

MONTAGUE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

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MONTAGUE COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

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FINANCIAL SECTION

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EDGIN, PARKMAN, FLEMING & FLEMING, PC

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Independent Auditor's Report

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

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Montague County, Texas, as of and for the year ended September 30, 2014 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Montague County, Texas as of September 30, 2014, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting as described in Note A.

Basis of Accounting

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

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montague County's basic financial statements. The management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 3 – 11, 33, and 35 respectively, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters

The combining statements and budget comparisons on pages 36 - 64 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and budget comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Edgin, Parkman, Fleming & Fleming, PC

EDGIN, PARKMAN, FLEMING & FLEMING, PC

Wichita Falls, Texas
April 2, 2015

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, 2014. 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, 2014 by \$18,027,965 (net position). Of this amount, \$6,574,091 (unrestricted net position) may be used to meet the County's obligations.
- During the year, the County's total net position increased by \$3,286,924. The County's expenses, which totaled \$9,969,783, were less than the County's program revenues of \$3,914,189, general revenues of \$8,949,141, and special item of \$393,377.
- The total cost of the County's programs decreased \$905,823 or 8% from the prior year.
- The governmental funds reported a fund balance this year of \$9,883,013, which is an increase of \$2,443,854 in comparison with the prior year amount.
- At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$4,376,102, or 47% 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, which is considered to be the County's major fund. Financial data for the other governmental funds are combined into a single, aggregated presentation.

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

Notes to the Basic Financial Statements

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

Other Information

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

Basis of Accounting

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

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

Government-wide Financial Analysis

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

Table 1 - County's Net Position

	Governmental Activities			
	2014	2013	Change	% Change
Current and other assets	\$ 9,883,013	\$ 7,439,159	\$ 2,443,854	33%
Capital assets, net	10,864,979	10,349,759	515,220	5%
Total Assets	<u>20,747,992</u>	<u>17,788,918</u>	<u>2,959,074</u>	<u>17%</u>
Current liabilities	-	-	-	N/A
Noncurrent liabilities	2,720,027	3,047,877	(327,850)	-11%
Total Liabilities	<u>2,720,027</u>	<u>3,047,877</u>	<u>(327,850)</u>	<u>-11%</u>
Net position:				
Net investment in capital assets	9,657,500	8,814,430	843,070	10%
Restricted	1,796,374	1,420,742	375,632	26%
Unrestricted	6,574,091	4,505,869	2,068,222	46%
Total Net Position	<u>\$ 18,027,965</u>	<u>\$ 14,741,041</u>	<u>\$ 3,286,924</u>	<u>22%</u>

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 \$9,657,500. 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, \$1,796,374, represents resources that are subject to external restrictions on how they may be used. The remaining balance of net assets of \$6,574,091 may be used to meet the County's ongoing obligations.

Changes in Net Position

The County's total revenues, both program and general, were \$12,863,330. A significant portion, 67%, of the County's revenue comes from property taxes. Charges for services accounted for 23% of the County's revenue while operating grants and contributions represented 7%. Exhibited below in Table 2 are the County's revenues for the years ended September 30, 2014 and 2013 for the County's *governmental activities*.

Table 2 - County's Revenues

	Governmental Activities			
	2014	Percent	2013	Percent
Charges for services	\$ 3,073,675	23%	\$ 2,809,471	25%
Operating grants and contributions	840,514	7%	663,212	6%
Property taxes	8,605,941	67%	7,198,972	66%
License and permits	10,511	0%	7,758	0%
Investment earnings	981	0%	1,836	0%
Miscellaneous	331,708	3%	313,477	3%
Total Revenues	\$ 12,863,330	100%	\$ 10,994,726	100%

Exhibited below in Table 3 are the County's expenses for the years ended September 30, 2014 and 2013 for the County's *governmental activities*. The total cost of all programs and services was \$9,969,783.

Table 3 - County's Expenses

	Governmental Activities			
	2014	Percent	2013	Percent
General government	\$ 2,264,960	24%	\$ 2,093,253	19%
Justice system	1,809,891	18%	1,794,732	17%
Public safety	1,156,538	12%	1,122,169	10%
Corrections and rehabilitation	2,441,975	24%	2,462,306	23%
Health and human services	215,470	2%	262,412	2%
Community and economic development	4,366	0%	5,756	0%
Infrastructure and environmental services	2,027,825	20%	3,079,332	28%
Interest	48,758	0%	55,646	1%
Total Expenses	\$ 9,969,783	100%	\$ 10,875,606	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			
	2014	2013	\$ Change	% Change
Revenues:				
Program revenues:				
Charges for services	\$ 3,073,675	\$ 2,809,471	\$ 264,204	9%
Operating grants and contributions	840,514	663,212	177,302	27%
General revenues:				
Property taxes	8,605,941	7,198,972	1,406,969	20%
Licenses and permits	10,511	7,758	2,753	35%
Investment earnings	981	1,836	(855)	-47%
Miscellaneous	331,708	313,477	18,231	6%
Special item	393,377	-	393,377	N/A
Total revenues	<u>13,256,707</u>	<u>10,994,726</u>	<u>2,261,981</u>	<u>21%</u>
Expenses:				
General government	2,264,960	2,093,253	171,707	8%
Justice system	1,809,891	1,794,732	15,159	1%
Public safety	1,156,538	1,122,169	34,369	3%
Corrections and rehabilitation	2,441,975	2,462,306	(20,331)	-1%
Health and human services	215,470	262,412	(46,942)	-18%
Community and economic development	4,366	5,756	(1,390)	-24%
Infrastructure and environmental services	2,027,825	3,079,332	(1,051,507)	-34%
Interest and fiscal charges	48,758	55,646	(6,888)	-12%
Total expenses	<u>9,969,783</u>	<u>10,875,606</u>	<u>(905,823)</u>	<u>-8%</u>
Change in net position	<u>\$ 3,286,924</u>	<u>\$ 119,120</u>	<u>\$ 3,167,804</u>	<u>2659%</u>

Significant fluctuations between years were as follows:

- Operating grants and contributions increased \$177,302, or 27%, mostly due to the increases in Juvenile probation funding and grants, the new CETRZ grant funds, and two years of the County Attorney supplements in 2013-14.
- Property taxes increased \$1,406,969, or 20%, due to the substantial growth in the property values between years with a 10% increase in the overall tax rate.
- Infrastructure and environmental services decreased \$1,051,507 or 34%. The decrease relates to one-time roof repairs and window replacement at the courthouse totaling \$616,571 in the prior year and general decreases in operating expenses in the Road & Bridge Funds in 2013-14.

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			
	2014	Percent	2013	Percent
General government	\$ 534,804	10%	\$ 484,117	8%
Justice system	883,330	14%	992,039	12%
Public safety	1,087,715	18%	1,007,138	14%
Corrections and rehabilitation	1,347,807	22%	1,548,205	21%
Infrastructure and environmental services	1,933,344	32%	3,047,610	41%
Other	268,594	4%	323,814	4%
Total Net Cost	\$ 6,055,594	100%	\$ 7,402,923	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, 2014, the County's governmental funds reported a combined ending fund balance of \$9,883,013, an increase of \$2,443,854 from the previous year. Table 6 illustrates the fund balances of the governmental funds.

**Table 6 - Governmental Funds - Fund Balances
September 30, 2014**

	General Fund	Other Funds	Totals
Restricted for:			
Records management/preservation	\$ -	\$ 569,011	\$ 569,011
Public safety	-	210,433	210,433
Justice system	-	159,269	159,269
Corrections and rehabilitation	-	730,952	730,952
Debt service	-	58,899	58,899
Other	-	67,810	67,810
Committed for:			
Indigent health care	593,424	-	593,424
Infrastructure and environmental services	2,729,646	-	2,729,646
Assigned - 2014-15 deficit budget	387,467	-	387,467
Unassigned	4,376,102	-	4,376,102
Total Fund Balances	\$ 8,086,639	\$ 1,796,374	\$ 9,883,013

General Fund

At the end of the current fiscal year, the ending fund balance for the General Fund was \$8,086,639, of which \$3,323,070 was committed, \$387,467 was assigned, and \$4,376,102 was unassigned. The total unassigned fund balance represents 47% of the total General Fund expenditures for the year ended September 30, 2014. The fund balance increased \$2,061,275 in the current fiscal year.

General Fund revenues totaled \$10,999,330, an increase of \$1,514,247, 16%, over the preceding year. The most significant changes between years were in the following revenues:

- Property taxes increased by \$1,355,779, or 20%, mostly due to a 10% increase in the taxable values and a 10% increase in the tax rate.
- Registration, fines and fees increased \$204,260, or 13%, mostly due to the cleanup of old state taxes payable and a general push to process and close cases.

General Fund expenditures totaled \$9,361,017, an increase of \$70,370, or just 1%, over the preceding year. There were no significant changes in the expenditures between years.

Other Governmental Funds

Other governmental funds consist of the various special revenue funds and debt service funds. The total ending fund balance for all special revenues and debt service funds combined was \$1,796,374, an increase of \$382,579 from the previous year. All of the fund balance at September 30, 2014 is restricted.

Other Governmental Funds' revenues totaled \$1,864,000, an increase of \$319,194, 21%, over the preceding year. The most significant changes between years were in the following revenues:

- Registration, fines and fees increased \$125,849, or 21%. The increase is due to the increase in the management and preservation fees and the increase in adult probation fees.
- Intergovernmental revenues increased \$167,102, or 31%, over the prior year mostly increase in juvenile probation grants and the new CETRZ grants.

Other Government Funds' expenditures totaled \$1,580,093, a decrease of \$1,658,889, or 51%, over the preceding year. There most significant changes between years were in the following expenditures:

- General government expenditures decreased \$140,560 or 61%. The decrease is due to shelving purchases, archiving project and additional security in the prior year.
- Infrastructure and environmental services decreased \$1,450,417 or 96% due to the completion of the annex in the prior year.

General Fund Budgetary Highlights

Over the course of the year, the County revised its budget several times. Even with these adjustments, revenues were \$1,227,011 above the final budgeted amount. Most revenues fell within normal variance above and below budgeted levels with the exception of property tax revenues. Property tax revenues exceeded the budget by \$978,972. This was due to the fact that the original levy was increased through supplements for revaluation of oil and gas properties.

Relative to actual expenditures, they were \$891,443 below final budget amounts. All functional areas were well below their budget.

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 the infrastructure and environmental services budget, which increased \$463,030. Most of the increase relates to the addition of capital outlay expenditures. Furthermore, proceeds from the sale of capital assets were increased \$508,740.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2014, the County had invested in a broad range of capital assets totaling \$10,864,979, net of accumulated depreciation, including land, buildings, equipment, and infrastructure. See Table 7 below.

Table 7 - Capital Assets, Net

	2014	2013	\$ Change	% Change
Land	\$ 366,344	\$ 340,937	\$ 25,407	7%
Buildings and improvements	5,239,070	5,457,742	(218,672)	-4%
Machinery and equipment	1,735,141	1,535,740	199,401	13%
Infrastructure	3,524,424	3,015,340	509,084	17%
Totals	\$ 10,864,979	\$ 10,349,759	\$ 515,220	5%

Capital assets, net of accumulated depreciation, increased \$515,220 or 5% from the previous year. The increase relates to the current year purchases of \$1,563,666 less depreciation expense of \$920,189 less dispositions of \$128,257 in 2013-14. Additional information about the County's capital assets is presented in the notes to the financial statements.

Long-term Obligations

At September 30, 2014, the County had \$2,720,027 in long-term obligations outstanding as shown in Table 8 below.

Table 8 - Long-term Debt

	2014	2013	\$ Change	% Change
General obligation debt	\$ 2,345,000	\$ 2,565,000	\$ (220,000)	-9%
Notes payable	40,041	68,275	(28,234)	-41%
Capital leases payable	334,986	414,602	(79,616)	-19%
Totals	\$ 2,720,027	\$ 3,047,877	\$ (327,850)	-11%

During the year, the County issued \$306,990 in additional debt, but repaid \$634,840 in existing debt. Additional information about the County's long-term debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Appraised value used for the 2014-15 budget preparation was \$2,082,329,365, an increase of \$313,744,605, or 15%, from the prior year. Additionally, the M&O tax rate for 2014-15 is \$.3489 per \$100 valuation; a decrease of \$.0330 or 9%.

Revenues budgeted in the General Fund's budget are \$10,013,089, a decrease of \$986,241 or 9% from the final 2013-14 revenues of \$10,999,330.

Expenditures in most budget categories are similar to the previous year, with the total expenditure budget for 2014-15 of \$10,278,479, an increase of \$917,462 or 10% from the 2013-14 expenditures of \$9,361,017. The County does not anticipate any new programs or projects being added in 2014-15 budget, except the portion of the increase for 2014-15 is the County's matching contribution to the TxDOT CETRZ road grant.

If these estimates are realized, the County's General Fund's fund balance is expected to decrease by \$387,467 by September 30, 2015.

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, 2014

	Governmental Activities
Assets	
Cash on hand and in bank	\$ 9,883,013
Capital assets, net	10,864,979
Total assets	<u>20,747,992</u>
Liabilities	
Long-term obligations:	
Due within one year	385,116
Due in more than one year	2,334,911
Total liabilities	<u>2,720,027</u>
Net Position	
Net invested in capital assets	9,657,500
Restricted for:	
Records management/preservation	569,011
Public safety	210,433
Justice system	159,269
Corrections and rehabilitation	730,952
Debt service	58,899
Other	67,810
Unrestricted	6,574,091
Total net position	<u>\$ 18,027,965</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, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary Government:				
General government	\$ 2,264,960	\$ 1,701,062	\$ 29,094	\$ (534,804)
Justice system	1,809,891	816,562	109,999	(883,330)
Public safety	1,156,538	63,953	4,870	(1,087,715)
Corrections and rehabilitation	2,441,975	492,098	602,070	(1,347,807)
Health and human services	215,470	-	-	(215,470)
Community and economic development	4,366	-	-	(4,366)
Infrastructure and environmental services	2,027,825	-	94,481	(1,933,344)
Interest on long-term debt	48,758	-	-	(48,758)
Total governmental activities	<u>\$ 9,969,783</u>	<u>\$ 3,073,675</u>	<u>\$ 840,514</u>	<u>(6,055,594)</u>
General revenues:				
Property taxes, levied for general purposes				8,278,905
Property taxes, levied for debt service				327,036
License and permits				10,511
Investment earnings				981
Other				331,708
Special item:				
Gain on sale of capital assets				<u>393,377</u>
Total general revenues				<u>9,342,518</u>
Change in net position				3,286,924
Net position - beginning				<u>14,741,041</u>
Net position - ending				<u>\$ 18,027,965</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash on hand and in bank	\$ 8,086,639	\$ 1,796,374	\$ 9,883,013
Total assets	<u>\$ 8,086,639</u>	<u>\$ 1,796,374</u>	<u>\$ 9,883,013</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Restricted for:			
Records management/preservation	-	569,011	569,011
Public safety	-	210,433	210,433
Justice system	-	159,269	159,269
Corrections and rehabilitation	-	730,952	730,952
Debt service	-	58,899	58,899
Other	-	67,810	67,810
Committed for:			
Indigent health care	593,424	-	593,424
Infrastructure and environmental services	2,729,646	-	2,729,646
Assigned - 2014-15 deficit budget	387,467	-	387,467
Unassigned	4,376,102	-	4,376,102
Total fund balances	<u>8,086,639</u>	<u>1,796,374</u>	<u>9,883,013</u>
Total liabilities and fund balances	<u>\$ 8,086,639</u>	<u>\$ 1,796,374</u>	<u>\$ 9,883,013</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET - MODIFIED CASH BASIS TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
SEPTEMBER 30, 2014

Total fund balances - governmental funds (Exhibit A-3) \$ 9,883,013

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	\$ 20,898,515	
Related accumulated depreciation	<u>10,033,536</u>	10,864,979

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

General obligation bonds payable	2,345,000	
Note payable	40,041	
Capital leases payable	<u>334,986</u>	<u>(2,720,027)</u>

Total net position - governmental activities (Exhibit A-1) \$ 18,027,965

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, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 8,278,906	\$ 327,035	\$ 8,605,941
Registrations, fines and fees	1,786,875	733,448	2,520,323
Public service fees	314,458	-	314,458
Intergovernmental	317,047	704,987	1,022,034
Interest income	845	136	981
Other	301,199	98,394	399,593
Total revenues	<u>10,999,330</u>	<u>1,864,000</u>	<u>12,863,330</u>
Expenditures			
Current			
General government	2,074,333	91,115	2,165,448
Justice system	1,638,015	159,712	1,797,727
Public safety	1,112,327	2,581	1,114,908
Corrections and rehabilitation	1,288,673	989,765	2,278,438
Health and human services	213,733	1,737	215,470
Community and economic development	-	4,294	4,294
Infrastructure and environmental services	3,033,936	62,131	3,096,067
Debt service:			
Principal	-	220,000	220,000
Interest and fiscal charges	-	48,758	48,758
Total expenditures	<u>9,361,017</u>	<u>1,580,093</u>	<u>10,941,110</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,638,313</u>	<u>283,907</u>	<u>1,922,220</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	521,634	-	521,634
Transfers in	205,098	262,670	467,768
Transfers out	(303,770)	(163,998)	(467,768)
Total other financing sources (uses)	<u>422,962</u>	<u>98,672</u>	<u>521,634</u>
Net change in fund balances	2,061,275	382,579	2,443,854
Fund balances, beginning of year	6,025,364	1,413,795	7,439,159
Fund balances, end of year	<u>\$ 8,086,639</u>	<u>\$ 1,796,374</u>	<u>\$ 9,883,013</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS -
MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES -
MODIFIED CASH BASIS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Net change in fund balances - total governmental funds (Exhibit A-5) \$ 2,443,854

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

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

Capital outlay during the year, excluding items acquired via debt issuances	\$ 1,256,676	
Depreciation expense for the year	<u>920,189</u>	336,487

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: (128,257)

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	220,000	
Note payable	28,234	
Capital leases payable	<u>386,606</u>	<u>634,840</u>

Change in net position of governmental activities (Exhibit A-2) \$ 3,286,924

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
MODIFIED CASH BASIS - AGENCY FUNDS
SEPTEMBER 30, 2014

	Trust and Agency Funds
Assets	
Cash	\$ 3,901,752
Total assets	<u>\$ 3,901,752</u>
Liabilities	
Due to primary government	\$ 132,701
Due to other governments	560,937
Due to others	3,208,114
Total liabilities	<u>\$ 3,901,752</u>

The accompanying notes are an integral part of this statement.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

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

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

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

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

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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, 2014

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 fund:

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

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

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

Additionally, the County reports the following fund types:

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

b. Measurement Focus

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

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

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

c. Basis of Accounting

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

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

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

d. Other Guidance

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

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

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

4. Assets, Liabilities, and Net Position or Equity

a. Deposits and Investments

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

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

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

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

b. Activity Between Funds

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

c. Property Taxes

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

5. Capital Assets

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

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

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

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

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

6. Compensated Absences

Employees accumulate earned but unused vacation and compensatory time. All vacation and compensatory pay is accrued when incurred in the government-wide statements. No liability is reported for these amounts in governmental funds.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

7. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Balances – Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the County's Commissioners' Court. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the County intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the General Fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

B. COMPLIANCE AND ACCOUNTABILITY

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures", violations of finance-related legal and contractual provisions are to be reported, along with actions taken to address such violations. For the year ended September 30, 2014, the County did not have any such violations.

2. Deficit Fund Balance of Individual Funds

The County did not have any individual funds with deficit fund balances at September 30, 2014.

C. DEPOSITS AND INVESTMENTS

1. Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$9,883,013, excluding fiduciary balances. All of the bank balance was covered by federal deposit insurance or collateralized by the pledging financial institution's trust department in the County's name.

2. Investments

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

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

At September 30, 2014, the County had investments as follows:

Money market savings accounts	<u>\$9,883,013</u>
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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.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name. At year end, the County was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

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.

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, 2014, was \$.3819 per \$100 valuation.

Taxes levied for the payment of principal and interest related to long-term debt was \$.0151 per \$100 valuation for the year ended September 30, 2014. 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 2014. The total tax rate for Montague County for fiscal year 2014 was \$.3970.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

E. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

Governmental Activities:	<u>Balance</u> <u>10/1/13</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>9/30/14</u>
Capital assets not being depreciated:					
Land	<u>\$ 340,937</u>	<u>\$ 25,407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,344</u>
Capital assets being depreciated:					
Buildings and improvements	9,961,806	32,826	5,000	26,919	10,016,551
Machinery and equipment	5,683,060	778,072	950,872	(26,919)	5,483,341
Infrastructure	<u>4,304,918</u>	<u>727,361</u>	<u>-</u>	<u>-</u>	<u>5,032,279</u>
Total capital assets being depreciated	<u>19,949,784</u>	<u>1,538,259</u>	<u>955,872</u>	<u>-</u>	<u>20,532,171</u>
Less accumulated depreciation for:					
Buildings and improvements	4,504,064	268,908	5,000	9,509	4,777,481
Machinery and equipment	4,147,320	433,004	822,615	(9,509)	3,748,200
Infrastructure	<u>1,289,578</u>	<u>218,277</u>	<u>-</u>	<u>-</u>	<u>1,507,855</u>
Total accumulated depreciation	<u>9,940,962</u>	<u>920,189</u>	<u>827,615</u>	<u>-</u>	<u>10,033,536</u>
 Total capital assets being depreciated, net	 <u>10,008,822</u>	 <u>618,070</u>	 <u>128,257</u>	 <u>-</u>	 <u>10,498,635</u>
 Governmental activities capital assets, net	 <u>\$10,349,759</u>	 <u>\$ 643,477</u>	 <u>\$128,257</u>	 <u>\$ -</u>	 <u>\$10,864,979</u>

Under the machinery and equipment caption, there is \$769,523 of equipment under capital lease obligations with accumulated depreciation of \$150,309 at September 30, 2014.

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

Governmental activities:	
General government	\$149,862
Judicial system	17,529
Public safety	120,834
Corrections and rehabilitation	167,857
Community and economic development	72
Infrastructure and environmental services	<u>464,035</u>
 Total governmental depreciation	 <u>\$920,189</u>

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

There were no balances due to and from other funds at September 30, 2014.

Interfund transfers during the year ended September 30, 2014 were as follows:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	General Fund	\$205,098	Supplement other resources
General Fund	Other Governmental Funds	98,672	Supplement other resources
Other Governmental Funds	Other Governmental Funds	<u>163,998</u>	Supplement other resources
	Total	<u>\$467,768</u>	

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

G. LONG-TERM LIABILITIES

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

1. Total Long-Term Liabilities

Changes in long-term liabilities for the year ended September 30, 2014 were as follows:

Governmental Activities:	Balance <u>10/1/2013</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>9/30/2014</u>	Due Within <u>One Year</u>
General obligation bonds	\$2,565,000	\$ -	\$220,000	\$2,345,000	\$230,000
Note payable	68,275	-	28,234	40,041	9,507
Capital leases	<u>414,602</u>	<u>306,990</u>	<u>386,606</u>	<u>334,986</u>	<u>145,609</u>
Total long-term liabilities – governmental activities	<u>\$3,047,877</u>	<u>\$306,990</u>	<u>\$634,840</u>	<u>\$2,720,027</u>	<u>\$385,116</u>

Annual debt service requirements to maturity are as follows:

Year Ending <u>September 30</u>	<u>All Long-term Liabilities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 385,116	\$ 57,704	\$ 442,820
2016	385,064	45,470	430,534
2017	304,321	38,375	342,696
2018	260,526	32,183	292,709
2019	260,000	27,293	287,293
2020-23	<u>1,125,000</u>	<u>52,896</u>	<u>1,177,896</u>
Totals	<u>\$2,720,027</u>	<u>\$253,921</u>	<u>\$2,973,948</u>

2. General Obligation Bonds

General obligation bonds outstanding at September 30, 2014 were as follows:

General Obligation Bonds:	<u>Original Amount</u>	<u>Date of Issuance</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance 9/30/2014</u>
Certificates of Obligation, Series 2011	\$2,565,000	2/15/2011	2/15/2023	1.75% to 2.45%	<u>\$2,345,000</u>

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

Annual debt service requirements to maturity are as follows

Year Ending September 30	General Obligation Bonds		
	Principal	Interest	Total
2015	\$ 230,000	\$ 44,420	\$ 274,420
2016	235,000	40,351	275,351
2017	245,000	36,151	281,151
2018	250,000	31,820	281,820
2019	260,000	27,293	287,293
2020-23	<u>1,125,000</u>	<u>52,896</u>	<u>1,177,896</u>
Totals	<u>\$2,345,000</u>	<u>\$232,931</u>	<u>\$2,577,931</u>

3. Note Payable

The note payable outstanding at September 30, 2014 was as follows:

	Original Amount	Date of Issuance	Final Maturity	Interest Rate	Balance 9/30/2014
Wellington State Bank, 4.92 acres of land	\$49,260	1/2/2013	1/10/2018	3.45%	<u>\$40,041</u>

Annual debt service requirements to maturity are as follows:

Year Ending September 30	Note Payable		
	Principal	Interest	Total
2015	\$ 9,507	\$1,381	\$10,888
2016	9,835	1,053	10,888
2017	10,173	716	10,889
2018	<u>10,526</u>	<u>363</u>	<u>10,889</u>
Totals	<u>\$40,041</u>	<u>\$3,513</u>	<u>\$43,554</u>

4. Capital Leases Payable

Capital leases payable outstanding at September 30, 2014 were as follows:

	Original Amount	Date of Issuance	Final Maturity	Interest Rate	Balance 9/30/2014
Caterpillar Financial Services, 420B DJL Backhoe	\$ 80,403	11/28/2011	10/1/2016	2.25%	\$ 33,095
American National Leasing, 6 2012 Chevrolet Tahoes	154,515	8/21/2012	10/25/2015	4.35%	85,086
American National Leasing, Chevrolet 1500 Crew Cab Pickup	29,064	10/15/2012	10/14/2014	4.35%	15,228
Governmental Capital Corporation, 2013 John Deere Motor Grader	201,193	9/18/2013	2/15/2019	2.25%	9,653
American National Leasing, 2014 Chevrolet Tahoe	36,985	12/09/2013	1/15/2016	2.90%	24,371

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

American National Leasing, 2014 Chevrolet Tahoe	37,237	12/11/2013	1/15/2016	2.90%	24,537
Caterpillar Financial Services, 140M3 Motor Grader	232,768	6/24/2014	6/24/2017	2.75%	<u>143,016</u>
Total					<u>\$334,986</u>

Annual debt service requirements to maturity are as follows:

Year Ending <u>September 30</u>	<u>Capital Leases Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$145,609	\$11,903	\$157,512
2016	140,229	4,066	144,295
2017	<u>49,148</u>	<u>1,508</u>	<u>50,656</u>
Totals	<u>\$334,986</u>	<u>\$17,477</u>	<u>\$352,463</u>

H. RISK MANAGEMENT

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

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, 2014, 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.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

Operating Leases

The County has entered into operating leases for three John Deere 670G Motor Graders. During the year ended September 30, 2014, the County incurred \$51,829 of operating lease expenditures on these leases and future commitments are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Operating</u> <u>Lease Payment</u>
2015	\$ 51,829
2016	<u>51,829</u>
Total	<u>\$103,658</u>

J. RETIREMENT 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 656 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

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 5 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 5 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.

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.

2. Funding Policy

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 14.73% for the months of the accounting year in 2013, and 15.01% for the months of the accounting year in 2014.

The contribution rate payable by the employee members for calendar year 2014 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.

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

3. Annual Pension Cost

The required contribution was determined as part of the December 31, 2013 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2013 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 4.9 percent. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2013 was 20 years.

4. Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was 78.91% funded. The actuarial accrued liability for benefits was \$12,623,224, and the actuarial value of assets was \$9,960,850, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,662,374. The covered payroll (annual payroll of active employees covered by the plan) was \$4,335,818, and the ratio of the UAAL to the covered payroll was 61.40%.

5. Actuarial Valuation Information

Actuarial valuation date	12/31/11	12/31/12	12/31/13
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level	Level	Level
	percentage of	percentage of	percentage of
	payroll, closed	payroll, closed	payroll, closed
Amortization period	20 years	20 years	20 years
Asset valuation method	SAF: 10 yr.	SAF: 10 yr.	SAF: 5 yr.
	smoothed value	smoothed value	smoothed value
	ESF: Fund value	ESF: Fund value	ESF: Fund value
Actuarial assumptions:			
Investment return (1)	8.0%	8.0%	8.0%
Projected salary increases (1)	5.4%	5.4%	4.9%
Inflation	3.5%	3.5%	3.0%
Cost of living adjustment	0.0%	0.0%	0.0%

(1) Includes inflation at the stated rate.

Trend Information

Accounting year ended	9/30/12	9/30/13	9/30/14
Annual Pension Cost (APC)	\$510,241	\$604,709	\$642,040
Percentage of APC Contributed	100.00%	100.00%	100.00%
Net Pension Obligation	--	--	--

MONTAGUE COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
SEPTEMBER 30, 2014

6. Funding Progress

The Schedule of Funding Progress, presented as Other Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

K. NEW PRONOUNCEMENT

In June 2012, GASB issued Statement No. 68 to amend Statements 27 and 50. The statement is effective for fiscal years beginning after June 15, 2014 and addresses accounting and financial reporting for pensions that are provided to the employees of state and local government employers. This statement will affect the County's reporting of its governmental activities on the government-wide statements as of and for the year ended September 30, 2015, although the impact of applying the statement is unknown.

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, 2014

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 7,299,934	\$ 7,299,934	\$ 8,278,906	\$ 978,972
Registrations, fines and fees	1,594,725	1,594,725	1,786,875	192,150
Public service fees	304,550	304,550	314,458	9,908
Intergovernmental	268,350	268,350	317,047	48,697
Interest income	1,466	1,466	845	(621)
Other	219,750	303,294	301,199	(2,095)
Total revenues	<u>9,688,775</u>	<u>9,772,319</u>	<u>10,999,330</u>	<u>1,227,011</u>
EXPENDITURES:				
Current:				
General government	2,135,296	2,241,328	2,074,333	166,995
Justice system	1,765,579	1,809,366	1,638,015	171,351
Public safety	1,147,345	1,163,120	1,112,327	50,793
Corrections and rehabilitation	1,316,059	1,331,059	1,288,673	42,386
Health and human services	481,211	481,211	213,733	267,478
Infrastructure and environmental services	2,763,346	3,226,376	3,033,936	192,440
Total expenditures	<u>9,608,836</u>	<u>10,252,460</u>	<u>9,361,017</u>	<u>891,443</u>
Excess (deficiency) of revenues over expenditures	<u>79,939</u>	<u>(480,141)</u>	<u>1,638,313</u>	<u>2,118,454</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	10,000	518,740	521,634	2,894
Transfers in	51,728	117,728	205,098	87,370
Transfers out	(147,343)	(311,643)	(303,770)	7,873
Total other financing sources (uses)	<u>(85,615)</u>	<u>324,825</u>	<u>422,962</u>	<u>98,137</u>
Net change in fund balances	(5,676)	(155,316)	2,061,275	2,216,591
Fund balance - beginning of year	<u>6,025,364</u>	<u>6,025,364</u>	<u>6,025,364</u>	<u>-</u>
Fund balance - end of year	<u>\$ 6,019,688</u>	<u>\$ 5,870,048</u>	<u>\$ 8,086,639</u>	<u>\$ 2,216,591</u>

MONTAGUE COUNTY, TEXAS
NOTES TO BUDGETARY COMPARISON SCHEDULE –
MODIFIED CASH BASIS – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2014

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.

MONTAGUE COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2011	\$ 8,307,558	\$ 10,759,128	\$ 2,451,570	77.21%	\$ 3,704,478	66.18%
12/31/2012	9,027,515	11,699,605	2,672,090	77.16%	3,916,567	68.23%
12/31/2013	9,960,850	12,623,224	2,662,374	78.91%	4,335,818	61.40%



***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, 2014

	10 General Fund	12 Indigent Health Care	13 Group Insurance Benefit
ASSETS			
Cash on hand and in bank	\$ 4,740,285	\$ 593,424	\$ 23,284
Total assets	<u>\$ 4,740,285</u>	<u>\$ 593,424</u>	<u>\$ 23,284</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Committed for:			
Indigent health care	-	593,424	-
Infrastructure and environmental services	-	-	-
Assigned - 2014-15 deficit budget	387,467	-	-
Unassigned	4,352,818	-	23,284
Total fund balances	<u>4,740,285</u>	<u>593,424</u>	<u>23,284</u>
Total liabilities and fund balances	<u>\$ 4,740,285</u>	<u>\$ 593,424</u>	<u>\$ 23,284</u>

EXHIBIT C-1

21 Road & Bridge Precinct #1	22 Road & Bridge Precinct #2	23 Road & Bridge Precinct #3	24 Road & Bridge Precinct #4	70 FM & Right of Way	75 3 - 4 Road Fund	Combined
\$ 556,640	\$ 460,391	\$ 427,566	\$ 450,415	\$ 81,385	\$ 753,249	\$ 8,086,639
<u>\$ 556,640</u>	<u>\$ 460,391</u>	<u>\$ 427,566</u>	<u>\$ 450,415</u>	<u>\$ 81,385</u>	<u>\$ 753,249</u>	<u>\$ 8,086,639</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	593,424
556,640	460,391	427,566	450,415	81,385	753,249	2,729,646
-	-	-	-	-	-	387,467
-	-	-	-	-	-	4,376,102
<u>556,640</u>	<u>460,391</u>	<u>427,566</u>	<u>450,415</u>	<u>81,385</u>	<u>753,249</u>	<u>8,086,639</u>
<u>\$ 556,640</u>	<u>\$ 460,391</u>	<u>\$ 427,566</u>	<u>\$ 450,415</u>	<u>\$ 81,385</u>	<u>\$ 753,249</u>	<u>\$ 8,086,639</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, 2014

	10 General Fund	12 Indigent Health Care	13 Group Insurance Benefit
REVENUES:			
Property taxes	\$ 5,940,135	\$ 356,947	\$ -
Registrations, fines and fees	922,318	-	-
Public service fees	314,458	-	-
Intergovernmental	277,888	6,147	-
Interest income	512	52	2
Other	166,369	-	1,800
Total revenues	<u>7,621,680</u>	<u>363,146</u>	<u>1,802</u>
EXPENDITURES:			
Current:			
General government	2,074,333	-	-
Justice system	1,638,015	-	-
Public safety	1,112,327	-	-
Corrections and rehabilitation	1,288,673	-	-
Health and human services	143,813	69,920	-
Infrastructure and environmental services	25,407	-	-
Total expenditures	<u>6,282,568</u>	<u>69,920</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,339,112</u>	<u>293,226</u>	<u>1,802</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	-	-	-
Transfers in	153,370	-	-
Transfers out	(144,790)	(150,000)	-
Total other financing sources (uses)	<u>8,580</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balances	1,347,692	143,226	1,802
Fund balance - beginning of year	<u>3,392,593</u>	<u>450,198</u>	<u>21,482</u>
Fund balance - end of year	<u>\$ 4,740,285</u>	<u>\$ 593,424</u>	<u>\$ 23,284</u>

21 Road & Bridge Precinct #1	22 Road & Bridge Precinct #2	23 Road & Bridge Precinct #3	24 Road & Bridge Precinct #4	70 FM & Right of Way	75 3 - 4 Road Fund	Combined
\$ 492,227	\$ 492,227	\$ 492,227	\$ 492,227	\$ 12,916	\$ -	\$ 8,278,906
216,628	216,628	216,628	214,673	-	-	1,786,875
-	-	-	-	-	-	314,458
8,253	8,253	8,253	8,253	-	-	317,047
56	46	48	46	8	75	845
7,310	29,769	66,770	29,181	-	-	301,199
<u>724,474</u>	<u>746,923</u>	<u>783,926</u>	<u>744,380</u>	<u>12,924</u>	<u>75</u>	<u>10,999,330</u>
-	-	-	-	-	-	2,074,333
-	-	-	-	-	-	1,638,015
-	-	-	-	-	-	1,112,327
-	-	-	-	-	-	1,288,673
-	-	-	-	-	-	213,733
<u>641,641</u>	<u>690,322</u>	<u>1,076,332</u>	<u>600,234</u>	<u>-</u>	<u>-</u>	<u>3,033,936</u>
<u>641,641</u>	<u>690,322</u>	<u>1,076,332</u>	<u>600,234</u>	<u>-</u>	<u>-</u>	<u>9,361,017</u>
<u>82,833</u>	<u>56,601</u>	<u>(292,406)</u>	<u>144,146</u>	<u>12,924</u>	<u>75</u>	<u>1,638,313</u>
50,370	90,144	357,128	23,992	-	-	521,634
12,932	12,932	12,932	12,932	-	-	205,098
(2,245)	(2,245)	(2,245)	(2,245)	-	-	(303,770)
<u>61,057</u>	<u>100,831</u>	<u>367,815</u>	<u>34,679</u>	<u>-</u>	<u>-</u>	<u>422,962</u>
143,890	157,432	75,409	178,825	12,924	75	2,061,275
<u>412,750</u>	<u>302,959</u>	<u>352,157</u>	<u>271,590</u>	<u>68,461</u>	<u>753,174</u>	<u>6,025,364</u>
<u>\$ 556,640</u>	<u>\$ 460,391</u>	<u>\$ 427,566</u>	<u>\$ 450,415</u>	<u>\$ 81,385</u>	<u>\$ 753,249</u>	<u>\$ 8,086,639</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General Fund (10)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 5,240,380	\$ 5,240,380	\$ 5,940,135	\$ 699,755
Registrations, fines and fees	830,725	830,725	922,318	91,593
Public service fees	304,550	304,550	314,458	9,908
Intergovernmental	239,550	239,550	277,888	38,338
Interest income	1,000	1,000	512	(488)
Other	200,000	207,211	166,369	(40,842)
Total revenues	<u>6,816,205</u>	<u>6,823,416</u>	<u>7,621,680</u>	<u>798,264</u>
EXPENDITURES:				
Current:				
General government	2,135,296	2,241,328	2,074,333	166,995
Justice system	1,765,579	1,809,366	1,638,015	171,351
Public safety	1,147,345	1,163,120	1,112,327	50,793
Corrections and rehabilitation	1,316,059	1,331,059	1,288,673	42,386
Health and human services	150,117	150,117	143,813	6,304
Infrastructure and environmental services	150,500	42,908	25,407	17,501
Total expenditures	<u>6,664,896</u>	<u>6,737,898</u>	<u>6,282,568</u>	<u>455,330</u>
Excess (deficiency) of revenues over expenditures	<u>151,309</u>	<u>85,518</u>	<u>1,339,112</u>	<u>1,253,594</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	66,000	153,370	87,370
Transfers out	(147,343)	(147,343)	(144,790)	2,553
Total other financing sources (uses)	<u>(147,343)</u>	<u>(81,343)</u>	<u>8,580</u>	<u>89,923</u>
Net change in fund balances	3,966	4,175	1,347,692	1,343,517
Fund balance - beginning of year	<u>3,392,593</u>	<u>3,392,593</u>	<u>3,392,593</u>	-
Fund balance - end of year	<u>\$ 3,396,559</u>	<u>\$ 3,396,768</u>	<u>\$ 4,740,285</u>	<u>\$ 1,343,517</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		
\$ 311,939	\$ 311,939	\$ 356,947	\$ 45,008	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	6,147	6,147	-	-	-	-
75	75	52	(23)	6	6	2	(4)
-	-	-	-	-	-	1,800	1,800
<u>312,014</u>	<u>312,014</u>	<u>363,146</u>	<u>51,132</u>	<u>6</u>	<u>6</u>	<u>1,802</u>	<u>1,796</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
331,094	331,094	69,920	261,174	-	-	-	-
-	-	-	-	-	-	-	-
<u>331,094</u>	<u>331,094</u>	<u>69,920</u>	<u>261,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(19,080)	(19,080)	293,226	312,306	6	6	1,802	1,796
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(150,000)	(150,000)	-	-	-	-	-
-	(150,000)	(150,000)	-	-	-	-	-
(19,080)	(169,080)	143,226	312,306	6	6	1,802	1,796
450,198	450,198	450,198	-	21,482	21,482	21,482	-
<u>\$ 431,118</u>	<u>\$ 281,118</u>	<u>\$ 593,424</u>	<u>\$ 312,306</u>	<u>\$ 21,488</u>	<u>\$ 21,488</u>	<u>\$ 23,284</u>	<u>\$ 1,796</u>

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Road & Bridge Precinct #1 (21)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 434,049	\$ 434,049	\$ 492,227	\$ 58,178
Registrations, fines and fees	191,000	191,000	216,628	25,628
Public service fees	-	-	-	-
Intergovernmental	7,200	7,200	8,253	1,053
Interest income	75	75	56	(19)
Other	-	-	7,310	7,310
Total revenues	<u>632,324</u>	<u>632,324</u>	<u>724,474</u>	<u>92,150</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	656,068	701,976	641,641	60,335
Total expenditures	<u>656,068</u>	<u>701,976</u>	<u>641,641</u>	<u>60,335</u>
Excess (deficiency) of revenues over expenditures	<u>(23,744)</u>	<u>(69,652)</u>	<u>82,833</u>	<u>152,485</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	49,808	50,370	562
Transfers in	12,932	12,932	12,932	-
Transfers out	-	(4,000)	(2,245)	1,755
Total other financing sources (uses)	<u>12,932</u>	<u>58,740</u>	<u>61,057</u>	<u>2,317</u>
Net change in fund balances	(10,812)	(10,912)	143,890	154,802
Fund balance - beginning of year	<u>412,750</u>	<u>412,750</u>	<u>412,750</u>	<u>-</u>
Fund balance - end of year	<u>\$ 401,938</u>	<u>\$ 401,838</u>	<u>\$ 556,640</u>	<u>\$ 154,802</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		
\$ 434,049	\$ 434,049	\$ 492,227	\$ 58,178	\$ 434,049	\$ 434,049	\$ 492,227	\$ 58,178
191,000	191,000	216,628	25,628	191,000	191,000	216,628	25,628
-	-	-	-	-	-	-	-
7,200	7,200	8,253	1,053	7,200	7,200	8,253	1,053
100	100	46	(54)	100	100	48	(52)
14,750	14,750	29,769	15,019	-	58,833	66,770	7,937
647,099	647,099	746,923	99,824	632,349	691,182	783,926	92,744
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
638,972	725,056	690,322	34,734	678,081	1,091,730	1,076,332	15,398
638,972	725,056	690,322	34,734	678,081	1,091,730	1,076,332	15,398
8,127	(77,957)	56,601	134,558	(45,732)	(400,548)	(292,406)	108,142
-	90,325	90,144	(181)	-	357,126	357,128	2
12,932	12,932	12,932	-	12,932	12,932	12,932	-
-	(4,000)	(2,245)	1,755	-	(2,300)	(2,245)	55
12,932	99,257	100,831	1,574	12,932	367,758	367,815	57
21,059	21,300	157,432	136,132	(32,800)	(32,790)	75,409	108,199
302,959	302,959	302,959	-	352,157	352,157	352,157	-
\$ 324,018	\$ 324,259	\$ 460,391	\$ 136,132	\$ 319,357	\$ 319,367	\$ 427,566	\$ 108,199

MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Road & Bridge Precinct #4 (24)			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 434,049	\$ 434,049	\$ 492,227	\$ 58,178
Registrations, fines and fees	191,000	191,000	214,673	23,673
Public service fees	-	-	-	-
Intergovernmental	7,200	7,200	8,253	1,053
Interest income	100	100	46	(54)
Other	5,000	22,500	29,181	6,681
Total revenues	<u>637,349</u>	<u>654,849</u>	<u>744,380</u>	<u>89,531</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	-
Infrastructure and environmental services	632,025	657,006	600,234	56,772
Total expenditures	<u>632,025</u>	<u>657,006</u>	<u>600,234</u>	<u>56,772</u>
Excess (deficiency) of revenues over expenditures	<u>5,324</u>	<u>(2,157)</u>	<u>144,146</u>	<u>146,303</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	10,000	21,481	23,992	2,511
Transfers in	12,932	12,932	12,932	-
Transfers out	-	(4,000)	(2,245)	1,755
Total other financing sources (uses)	<u>22,932</u>	<u>30,413</u>	<u>34,679</u>	<u>4,266</u>
Net change in fund balances	28,256	28,256	178,825	150,569
Fund balance - beginning of year	<u>271,590</u>	<u>271,590</u>	<u>271,590</u>	<u>-</u>
Fund balance - end of year	<u>\$ 299,846</u>	<u>\$ 299,846</u>	<u>\$ 450,415</u>	<u>\$ 150,569</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		
\$ 11,419	\$ 11,419	\$ 12,916	\$ 1,497	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
10	10	8	(2)	-	-	75	75
-	-	-	-	-	-	-	-
<u>11,429</u>	<u>11,429</u>	<u>12,924</u>	<u>1,495</u>	<u>-</u>	<u>-</u>	<u>75</u>	<u>75</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,700	7,700	-	7,700	-	-	-	-
7,700	7,700	-	7,700	-	-	-	-
<u>3,729</u>	<u>3,729</u>	<u>12,924</u>	<u>9,195</u>	<u>-</u>	<u>-</u>	<u>75</u>	<u>75</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,729	3,729	12,924	9,195	-	-	75	75
<u>68,461</u>	<u>68,461</u>	<u>68,461</u>	<u>-</u>	<u>753,174</u>	<u>753,174</u>	<u>753,174</u>	<u>-</u>
<u>\$ 72,190</u>	<u>\$ 72,190</u>	<u>\$ 81,385</u>	<u>\$ 9,195</u>	<u>\$ 753,174</u>	<u>\$ 753,174</u>	<u>\$ 753,249</u>	<u>\$ 75</u>



MONTAGUE COUNTY, TEXAS
COMBINING BUDGETARY COMPARISON SCHEDULE
- MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Combined			Variance With Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property taxes	\$ 7,299,934	\$ 7,299,934	\$ 8,278,906	\$ 978,972
Registrations, fines and fees	1,594,725	1,594,725	1,786,875	192,150
Public service fees	304,550	304,550	314,458	9,908
Intergovernmental	268,350	268,350	317,047	48,697
Interest income	1,466	1,466	845	(621)
Other	219,750	303,294	301,199	(2,095)
Total revenues	<u>9,688,775</u>	<u>9,772,319</u>	<u>10,999,330</u>	<u>1,227,011</u>
EXPENDITURES:				
Current:				
General government	2,135,296	2,241,328	2,074,333	166,995
Justice system	1,765,579	1,809,366	1,638,015	171,351
Public safety	1,147,345	1,163,120	1,112,327	50,793
Corrections and rehabilitation	1,316,059	1,331,059	1,288,673	42,386
Health and human services	481,211	481,211	213,733	267,478
Infrastructure and environmental services	2,763,346	3,226,376	3,033,936	192,440
Total expenditures	<u>9,608,836</u>	<u>10,252,460</u>	<u>9,361,017</u>	<u>891,443</u>
Excess (deficiency) of revenues over expenditures	<u>79,939</u>	<u>(480,141)</u>	<u>1,638,313</u>	<u>2,118,454</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	10,000	518,740	521,634	2,894
Transfers in	51,728	117,728	205,098	87,370
Transfers out	(147,343)	(311,643)	(303,770)	7,873
Total other financing sources (uses)	<u>(85,615)</u>	<u>324,825</u>	<u>422,962</u>	<u>98,137</u>
Net change in fund balances	(5,676)	(155,316)	2,061,275	2,216,591
Fund balance - beginning of year	<u>6,025,364</u>	<u>6,025,364</u>	<u>6,025,364</u>	<u>-</u>
Fund balance - end of year	<u>\$ 6,019,688</u>	<u>\$ 5,870,048</u>	<u>\$ 8,086,639</u>	<u>\$ 2,216,591</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	15	16	17	18
	Records Management	Courthouse Security	BVS Preservation	Dist. Clerk Records Management
ASSETS				
Cash on hand and in bank	\$ 232,867	\$ 185,591	\$ 9,706	\$ 14,032
Total assets	<u>\$ 232,867</u>	<u>\$ 185,591</u>	<u>\$ 9,706</u>	<u>\$ 14,032</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:				
Restricted for:				
Records management/preservation	232,867	-	9,706	14,032
Public safety	-	185,591	-	-
Justice system	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>232,867</u>	<u>185,591</u>	<u>9,706</u>	<u>14,032</u>
Total liabilities and fund balances	<u>\$ 232,867</u>	<u>\$ 185,591</u>	<u>\$ 9,706</u>	<u>\$ 14,032</u>

Special Revenue Funds						
19	27	29	30	31	32	33
Records Preservation	Elections	Nortex Grant	County Attorney Forfeiture Check Account	VIT Collector	Sheriff Office Forfeiture	District Attorney Forfeiture
\$ 102,280	\$ 5,742	\$ 2,348	\$ 2,336	\$ 1,687	\$ 2,786	\$ 112,517
<u>\$ 102,280</u>	<u>\$ 5,742</u>	<u>\$ 2,348</u>	<u>\$ 2,336</u>	<u>\$ 1,687</u>	<u>\$ 2,786</u>	<u>\$ 112,517</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102,280	-	-	-	-	-	-
-	-	2,348	2,336	-	2,786	-
-	-	-	-	-	-	112,517
-	-	-	-	-	-	-
-	5,742	-	-	1,687	-	-
-	-	-	-	-	-	-
<u>102,280</u>	<u>5,742</u>	<u>2,348</u>	<u>2,336</u>	<u>1,687</u>	<u>2,786</u>	<u>112,517</u>
<u>\$ 102,280</u>	<u>\$ 5,742</u>	<u>\$ 2,348</u>	<u>\$ 2,336</u>	<u>\$ 1,687</u>	<u>\$ 2,786</u>	<u>\$ 112,517</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	35 District Attorney Hot Check	36 DA State Supplement	38 District Attorney Hot Check	39 Estray
ASSETS				
Cash on hand and in bank	\$ 6,260	\$ 7,775	\$ 6,227	\$ 1,835
Total assets	<u>\$ 6,260</u>	<u>\$ 7,775</u>	<u>\$ 6,227</u>	<u>\$ 1,835</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
None	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:				
Restricted for:				
Records management/preservation	-	-	-	-
Public safety	-	-	-	-
Justice system	6,260	7,775	6,227	-
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	-	-	-	1,835
Unassigned	-	-	-	-
Total fund balances	<u>6,260</u>	<u>7,775</u>	<u>6,227</u>	<u>1,835</u>
Total liabilities and fund balances	<u>\$ 6,260</u>	<u>\$ 7,775</u>	<u>\$ 6,227</u>	<u>\$ 1,835</u>

Special Revenue Funds						
40	41	42	43	45	47	51
Probation	Adult Probation	State Juvenile Probation	County Juvenile Probation	Juvenile Probation IV e	Community Service Adult Prob.	Livestock Compost Grant
\$ 29,285	\$ 395,819	\$ 19,240	\$ 177,149	\$ 83,336	\$ 19,418	\$ 10,014
<u>\$ 29,285</u>	<u>\$ 395,819</u>	<u>\$ 19,240</u>	<u>\$ 177,149</u>	<u>\$ 83,336</u>	<u>\$ 19,418</u>	<u>\$ 10,014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
29,285	395,819	19,240	177,149	83,336	19,418	-
-	-	-	-	-	-	-
-	-	-	-	-	-	10,014
-	-	-	-	-	-	-
<u>29,285</u>	<u>395,819</u>	<u>19,240</u>	<u>177,149</u>	<u>83,336</u>	<u>19,418</u>	<u>10,014</u>
<u>\$ 29,285</u>	<u>\$ 395,819</u>	<u>\$ 19,240</u>	<u>\$ 177,149</u>	<u>\$ 83,336</u>	<u>\$ 19,418</u>	<u>\$ 10,014</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	52	53	54	55
	Juvenile Grant N	Challenge C Grant	Courthouse Dome	Historical Commission
ASSETS				
Cash on hand and in bank	\$ 3,803	\$ 2,902	\$ 32,962	\$ 15,570
Total assets	<u>\$ 3,803</u>	<u>\$ 2,902</u>	<u>\$ 32,962</u>	<u>\$ 15,570</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
None	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted for:				
Records management/preservation	-	-	-	-
Public safety	-	-	-	-
Justice system	-	-	-	-
Corrections and rehabilitation	3,803	2,902	-	-
Debt service	-	-	-	-
Other	-	-	32,962	15,570
Unassigned	-	-	-	-
Total fund balances	<u>3,803</u>	<u>2,902</u>	<u>32,962</u>	<u>15,570</u>
Total liabilities and fund balances	<u>\$ 3,803</u>	<u>\$ 2,902</u>	<u>\$ 32,962</u>	<u>\$ 15,570</u>

Special Revenue Funds						
56	73	74	81	82	83	84
JP Court Security	R&B #3 CETZ	R&B #4 CETZ	Constable #1 LEOSE	Constable #2 LEOSE	Sheriff LEOSE	District Attorney LEOSE
\$ 11,702	\$ -	\$ -	\$ 729	\$ 1,851	\$ 3,090	\$ 538
<u>\$ 11,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 729</u>	<u>\$ 1,851</u>	<u>\$ 3,090</u>	<u>\$ 538</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
11,702	-	-	729	1,851	3,090	-
-	-	-	-	-	-	538
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,702</u>	<u>-</u>	<u>-</u>	<u>729</u>	<u>1,851</u>	<u>3,090</u>	<u>538</u>
<u>\$ 11,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 729</u>	<u>\$ 1,851</u>	<u>\$ 3,090</u>	<u>\$ 538</u>

MONTAGUE COUNTY, TEXAS
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
OTHER GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Special Revenue Funds			
	85 County Clerk Archive	86 District Clerk Archive	87 County Clerk Technology	89 District Clerk Technology
ASSETS				
Cash on hand and in bank	\$ 189,202	\$ 7,220	\$ 2,325	\$ 11,379
Total assets	<u>\$ 189,202</u>	<u>\$ 7,220</u>	<u>\$ 2,325</u>	<u>\$ 11,379</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
None	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted for:				
Records management/preservation	189,202	7,220	2,325	11,379
Public safety	-	-	-	-
Justice system	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>189,202</u>	<u>7,220</u>	<u>2,325</u>	<u>11,379</u>
Total liabilities and fund balances	<u>\$ 189,202</u>	<u>\$ 7,220</u>	<u>\$ 2,325</u>	<u>\$ 11,379</u>

90	Debt Service Funds		Total Combined
	60 Jail Sinking Fund	61 Annex Sinking Fund	
JP Technology			
\$ 25,952	\$ -	\$ 58,899	\$ 1,796,374
<u>\$ 25,952</u>	<u>\$ -</u>	<u>\$ 58,899</u>	<u>\$ 1,796,374</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	569,011
-	-	-	210,433
25,952	-	-	159,269
-	-	-	730,952
-	-	58,899	58,899
-	-	-	67,810
-	-	-	-
<u>25,952</u>	<u>-</u>	<u>58,899</u>	<u>1,796,374</u>
<u>\$ 25,952</u>	<u>\$ -</u>	<u>\$ 58,899</u>	<u>\$ 1,796,374</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, 2014

	15	16	17	18
	Records Management	Courthouse Security	BVS Preservation	Dist. Clerk Records Management
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	98,750	23,458	1,037	2,009
Intergovernmental	-	-	-	-
Interest income	20	18	-	-
Other	-	-	-	-
Total revenues	<u>98,770</u>	<u>23,476</u>	<u>1,037</u>	<u>2,009</u>
EXPENDITURES:				
Current:				
General government	47,231	23,563	400	162
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>47,231</u>	<u>23,563</u>	<u>400</u>	<u>162</u>
Excess (deficiency) of revenues over expenditures	<u>51,539</u>	<u>(87)</u>	<u>637</u>	<u>1,847</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	51,539	(87)	637	1,847
Fund balance - beginning of year	<u>181,328</u>	<u>185,678</u>	<u>9,069</u>	<u>12,185</u>
Fund balance - end of year	<u>\$ 232,867</u>	<u>\$ 185,591</u>	<u>\$ 9,706</u>	<u>\$ 14,032</u>

Special Revenue Funds						
19	27	29	30	31	32	33
Records Preservation	Elections	Nortex Grant	County Attorney Forfeiture Check Account	VIT Collector	Sheriff Office Forfeiture	District Attorney Forfeiture
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,066	-	-	-	111	-	-
-	7,472	-	-	-	-	-
9	-	-	-	4	-	13
-	-	-	-	-	-	84,096
<u>13,075</u>	<u>7,472</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>-</u>	<u>84,109</u>
-	1,730	-	-	-	-	-
-	-	-	-	-	-	97,687
-	-	-	-	-	2,581	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>1,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,581</u>	<u>97,687</u>
<u>13,075</u>	<u>5,742</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>(2,581)</u>	<u>(13,578)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>13,075</u>	<u>5,742</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>(2,581)</u>	<u>(13,578)</u>
<u>89,205</u>	<u>-</u>	<u>2,348</u>	<u>2,336</u>	<u>1,572</u>	<u>5,367</u>	<u>126,095</u>
<u>\$ 102,280</u>	<u>\$ 5,742</u>	<u>\$ 2,348</u>	<u>\$ 2,336</u>	<u>\$ 1,687</u>	<u>\$ 2,786</u>	<u>\$ 112,517</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, 2014

	35 District Attorney Hot Check	36 DA State Supplement	38 District Attorney Hot Check	39 Estray
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	3,800	-	-	-
Intergovernmental	-	27,499	-	-
Interest income	-	-	-	-
Other	-	-	-	1,088
Total revenues	<u>3,800</u>	<u>27,499</u>	<u>-</u>	<u>1,088</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	9,133	42,219	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	-	-	-	-
Health and human services	-	-	-	1,737
Community and economic development	-	-	-	-
Infrastructure and environmental services	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>9,133</u>	<u>42,219</u>	<u>-</u>	<u>1,737</u>
Excess (deficiency) of revenues over expenditures	<u>(5,333)</u>	<u>(14,720)</u>	<u>-</u>	<u>(649)</u>
Other financing sources (uses):				
Transfers in	-	15,082	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>15,082</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(5,333)	362	-	(649)
Fund balance - beginning of year	<u>11,593</u>	<u>7,413</u>	<u>6,227</u>	<u>2,484</u>
Fund balance - end of year	<u>\$ 6,260</u>	<u>\$ 7,775</u>	<u>\$ 6,227</u>	<u>\$ 1,835</u>

Special Revenue Funds						
40	41	42	43	45	47	51
Probation	Adult Probation	State Juvenile Probation	County Juvenile Probation	Juvenile Probation IV e	Community Service Adult Prob.	Livestock Compost Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	394,485	-	81,493	-	-	-
-	169,378	290,058	-	26,638	69,688	-
3	30	-	17	8	-	1
-	4,150	-	-	-	-	-
<u>3</u>	<u>568,043</u>	<u>290,058</u>	<u>81,510</u>	<u>26,646</u>	<u>69,688</u>	<u>1</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	454,801	84,331	317,588	35,477	60,699	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>454,801</u>	<u>84,331</u>	<u>317,588</u>	<u>35,477</u>	<u>60,699</u>	<u>-</u>
3	113,242	205,727	(236,078)	(8,831)	8,989	1
-	-	-	241,981	-	-	-
-	-	(163,998)	-	-	-	-
-	-	(163,998)	241,981	-	-	-
3	113,242	41,729	5,903	(8,831)	8,989	1
29,282	282,577	(22,489)	171,246	92,167	10,429	10,013
<u>\$ 29,285</u>	<u>\$ 395,819</u>	<u>\$ 19,240</u>	<u>\$ 177,149</u>	<u>\$ 83,336</u>	<u>\$ 19,418</u>	<u>\$ 10,014</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, 2014

	52	53	54	55
	Juvenile Grant N	Challenge C Grant	Courthouse Dome	Historical Commission
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	-	-	-	-
Intergovernmental	27,603	20,311	-	-
Interest income	-	-	3	1
Other	-	-	4,027	5,033
Total revenues	<u>27,603</u>	<u>20,311</u>	<u>4,030</u>	<u>5,034</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Justice system	-	-	-	-
Public safety	-	-	-	-
Corrections and rehabilitation	23,800	13,069	-	-
Health and human services	-	-	-	-
Community and economic development	-	-	859	3,435
Infrastructure and environmental services	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>23,800</u>	<u>13,069</u>	<u>859</u>	<u>3,435</u>
Excess (deficiency) of revenues over expenditures	<u>3,803</u>	<u>7,242</u>	<u>3,171</u>	<u>1,599</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	3,803	7,242	3,171	1,599
Fund balance - beginning of year	<u>-</u>	<u>(4,340)</u>	<u>29,791</u>	<u>13,971</u>
Fund balance - end of year	<u>\$ 3,803</u>	<u>\$ 2,902</u>	<u>\$ 32,962</u>	<u>\$ 15,570</u>

Special Revenue Funds

56	73	74	81	82	83	84
JP Court Security	R&B #3 CETRZ	R&B #4 CETRZ	Constable #1 LEOSE	Constable #2 LEOSE	Sheriff LEOSE	District Attorney LEOSE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
774	-	-	-	-	-	-
-	5,831	56,300	650	586	2,323	650
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>774</u>	<u>5,831</u>	<u>56,300</u>	<u>650</u>	<u>586</u>	<u>2,323</u>	<u>650</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	794
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,831	56,300	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>5,831</u>	<u>56,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>794</u>
<u>774</u>	<u>-</u>	<u>-</u>	<u>650</u>	<u>586</u>	<u>2,323</u>	<u>(144)</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>
774	-	-	650	586	2,323	(144)
10,928	-	-	79	1,265	767	682
<u>\$ 11,702</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 729</u>	<u>\$ 1,851</u>	<u>\$ 3,090</u>	<u>\$ 538</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, 2014

	Special Revenue Funds			
	85 County Clerk Archive	86 District Clerk Archive	87 County Clerk Technology	89 District Clerk Technology
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Registrations, fines and fees	98,510	2,800	1,299	3,169
Intergovernmental	-	-	-	-
Interest income	-	-	-	2
Other	-	-	-	-
Total revenues	<u>98,510</u>	<u>2,800</u>	<u>1,299</u>	<u>3,171</u>
EXPENDITURES:				
Current:				
General government	18,029	-	-	-
Justice system	-	-	-	1,156
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>18,029</u>	<u>-</u>	<u>-</u>	<u>1,156</u>
Excess (deficiency) of revenues over expenditures	<u>80,481</u>	<u>2,800</u>	<u>1,299</u>	<u>2,015</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	80,481	2,800	1,299	2,015
Fund balance - beginning of year	<u>108,721</u>	<u>4,420</u>	<u>1,026</u>	<u>9,364</u>
Fund balance - end of year	<u>\$ 189,202</u>	<u>\$ 7,220</u>	<u>\$ 2,325</u>	<u>\$ 11,379</u>

90	Debt Service Fund		Total Combined
	60 Jail Sinking Fund	61 Annex Sinking Fund	
JP Technology			
\$ -	\$ 1,340	\$ 325,695	\$ 327,035
8,687	-	-	733,448
-	-	-	704,987
2	-	5	136
-	-	-	98,394
<u>8,689</u>	<u>1,340</u>	<u>325,700</u>	<u>1,864,000</u>
-	-	-	91,115
8,723	-	-	159,712
-	-	-	2,581
-	-	-	989,765
-	-	-	1,737
-	-	-	4,294
-	-	-	62,131
-	-	220,000	220,000
-	-	48,758	48,758
<u>8,723</u>	<u>-</u>	<u>268,758</u>	<u>1,580,093</u>
<u>(34)</u>	<u>1,340</u>	<u>56,942</u>	<u>283,907</u>
-	5,607	-	262,670
-	-	-	(163,998)
-	<u>5,607</u>	-	<u>98,672</u>
(34)	6,947	56,942	382,579
<u>25,986</u>	<u>(6,947)</u>	<u>1,957</u>	<u>1,413,795</u>
<u>\$ 25,952</u>	<u>\$ -</u>	<u>\$ 58,899</u>	<u>\$ 1,796,374</u>

MONTAGUE COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
- MODIFIED CASH BASIS
AGENCY FUNDS
SEPTEMBER 30, 2014

	Sheriff Department Accounts	Coke Fund	County Tax A/C Accounts	County Clerk Accounts	District Clerk Accounts
ASSETS					
Cash	\$ 123,819	\$ 649	\$ 595,115	\$ 121,908	\$ 2,907,493
Total assets	<u>\$ 123,819</u>	<u>\$ 649</u>	<u>\$ 595,115</u>	<u>\$ 121,908</u>	<u>\$ 2,907,493</u>
LIABILITIES					
Due to primary government	\$ 540	\$ -	\$ -	\$ 70,898	\$ 21,619
Due to other governments	-	-	501,098	-	-
Due to others	123,279	649	94,017	51,010	2,885,874
Total liabilities	<u>\$ 123,819</u>	<u>\$ 649</u>	<u>\$ 595,115</u>	<u>\$ 121,908</u>	<u>\$ 2,907,493</u>

County Attorney Account	Probation Department Accounts	JP #1 Account	JP #2 Account	Pending Forfeitures	State Fees Fund	Combined
\$ 3,512	\$ 1,099	\$ 14,338	\$ 25,306	\$ 48,674	\$ 59,839	\$ 3,901,752
<u>\$ 3,512</u>	<u>\$ 1,099</u>	<u>\$ 14,338</u>	<u>\$ 25,306</u>	<u>\$ 48,674</u>	<u>\$ 59,839</u>	<u>\$ 3,901,752</u>
\$ -	\$ -	\$ 14,338	\$ 25,306	\$ -	\$ -	\$ 132,701
-	-	-	-	-	59,839	560,937
3,512	1,099	-	-	48,674	-	3,208,114
<u>\$ 3,512</u>	<u>\$ 1,099</u>	<u>\$ 14,338</u>	<u>\$ 25,306</u>	<u>\$ 48,674</u>	<u>\$ 59,839</u>	<u>\$ 3,901,752</u>

