2,452,269</u>
Excess (deficiency) of revenues over expenditures	<u>(1,335,612)</u>	<u>(1,353,392)</u>	<u>2,370,768</u>	<u>3,724,160</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	17,780	8,040	(9,740)
Transfers in	61,832	61,832	78,201	16,369
Transfers out	(173,866)	(173,866)	(173,863)	3
Total other financing sources (uses)	<u>(112,034)</u>	<u>(94,254)</u>	<u>(87,622)</u>	<u>6,632</u>
Net change in fund balances	(1,447,646)	(1,447,646)	2,283,146	3,730,792
Fund balance - beginning of year	<u>13,878,806</u>	<u>13,878,806</u>	<u>13,878,806</u>	<u>-</u>
Fund balance - end of year	<u>\$ 12,431,160</u>	<u>\$ 12,431,160</u>	<u>\$ 16,161,952</u>	<u>\$ 3,730,792</u>

MONTAGUE COUNTY, TEXAS

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability										
Service cost	\$ 912,282	\$ 824,909	\$ 752,577	\$ 763,106	\$ 763,828	\$ 764,950	\$ 793,010	\$ 742,341	\$ 696,475	N/A
Interest on total pension liability	2,368,970	2,246,452	2,123,620	2,010,537	1,888,700	1,742,640	1,590,718	1,542,080	1,449,541	N/A
Effect of plan changes	-	-	-	-	-	-	-	(106,924)	-	N/A
Effect of assumptions changes or inputs	-	(138,785)	1,559,510	-	-	191,969	-	229,808	-	N/A
Effect of economic/demographic (gains) or losses	253,616	18,379	208,114	(58,640)	50,081	143,099	39,850	(849,160)	(110,934)	N/A
Benefit payments/refunds of contributions	(1,457,390)	(1,396,209)	(1,353,229)	(1,265,266)	(1,132,762)	(947,514)	(901,688)	(942,062)	(1,007,382)	N/A
Net change in total pension liability	2,077,478	1,554,746	3,290,592	1,449,737	1,569,847	1,895,144	1,521,890	616,083	1,027,700	N/A
Total pension liability, beginning	30,973,733	29,418,987	26,128,395	24,678,658	23,108,811	21,213,667	19,691,777	19,075,694	18,047,994	N/A
Total pension liability, ending (a)	\$ 33,051,211	\$ 30,973,733	\$ 29,418,987	\$ 26,128,395	\$ 24,678,658	\$ 23,108,811	\$ 21,213,667	\$ 19,691,777	\$ 19,075,694	N/A
Fiduciary Net Position										
Employer contributions	\$ 1,484,342	\$ 1,269,015	\$ 1,245,050	\$ 1,410,531	\$ 1,057,488	\$ 1,367,535	\$ 1,113,904	\$ 663,861	\$ 654,316	N/A
Member contributions	410,140	378,029	366,249	349,277	347,780	338,956	332,662	323,610	305,149	N/A
Investment income net of investment expenses	(2,147,736)	6,462,676	2,720,009	3,642,935	(413,041)	2,759,363	1,255,442	(28,715)	1,093,493	N/A
Benefit payments/refunds of contributions	(1,457,390)	(1,396,209)	(1,353,229)	(1,265,266)	(1,132,763)	(947,514)	(901,689)	(942,062)	(1,007,382)	N/A
Administrative expenses	(20,137)	(19,477)	(21,433)	(20,060)	(17,820)	(14,853)	(13,632)	(12,293)	(12,873)	N/A
Other	92,436	15,174	10,245	20,599	10,363	10,032	80,849	(264,586)	(15,662)	N/A
Net change in fiduciary net position	(1,638,345)	6,709,208	2,966,891	4,138,016	(147,993)	3,513,539	1,867,536	(260,185)	1,017,041	N/A
Fiduciary net position, beginning	36,000,445	29,291,237	26,324,346	22,186,330	22,334,323	18,820,784	16,953,248	17,213,433	16,196,392	N/A
Fiduciary net position, ending (b)	\$ 34,362,100	\$ 36,000,445	\$ 29,291,237	\$ 26,324,346	\$ 22,186,330	\$ 22,334,323	\$ 18,820,784	\$ 16,953,248	\$ 17,213,433	N/A
Net pension liability / (asset), ending = (a) - (b)	\$ (1,310,889)	\$ (5,026,712)	\$ 127,750	\$ (195,951)	\$ 2,492,328	\$ 774,488	\$ 2,392,883	\$ 2,738,529	\$ 1,862,261	N/A
Fiduciary net position as a % of total pension liability	103.97%	116.23%	99.57%	100.75%	89.90%	96.65%	88.72%	86.09%	90.24%	N/A
Pensionable covered payroll	\$ 5,859,142	\$ 5,400,407	\$ 5,232,134	\$ 4,989,670	\$ 4,968,290	\$ 4,842,234	\$ 4,752,314	\$ 4,623,000	\$ 4,359,270	N/A
Net pension liability / (asset) as a % of covered payroll	-22.37%	-93.08%	2.44%	-3.93%	50.16%	15.99%	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 implemented.

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

<u>Year Ending September 30</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>
2014	\$ 654,316	\$ 654,316	\$ -	\$ 4,359,270	15.0%
2015	663,861	663,861	-	4,623,000	14.4%
2016	663,904	1,113,904	(450,000)	4,752,314	23.4%
2017	657,091	1,367,535	(710,444)	4,842,234	28.2%
2018	640,413	1,057,488	(417,075)	4,968,290	21.3%
2019	596,266	1,410,531	(814,265)	4,989,670	28.3%
2020	565,070	1,245,050	(679,980)	5,232,134	23.8%
2021	516,819	1,269,015	(752,196)	5,400,407	23.5%
2022	704,269	1,484,342	(780,073)	5,859,142	25.3%
2023	671,067	1,365,704	(694,637)	6,078,507	22.5%

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

This schedule is based on the County's fiscal year.

MONTAGUE COUNTY, TEXAS
NOTES TO SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2023

A. BUDGETARY INFORMATION

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

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

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

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

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

B. TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

Changes in benefit terms

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

Changes in actuarial assumptions

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

***COMBINING STATEMENTS AND BUDGET COMPARISONS
AS SUPPLEMENTARY INFORMATION***

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

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
GENERAL FUND
SEPTEMBER 30, 2023

	10 General Fund	12 Indigent Health Care	13 Group Insurance Benefit
ASSETS			
Cash on hand and in bank	\$ 10,754,815	\$ 2,132,903	\$ 150
Total assets	<u>\$ 10,754,815</u>	<u>\$ 2,132,903</u>	<u>\$ 150</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Committed for:			
Indigent health care	-	2,132,903	-
Infrastructure and environmental services	-	-	-
Assigned for:			
Deficit budget for 2023-24	852,058	-	-
Unassigned	9,902,757	-	150
Total fund balances	<u>10,754,815</u>	<u>2,132,903</u>	<u>150</u>
Total liabilities and fund balances	<u>\$ 10,754,815</u>	<u>\$ 2,132,903</u>	<u>\$ 150</u>

EXHIBIT C-1

<u>21</u> <u>Road &</u> <u>Bridge</u> <u>Precinct #1</u>	<u>22</u> <u>Road &</u> <u>Bridge</u> <u>Precinct #2</u>	<u>23</u> <u>Road &</u> <u>Bridge</u> <u>Precinct #3</u>	<u>24</u> <u>Road &</u> <u>Bridge</u> <u>Precinct #4</u>	<u>70</u> <u>FM &</u> <u>Right of</u> <u>Way</u>	<u>75</u> <u>3 - 4</u> <u>Road</u> <u>Fund</u>	<u>Combined</u>
\$ 780,952	\$ 1,085,559	\$ 306,771	\$ 927,577	\$ 173,124	\$ 101	\$ 16,161,952
<u>\$ 780,952</u>	<u>\$ 1,085,559</u>	<u>\$ 306,771</u>	<u>\$ 927,577</u>	<u>\$ 173,124</u>	<u>\$ 101</u>	<u>\$ 16,161,952</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	-	-	-	2,132,903
780,952	1,085,559	306,771	927,577	173,124	101	3,274,084
-	-	-	-	-	-	852,058
-	-	-	-	-	-	9,902,907
<u>780,952</u>	<u>1,085,559</u>	<u>306,771</u>	<u>927,577</u>	<u>173,124</u>	<u>101</u>	<u>16,161,952</u>
<u>\$ 780,952</u>	<u>\$ 1,085,559</u>	<u>\$ 306,771</u>	<u>\$ 927,577</u>	<u>\$ 173,124</u>	<u>\$ 101</u>	<u>\$ 16,161,952</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, 2023

	10 General Fund	12 Indigent Health Care	13 Group Insurance Benefit
REVENUES:			
Property taxes	\$ 8,591,264	\$ 477,076	\$ -
Registrations, fines and fees	660,908	-	-
Public service fees	185,005	-	-
Intergovernmental	983,498	-	-
Interest income	406,447	9,078	-
Other	194,853	-	150
Total revenues	<u>11,021,975</u>	<u>486,154</u>	<u>150</u>
EXPENDITURES:			
Current:			
General government	3,250,783	-	-
Justice system	2,524,846	-	-
Public safety	1,713,828	-	-
Corrections and rehabilitation	1,610,894	-	-
Health and human services	372,765	46,488	-
Infrastructure and environmental services	29,937	-	-
Total expenditures	<u>9,503,053</u>	<u>46,488</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,518,922</u>	<u>439,666</u>	<u>150</u>
Other financing sources (uses):			
Proceeds from the sale of capital assets	-	-	-
Transfers in	16,369	-	-
Transfers out	(173,863)	-	-
Total other financing sources (uses)	<u>(157,494)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,361,428	439,666	150
Fund balance - beginning of year	<u>9,393,387</u>	<u>1,693,237</u>	<u>-</u>
Fund balance - end of year	<u>\$ 10,754,815</u>	<u>\$ 2,132,903</u>	<u>\$ 150</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
\$ 720,909	\$ 720,909	\$ 720,909	\$ 720,909	\$ 9,540	\$ -	\$ 11,961,516
180,940	180,940	180,940	180,940	-	-	1,384,668
-	-	-	-	-	-	185,005
266,068	48,345	63,359	7,269	-	-	1,368,539
13,015	15,594	23,879	25,750	5,050	-	498,813
10,033	15,806	3,441	5,293	-	1	229,577
<u>1,190,965</u>	<u>981,594</u>	<u>992,528</u>	<u>940,161</u>	<u>14,590</u>	<u>1</u>	<u>15,628,118</u>
-	-	-	-	-	-	3,250,783
-	-	-	-	-	-	2,524,846
-	-	-	-	-	-	1,713,828
-	-	-	-	-	-	1,610,894
-	-	-	-	-	-	419,253
<u>864,073</u>	<u>945,592</u>	<u>1,129,787</u>	<u>768,357</u>	<u>-</u>	<u>-</u>	<u>3,737,746</u>
<u>864,073</u>	<u>945,592</u>	<u>1,129,787</u>	<u>768,357</u>	<u>-</u>	<u>-</u>	<u>13,257,350</u>
<u>326,892</u>	<u>36,002</u>	<u>(137,259)</u>	<u>171,804</u>	<u>14,590</u>	<u>1</u>	<u>2,370,768</u>
8,040	-	-	-	-	-	8,040
15,458	15,458	15,458	15,458	-	-	78,201
-	-	-	-	-	-	(173,863)
<u>23,498</u>	<u>15,458</u>	<u>15,458</u>	<u>15,458</u>	<u>-</u>	<u>-</u>	<u>(87,622)</u>
350,390	51,460	(121,801)	187,262	14,590	1	2,283,146
<u>430,562</u>	<u>1,034,099</u>	<u>428,572</u>	<u>740,315</u>	<u>158,534</u>	<u>100</u>	<u>13,878,806</u>
<u>\$ 780,952</u>	<u>\$ 1,085,559</u>	<u>\$ 306,771</u>	<u>\$ 927,577</u>	<u>\$ 173,124</u>	<u>\$ 101</u>	<u>\$ 16,161,952</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund (10)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 8,515,727	\$ 8,515,727	\$ 8,591,264	\$ 75,537
Registrations, fines and fees	681,703	681,703	660,908	(20,795)
Public service fees	187,470	187,470	185,005	(2,465)
Intergovernmental	504,520	504,520	983,498	478,978
Interest income	5,000	5,000	406,447	401,447
Other	51,500	70,392	194,853	124,461
Total revenues	<u>9,945,920</u>	<u>9,964,812</u>	<u>11,021,975</u>	<u>1,057,163</u>
EXPENDITURES:				
Current:				
General government	3,742,786	3,636,768	3,250,783	385,985
Justice system	2,970,100	2,972,963	2,524,846	448,117
Public safety	1,778,222	1,900,214	1,713,828	186,386
Corrections and rehabilitation	1,727,575	1,727,575	1,610,894	116,681
Health and human services	376,962	376,962	372,765	4,197
Infrastructure and environmental services	45,374	45,429	29,937	15,492
Total expenditures	<u>10,641,019</u>	<u>10,659,911</u>	<u>9,503,053</u>	<u>1,156,858</u>
Excess (deficiency) of revenues over expenditures	<u>(695,099)</u>	<u>(695,099)</u>	<u>1,518,922</u>	<u>2,214,021</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	-	-	16,369	16,369
Transfers out	(173,866)	(173,866)	(173,863)	3
Total other financing sources (uses)	<u>(173,866)</u>	<u>(173,866)</u>	<u>(157,494)</u>	<u>16,372</u>
Net change in fund balances	(868,965)	(868,965)	1,361,428	2,230,393
Fund balance - beginning of year	<u>9,393,387</u>	<u>9,393,387</u>	<u>9,393,387</u>	<u>-</u>
Fund balance - end of year	<u>\$ 8,524,422</u>	<u>\$ 8,524,422</u>	<u>\$ 10,754,815</u>	<u>\$ 2,230,393</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		
\$ 472,472	\$ 472,472	\$ 477,076	\$ 4,604	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
500	500	9,078	8,578	-	-	-	-
60,941	60,941	-	(60,941)	-	-	150	150
533,913	533,913	486,154	(47,759)	-	-	150	150
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
533,913	533,913	46,488	487,425	-	-	-	-
-	-	-	-	-	-	-	-
533,913	533,913	46,488	487,425	-	-	-	-
-	-	439,666	439,666	-	-	150	150
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	439,666	439,666	-	-	150	150
1,693,237	1,693,237	1,693,237	-	-	-	-	-
\$ 1,693,237	\$ 1,693,237	\$ 2,132,903	\$ 439,666	\$ -	\$ -	\$ 150	\$ 150

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Road & Bridge Precinct #1 (21)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 713,976	\$ 713,976	\$ 720,909	\$ 6,933
Registrations, fines and fees	173,978	173,978	180,940	6,962
Public service fees	-	-	-	-
Intergovernmental	7,200	7,200	266,068	258,868
Interest income	200	200	13,015	12,815
Other	-	139,547	10,033	(129,514)
Total revenues	<u>895,354</u>	<u>1,034,901</u>	<u>1,190,965</u>	<u>156,064</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	948,086	1,105,413	864,073	241,340
Total expenditures	<u>948,086</u>	<u>1,105,413</u>	<u>864,073</u>	<u>241,340</u>
Excess (deficiency) of revenues over expenditures	<u>(52,732)</u>	<u>(70,512)</u>	<u>326,892</u>	<u>397,404</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	17,780	8,040	(9,740)
Transfers in	15,458	15,458	15,458	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>15,458</u>	<u>33,238</u>	<u>23,498</u>	<u>(9,740)</u>
Net change in fund balances	(37,274)	(37,274)	350,390	387,664
Fund balance - beginning of year	<u>430,562</u>	<u>430,562</u>	<u>430,562</u>	<u>-</u>
Fund balance - end of year	<u>\$ 393,288</u>	<u>\$ 393,288</u>	<u>\$ 780,952</u>	<u>\$ 387,664</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		
\$ 713,976	\$ 713,976	\$ 720,909	\$ 6,933	\$ 713,976	\$ 713,976	\$ 720,909	\$ 6,933
170,000	170,000	180,940	10,940	170,000	170,000	180,940	10,940
-	-	-	-	-	-	-	-
7,200	7,200	48,345	41,145	7,200	7,200	63,359	56,159
200	200	15,594	15,394	200	200	23,879	23,679
-	67,658	15,806	(51,852)	-	69,810	3,441	(66,369)
<u>891,376</u>	<u>959,034</u>	<u>981,594</u>	<u>22,560</u>	<u>891,376</u>	<u>961,186</u>	<u>992,528</u>	<u>31,342</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,023,442	1,086,552	945,592	140,960	1,141,834	1,216,192	1,129,787	86,405
<u>1,023,442</u>	<u>1,086,552</u>	<u>945,592</u>	<u>140,960</u>	<u>1,141,834</u>	<u>1,216,192</u>	<u>1,129,787</u>	<u>86,405</u>
(132,066)	(127,518)	36,002	163,520	(250,458)	(255,006)	(137,259)	117,747
-	-	-	-	-	-	-	-
15,458	15,458	15,458	-	15,458	15,458	15,458	-
-	-	-	-	-	-	-	-
<u>15,458</u>	<u>15,458</u>	<u>15,458</u>	<u>-</u>	<u>15,458</u>	<u>15,458</u>	<u>15,458</u>	<u>-</u>
(116,608)	(112,060)	51,460	163,520	(235,000)	(239,548)	(121,801)	117,747
1,034,099	1,034,099	1,034,099	-	428,572	428,572	428,572	-
<u>\$ 917,491</u>	<u>\$ 922,039</u>	<u>\$ 1,085,559</u>	<u>\$ 163,520</u>	<u>\$ 193,572</u>	<u>\$ 189,024</u>	<u>\$ 306,771</u>	<u>\$ 117,747</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Road & Bridge Precinct #4 (24)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 713,976	\$ 713,976	\$ 720,909	\$ 6,933
Registrations, fines and fees	170,000	170,000	180,940	10,940
Public service fees	-	-	-	-
Intergovernmental	7,200	7,200	7,269	69
Interest income	200	200	25,750	25,550
Other	-	-	5,293	5,293
Total revenues	<u>891,376</u>	<u>891,376</u>	<u>940,161</u>	<u>48,785</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	1,096,633	1,096,633	768,357	328,276
Total expenditures	<u>1,096,633</u>	<u>1,096,633</u>	<u>768,357</u>	<u>328,276</u>
Excess (deficiency) of revenues over expenditures	<u>(205,257)</u>	<u>(205,257)</u>	<u>171,804</u>	<u>377,061</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	15,458	15,458	15,458	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>15,458</u>	<u>15,458</u>	<u>15,458</u>	<u>-</u>
Net change in fund balances	(189,799)	(189,799)	187,262	377,061
Fund balance - beginning of year	<u>740,315</u>	<u>740,315</u>	<u>740,315</u>	<u>-</u>
Fund balance - end of year	<u>\$ 550,516</u>	<u>\$ 550,516</u>	<u>\$ 927,577</u>	<u>\$ 377,061</u>

FM & Right of Way (70)				3 - 4 Road Fund (75)			
Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
Original	Final			Original	Final		
\$ 9,505	\$ 9,505	\$ 9,540	\$ 35	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,500	1,500	5,050	3,550	-	-	-	-
-	-	-	-	-	-	1	1
<u>11,005</u>	<u>11,005</u>	<u>14,590</u>	<u>3,585</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
11,005	11,005	-	11,005	-	-	-	-
<u>11,005</u>	<u>11,005</u>	<u>-</u>	<u>11,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	14,590	14,590	-	-	1	1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	14,590	14,590	-	-	1	1
158,534	158,534	158,534	-	100	100	100	-
<u>\$ 158,534</u>	<u>\$ 158,534</u>	<u>\$ 173,124</u>	<u>\$ 14,590</u>	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 101</u>	<u>\$ 1</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Combined			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 11,853,608	\$ 11,853,608	\$ 11,961,516	\$ 107,908
Registrations, fines and fees	1,365,681	1,365,681	1,384,668	18,987
Public service fees	187,470	187,470	185,005	(2,465)
Intergovernmental	533,320	533,320	1,368,539	835,219
Interest income	7,800	7,800	498,813	491,013
Other	112,441	408,348	229,577	(178,771)
Total revenues	<u>14,060,320</u>	<u>14,356,227</u>	<u>15,628,118</u>	<u>1,271,891</u>
EXPENDITURES:				
Current:				
General government	3,742,786	3,636,768	3,250,783	385,985
Justice system	2,970,100	2,972,963	2,524,846	448,117
Public safety	1,778,222	1,900,214	1,713,828	186,386
Corrections and rehabilitation	1,727,575	1,727,575	1,610,894	116,681
Health and human services	910,875	910,875	419,253	491,622
Infrastructure and environmental services	4,266,374	4,561,224	3,737,746	823,478
Total expenditures	<u>15,395,932</u>	<u>15,709,619</u>	<u>13,257,350</u>	<u>2,452,269</u>
Excess (deficiency) of revenues over expenditures	<u>(1,335,612)</u>	<u>(1,353,392)</u>	<u>2,370,768</u>	<u>3,724,160</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	-	17,780	8,040	(9,740)
Transfers in	61,832	61,832	78,201	16,369
Transfers out	(173,866)	(173,866)	(173,863)	3
Total other financing sources (uses)	<u>(112,034)</u>	<u>(94,254)</u>	<u>(87,622)</u>	<u>6,632</u>
Net change in fund balances	<u>(1,447,646)</u>	<u>(1,447,646)</u>	<u>2,283,146</u>	<u>3,730,792</u>
Fund balance - beginning of year	<u>13,878,806</u>	<u>13,878,806</u>	<u>13,878,806</u>	<u>-</u>
Fund balance - end of year	<u>\$ 12,431,160</u>	<u>\$ 12,431,160</u>	<u>\$ 16,161,952</u>	<u>\$ 3,730,792</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	15	16	17	18
	Records Management	Courthouse Security	BVS Preservation	Dist. Clerk Records Management
ASSETS				
Cash on hand and in bank	\$ 484,413	\$ 102,412	\$ 7,951	\$ 11,828
Total assets	<u>\$ 484,413</u>	<u>\$ 102,412</u>	<u>\$ 7,951</u>	<u>\$ 11,828</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:				
Restricted for:				
Records management/preservation	484,413	-	7,951	11,828
Public safety	-	102,412	-	-
Justice system	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Total fund balances	<u>484,413</u>	<u>102,412</u>	<u>7,951</u>	<u>11,828</u>
Total liabilities and fund balances	<u>\$ 484,413</u>	<u>\$ 102,412</u>	<u>\$ 7,951</u>	<u>\$ 11,828</u>

Special Revenue Funds							
19	26	27	28	30	31	32	33
Records Preservation	Unclaimed Property	Elections	Juror Donations	County Attorney Forfeiture Check Account	VIT Collector	Sheriff Office Forfeiture	District Attorney Forfeiture
\$ 57,910	\$ 42,175	\$ 28,147	\$ 427	\$ 2,457	\$ 2,387	\$ 15,352	\$ 291,625
<u>\$ 57,910</u>	<u>\$ 42,175</u>	<u>\$ 28,147</u>	<u>\$ 427</u>	<u>\$ 2,457</u>	<u>\$ 2,387</u>	<u>\$ 15,352</u>	<u>\$ 291,625</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57,910	-	-	-	-	-	-	-
-	-	-	-	2,457	-	15,352	-
-	-	-	-	-	-	-	291,625
-	-	-	-	-	-	-	-
-	42,175	28,147	427	-	2,387	-	-
<u>57,910</u>	<u>42,175</u>	<u>28,147</u>	<u>427</u>	<u>2,457</u>	<u>2,387</u>	<u>15,352</u>	<u>291,625</u>
<u>\$ 57,910</u>	<u>\$ 42,175</u>	<u>\$ 28,147</u>	<u>\$ 427</u>	<u>\$ 2,457</u>	<u>\$ 2,387</u>	<u>\$ 15,352</u>	<u>\$ 291,625</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	35	36	38	39	40
	Hot Check	DA State Supplement	District Attorney Hot Check	Estray	Probation
ASSETS					
Cash on hand and in bank	\$ 11,102	\$ (6,324)	\$ 7,221	\$ 21,364	\$ 28,442
Total assets	<u>\$ 11,102</u>	<u>\$ (6,324)</u>	<u>\$ 7,221</u>	<u>\$ 21,364</u>	<u>\$ 28,442</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Restricted for:					
Records management/preservation	-	-	-	-	-
Public safety	-	-	-	-	-
Justice system	11,102	(6,324)	7,221	-	-
Corrections and rehabilitation	-	-	-	-	28,442
Debt service	-	-	-	-	-
Other	-	-	-	21,364	-
Total fund balances	<u>11,102</u>	<u>(6,324)</u>	<u>7,221</u>	<u>21,364</u>	<u>28,442</u>
Total liabilities and fund balances	<u>\$ 11,102</u>	<u>\$ (6,324)</u>	<u>\$ 7,221</u>	<u>\$ 21,364</u>	<u>\$ 28,442</u>

Special Revenue Funds					
41	42	43	44	45	47
Adult Probation	State Juvenile Probation	County Juvenile Probation	Commitment Diversion	Juvenile Probation IV E	Community Service Adult Prob.
\$ 227,739	\$ (12,833)	\$ 225,812	\$ (22,932)	\$ 134	\$ 10,790
<u>\$ 227,739</u>	<u>\$ (12,833)</u>	<u>\$ 225,812</u>	<u>\$ (22,932)</u>	<u>\$ 134</u>	<u>\$ 10,790</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
227,739	(12,833)	225,812	(22,932)	134	10,790
-	-	-	-	-	-
-	-	-	-	-	-
<u>227,739</u>	<u>(12,833)</u>	<u>225,812</u>	<u>(22,932)</u>	<u>134</u>	<u>10,790</u>
<u>\$ 227,739</u>	<u>\$ (12,833)</u>	<u>\$ 225,812</u>	<u>\$ (22,932)</u>	<u>\$ 134</u>	<u>\$ 10,790</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	48 Court Reporter Fees	49 Supplement Guardianship Fees	50 Family Protection Fees	51 Court Facilities Fees	52 Law Library Fees
ASSETS					
Cash on hand and in bank	\$ 56,512	\$ 31,330	\$ 21,990	\$ 12,415	\$ 110,568
Total assets	<u>\$ 56,512</u>	<u>\$ 31,330</u>	<u>\$ 21,990</u>	<u>\$ 12,415</u>	<u>\$ 110,568</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances:					
Restricted for:					
Records management/preservation	-	-	-	-	-
Public safety	-	-	-	-	-
Justice system	56,512	31,330	21,990	12,415	110,568
Corrections and rehabilitation	-	-	-	-	-
Debt service	-	-	-	-	-
Other	-	-	-	-	-
Total fund balances	<u>56,512</u>	<u>31,330</u>	<u>21,990</u>	<u>12,415</u>	<u>110,568</u>
Total liabilities and fund balances	<u>\$ 56,512</u>	<u>\$ 31,330</u>	<u>\$ 21,990</u>	<u>\$ 12,415</u>	<u>\$ 110,568</u>

Special Revenue Funds

55	56	57	58	81	82
Historical Commission	JP Court Security	Specialty Court	Language Access	Constable #1 LEOSE	Constable #2 LEOSE
\$ 12,361	\$ 10,782	\$ 5,435	\$ 1,862	\$ 1,773	\$ 2,946
<u>\$ 12,361</u>	<u>\$ 10,782</u>	<u>\$ 5,435</u>	<u>\$ 1,862</u>	<u>\$ 1,773</u>	<u>\$ 2,946</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	10,782	5,435	-	1,773	2,946
-	-	-	-	-	-
-	-	-	-	-	-
12,361	-	-	1,862	-	-
<u>12,361</u>	<u>10,782</u>	<u>5,435</u>	<u>1,862</u>	<u>1,773</u>	<u>2,946</u>
<u>\$ 12,361</u>	<u>\$ 10,782</u>	<u>\$ 5,435</u>	<u>\$ 1,862</u>	<u>\$ 1,773</u>	<u>\$ 2,946</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue Funds				
	83	84	85	86	87
	Sheriff LEOSE	District Attorney LEOSE	County Clerk Archive	District Clerk Archive	County Clerk Technology
ASSETS					
Cash on hand and in bank	\$ 10,666	\$ 3,097	\$ 595,065	\$ 22,956	\$ 6,265
Total assets	<u>\$ 10,666</u>	<u>\$ 3,097</u>	<u>\$ 595,065</u>	<u>\$ 22,956</u>	<u>\$ 6,265</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Restricted for:					
Records management/preservation	-	-	595,065	22,956	6,265
Public safety	10,666	-	-	-	-
Justice system	-	3,097	-	-	-
Corrections and rehabilitation	-	-	-	-	-
Debt service	-	-	-	-	-
Other	-	-	-	-	-
Total fund balances	<u>10,666</u>	<u>3,097</u>	<u>595,065</u>	<u>22,956</u>	<u>6,265</u>
Total liabilities and fund balances	<u>\$ 10,666</u>	<u>\$ 3,097</u>	<u>\$ 595,065</u>	<u>\$ 22,956</u>	<u>\$ 6,265</u>

89	90	91	93	94	96	Debt Service Fund 61	Total Combined
District Clerk Technology	JP Technology	Opioid Abatement	Grants	R&B #1 FEMA	R&B #3 FEMA	Annex Sinking Fund	
\$ 31,570	\$ 6,166	\$ 12,658	\$ 115,984	\$ -	\$ -	\$ 36,237	\$ 2,646,237
<u>\$ 31,570</u>	<u>\$ 6,166</u>	<u>\$ 12,658</u>	<u>\$ 115,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,237</u>	<u>\$ 2,646,237</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31,570	-	-	-	-	-	-	1,217,958
-	-	-	-	-	-	-	151,823
-	6,166	-	115,984	-	-	-	661,686
-	-	-	-	-	-	-	457,152
-	-	-	-	-	-	36,237	36,237
-	-	12,658	-	-	-	-	121,381
<u>31,570</u>	<u>6,166</u>	<u>12,658</u>	<u>115,984</u>	<u>-</u>	<u>-</u>	<u>36,237</u>	<u>2,646,237</u>
<u>\$ 31,570</u>	<u>\$ 6,166</u>	<u>\$ 12,658</u>	<u>\$ 115,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,237</u>	<u>\$ 2,646,237</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, 2023

	15	16	17	18
	Records Management	Courthouse Security	BVS Preservation	Dist. Clerk Records Management
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	57,936	17,923	1,546	11,618
Intergovernmental	-	-	-	-
Interest income	9,269	4,429	436	194
Other	-	-	-	-
Total revenues	<u>67,205</u>	<u>22,352</u>	<u>1,982</u>	<u>11,812</u>
EXPENDITURES:				
Current:				
General government	29,307	23,698	1,958	4,874
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>29,307</u>	<u>23,698</u>	<u>1,958</u>	<u>4,874</u>
Excess (deficiency) of revenues over expenditures	<u>37,898</u>	<u>(1,346)</u>	<u>24</u>	<u>6,938</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	37,898	(1,346)	24	6,938
Fund balance - beginning of year	<u>446,515</u>	<u>103,758</u>	<u>7,927</u>	<u>4,890</u>
Fund balance - end of year	<u>\$ 484,413</u>	<u>\$ 102,412</u>	<u>\$ 7,951</u>	<u>\$ 11,828</u>

Special Revenue Funds							
19	26	27	28	30	31	32	33
Records Preservation	Unclaimed Property	Elections	Juror Donations	County Attorney Forfeiture Check Account	VIT Collector	Sheriff Office Forfeiture	District Attorney Forfeiture
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
927	-	-	-	-	2,702	-	-
-	-	9,903	-	-	-	-	-
3,270	987	135	-	-	32	59	18,286
-	137,708	-	427	-	-	5,210	3,039
<u>4,197</u>	<u>138,695</u>	<u>10,038</u>	<u>427</u>	<u>-</u>	<u>2,734</u>	<u>5,269</u>	<u>21,325</u>
-	135,000	-	-	-	168	-	-
-	-	-	-	-	-	-	36,121
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	135,000	-	-	-	168	-	36,121
<u>4,197</u>	<u>3,695</u>	<u>10,038</u>	<u>427</u>	<u>-</u>	<u>2,566</u>	<u>5,269</u>	<u>(14,796)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	(16,369)	-	-
-	-	-	-	-	(16,369)	-	-
<u>4,197</u>	<u>3,695</u>	<u>10,038</u>	<u>427</u>	<u>-</u>	<u>(13,803)</u>	<u>5,269</u>	<u>(14,796)</u>
<u>53,713</u>	<u>38,480</u>	<u>18,109</u>	<u>-</u>	<u>2,457</u>	<u>16,190</u>	<u>10,083</u>	<u>306,421</u>
<u>\$ 57,910</u>	<u>\$ 42,175</u>	<u>\$ 28,147</u>	<u>\$ 427</u>	<u>\$ 2,457</u>	<u>\$ 2,387</u>	<u>\$ 15,352</u>	<u>\$ 291,625</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, 2023

	35	36	38	39	40
	Hot Check	DA State Supplement	District Attorney Hot Check	Estray	Probation
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	75	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest income	247	-	247	93	127
Other	-	-	-	6,701	-
Total revenues	<u>322</u>	<u>-</u>	<u>247</u>	<u>6,794</u>	<u>127</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Justice system	350	27,500	-	-	-
Public safety	-	-	-	-	-
Corrections and rehabilitation	-	-	-	-	-
Health and human services	-	-	-	1,500	-
Community and economic development	-	-	-	-	-
Infrastructure and environmental services	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>350</u>	<u>27,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(28)</u>	<u>(27,500)</u>	<u>247</u>	<u>5,294</u>	<u>127</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(28)	(27,500)	247	5,294	127
Fund balance - beginning of year	<u>11,130</u>	<u>21,176</u>	<u>6,974</u>	<u>16,070</u>	<u>28,315</u>
Fund balance - end of year	<u>\$ 11,102</u>	<u>\$ (6,324)</u>	<u>\$ 7,221</u>	<u>\$ 21,364</u>	<u>\$ 28,442</u>

Special Revenue Funds					
41	42	43	44	45	47
Adult Probation	State Juvenile Probation	County Juvenile Probation	Commitment Diversion	Juvenile Probation IV E	Community Service Adult Prob.
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
305,532	-	103,459	-	-	-
170,631	264,753	-	47,643	-	70,911
914	-	1,098	-	23	-
-	-	-	-	-	-
<u>477,077</u>	<u>264,753</u>	<u>104,557</u>	<u>47,643</u>	<u>23</u>	<u>70,911</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
404,770	109,169	374,632	70,575	17,550	123,115
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>404,770</u>	<u>109,169</u>	<u>374,632</u>	<u>70,575</u>	<u>17,550</u>	<u>123,115</u>
<u>72,307</u>	<u>155,584</u>	<u>(270,075)</u>	<u>(22,932)</u>	<u>(17,527)</u>	<u>(52,204)</u>
-	-	266,031	-	-	54,799
(54,799)	(154,000)	-	-	-	-
<u>(54,799)</u>	<u>(154,000)</u>	<u>266,031</u>	<u>-</u>	<u>-</u>	<u>54,799</u>
17,508	1,584	(4,044)	(22,932)	(17,527)	2,595
<u>210,231</u>	<u>(14,417)</u>	<u>229,856</u>	<u>-</u>	<u>17,661</u>	<u>8,195</u>
<u>\$ 227,739</u>	<u>\$ (12,833)</u>	<u>\$ 225,812</u>	<u>\$ (22,932)</u>	<u>\$ 134</u>	<u>\$ 10,790</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, 2023

	48 Court Reporter Fees	49 Supplement Guardianship Fees	50 Family Protection Fees	51 Court Facilities Fees	52 Law Library Fees
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	9,863	3,630	-	7,763	13,586
Intergovernmental	-	-	-	-	-
Interest income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>9,863</u>	<u>3,630</u>	<u>-</u>	<u>7,763</u>	<u>13,586</u>
EXPENDITURES:					
Current:					
General government	7,191	-	-	-	-
Justice system	-	-	-	-	2,582
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>7,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,582</u>
Excess (deficiency) of revenues over expenditures	<u>2,672</u>	<u>3,630</u>	<u>-</u>	<u>7,763</u>	<u>11,004</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,672	3,630	-	7,763	11,004
Fund balance - beginning of year	<u>53,840</u>	<u>27,700</u>	<u>21,990</u>	<u>4,652</u>	<u>99,564</u>
Fund balance - end of year	<u>\$ 56,512</u>	<u>\$ 31,330</u>	<u>\$ 21,990</u>	<u>\$ 12,415</u>	<u>\$ 110,568</u>

Special Revenue Funds

55	56	57	58	81	82
Historical Commission	JP Court Security	Specialty Court	Language Access	Constable #1 LEOSE	Constable #2 LEOSE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,660	1,164	-	-
-	-	-	-	565	565
65	519	-	-	-	-
<u>65</u>	<u>519</u>	<u>1,660</u>	<u>1,164</u>	<u>565</u>	<u>565</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	355
-	-	-	-	-	-
4,000	-	-	-	-	-
-	-	-	-	-	-
<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>355</u>
(3,935)	519	1,660	1,164	565	210
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(3,935)	519	1,660	1,164	565	210
16,296	10,263	3,775	698	1,208	2,736
<u>\$ 12,361</u>	<u>\$ 10,782</u>	<u>\$ 5,435</u>	<u>\$ 1,862</u>	<u>\$ 1,773</u>	<u>\$ 2,946</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, 2023

	Special Revenue Funds				
	83	84	85	86	87
	Sheriff LEOSE	District Attorney LEOSE	County Clerk Archive	District Clerk Archive	County Clerk Technology
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	-	-	56,597	410	180
Intergovernmental	1,915	565	-	-	-
Interest income	-	-	9,877	445	176
Other	-	-	-	-	-
Total revenues	<u>1,915</u>	<u>565</u>	<u>66,474</u>	<u>855</u>	<u>356</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	157
Justice system	-	-	-	-	-
Public safety	4,640	-	-	-	-
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>4,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157</u>
Excess (deficiency) of revenues over expenditures	<u>(2,725)</u>	<u>565</u>	<u>66,474</u>	<u>855</u>	<u>199</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,725)	565	66,474	855	199
Fund balance - beginning of year	<u>13,391</u>	<u>2,532</u>	<u>528,591</u>	<u>22,101</u>	<u>6,066</u>
Fund balance - end of year	<u>\$ 10,666</u>	<u>\$ 3,097</u>	<u>\$ 595,065</u>	<u>\$ 22,956</u>	<u>\$ 6,265</u>

89	90	91	93	94	96	Debt Service Fund 61	Total Combined
District Clerk Technology	JP Technology	Opioid Abatement	Grants	R&B #1 FEMA	R&B #3 FEMA	Annex Sinking Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,126	\$ 44,126
568	2,421	-	-	-	-	-	599,560
-	-	29,758	100,000	270,826	14,876	-	982,911
534	657	-	-	-	-	2,543	54,662
-	-	-	-	-	-	-	153,085
<u>1,102</u>	<u>3,078</u>	<u>29,758</u>	<u>100,000</u>	<u>270,826</u>	<u>14,876</u>	<u>46,669</u>	<u>1,834,344</u>
-	-	17,100	80,347	-	-	-	299,800
342	6,249	-	64,520	-	-	-	137,664
-	-	-	-	-	-	-	4,995
-	-	-	-	-	-	-	1,099,811
-	-	-	-	-	-	-	1,500
-	-	-	-	-	-	-	4,000
-	-	-	-	-	14,876	-	14,876
-	-	-	-	-	-	295,000	295,000
-	-	-	-	-	-	3,614	3,614
<u>342</u>	<u>6,249</u>	<u>17,100</u>	<u>144,867</u>	<u>-</u>	<u>14,876</u>	<u>298,614</u>	<u>1,861,260</u>
<u>760</u>	<u>(3,171)</u>	<u>12,658</u>	<u>(44,867)</u>	<u>270,826</u>	<u>-</u>	<u>(251,945)</u>	<u>(26,916)</u>
-	-	-	-	-	-	-	320,830
-	-	-	-	-	-	-	(225,168)
-	-	-	-	-	-	-	95,662
<u>760</u>	<u>(3,171)</u>	<u>12,658</u>	<u>(44,867)</u>	<u>270,826</u>	<u>-</u>	<u>(251,945)</u>	<u>68,746</u>
<u>30,810</u>	<u>9,337</u>	<u>-</u>	<u>160,851</u>	<u>(270,826)</u>	<u>-</u>	<u>288,182</u>	<u>2,577,491</u>
<u>\$ 31,570</u>	<u>\$ 6,166</u>	<u>\$ 12,658</u>	<u>\$ 115,984</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,237</u>	<u>\$ 2,646,237</u>

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
- MODIFIED CASH BASIS
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	Sheriff Department Accounts	Coke Fund	County Tax A/C Accounts	County Clerk Accounts	District Clerk Accounts
ASSETS					
Cash on hand and in bank	\$ 54,536	\$ 2,175	\$ 390,459	\$ 234,272	\$ 625,693
Total assets	<u>54,536</u>	<u>2,175</u>	<u>390,459</u>	<u>234,272</u>	<u>625,693</u>
LIABILITIES					
None	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION					
Restricted for other purposes	54,536	2,175	390,459	234,272	625,693
Total net position	<u>\$ 54,536</u>	<u>\$ 2,175</u>	<u>\$ 390,459</u>	<u>\$ 234,272</u>	<u>\$ 625,693</u>

<u>County Attorney Account</u>	<u>Probation Department Accounts</u>	<u>JP #1 Account</u>	<u>JP #2 Account</u>	<u>Pending Forfeitures</u>	<u>State Fees Fund</u>	<u>Total Combined</u>
<u>\$ 3,512</u>	<u>\$ 4,343</u>	<u>\$ 5,167</u>	<u>\$ 7,918</u>	<u>\$ 98,833</u>	<u>\$ 17,652</u>	<u>\$ 1,444,560</u>
<u>3,512</u>	<u>4,343</u>	<u>5,167</u>	<u>7,918</u>	<u>98,833</u>	<u>17,652</u>	<u>1,444,560</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>3,512</u>	<u>4,343</u>	<u>5,167</u>	<u>7,918</u>	<u>98,833</u>	<u>17,652</u>	<u>1,444,560</u>
<u>\$ 3,512</u>	<u>\$ 4,343</u>	<u>\$ 5,167</u>	<u>\$ 7,918</u>	<u>\$ 98,833</u>	<u>\$ 17,652</u>	<u>\$ 1,444,560</u>

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
- MODIFIED CASH BASIS
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	<u>Sheriff Department Accounts</u>	<u>Coke Fund</u>	<u>County Tax A/C Accounts</u>	<u>County Clerk Accounts</u>
ADDITIONS	\$ 148,217	\$ 1,172	\$ 17,412,367	\$ 161,223
DEDUCTIONS	<u>156,079</u>	<u>1,115</u>	<u>17,363,181</u>	<u>311,731</u>
CHANGE IN NET POSITION	(7,862)	57	49,186	(150,508)
NET POSITION - BEGINNING	62,398	2,118	341,273	384,780
NET POSITION - ENDING	<u>\$ 54,536</u>	<u>\$ 2,175</u>	<u>\$ 390,459</u>	<u>\$ 234,272</u>

<u>District Clerk Accounts</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>
\$ 450,799	\$ 3,404	\$ 223,638	\$ 20,763	\$ 33,262	\$ 182,512	\$ 124,799	\$ 18,762,156
<u>259,994</u>	<u>3,404</u>	<u>241,501</u>	<u>22,543</u>	<u>39,303</u>	<u>196,318</u>	<u>134,506</u>	<u>18,729,675</u>
190,805	-	(17,863)	(1,780)	(6,041)	(13,806)	(9,707)	32,481
<u>434,888</u>	<u>3,512</u>	<u>22,206</u>	<u>6,947</u>	<u>13,959</u>	<u>112,639</u>	<u>27,359</u>	<u>1,412,079</u>
<u>\$ 625,693</u>	<u>\$ 3,512</u>	<u>\$ 4,343</u>	<u>\$ 5,167</u>	<u>\$ 7,918</u>	<u>\$ 98,833</u>	<u>\$ 17,652</u>	<u>\$ 1,444,560</u>