

Montgomery County, Texas Comprehensive Annual Financial Report



For the Fiscal Year Ended September 30, 2017
501 N. THOMPSON SUITE 205 CONROE, TEXAS 77301

MONTGOMERY COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017

Prepared by
THE MONTGOMERY COUNTY AUDITOR'S OFFICE
Phyllis L. Martin
County Auditor

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INTRODUCTORY SECTION



Montgomery County, Texas
Office of the County Auditor
501 North Thompson, Suite 205, Conroe, Texas 77301
P. O. Box 539, Conroe, Texas 77305

Phyllis L. Martin
County Auditor

Angela H. Blocker
1st Assistant County Auditor

March 27, 2018

The Board of District Judges
The Commissioners' Court
Montgomery County, Texas

Honorable Judges and Commissioners:

The Comprehensive Annual Financial Report (CAFR) of Montgomery County, Texas, for the year ended September 30, 2017, is submitted herewith. This report was prepared by the County Auditor in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board, and is in compliance with Chapter 114.025 and Chapter 115.045 of the Local Government Code.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To provide a reasonable basis for making this representation, Montgomery County management has established a comprehensive internal control framework designed both to protect governmental assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Montgomery County's comprehensive framework, because the cost of internal controls should not outweigh their benefits, has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of Montgomery County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activity have been included.

Montgomery County's financial statements have been audited by Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements of Montgomery County for the year ended September 30, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Montgomery County was a part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements. Specific emphasis was placed on internal controls and compliance with laws and regulations involving the administration of federal and state awards. This Single Audit Report is available as a separate report from Montgomery County.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. Montgomery County's MD&A can be found immediately following the report of the independent auditors.

Profile of Montgomery County

Montgomery County was created on December 14, 1837 by an act of the Congress of the Republic of Texas. It is bisected by Interstate 45, and located approximately forty miles north of downtown Houston. Montgomery County is officially the birthplace of the Texas flag. The actual design of the Lone Star Flag remained a mystery until the Texas House of Representative passed House Resolution 1123 in 1997 commemorating Montgomery County as the flag's official birthplace. Dr. Charles B. Stewart is credited with creating the inspirational banner of the State of Texas. The County provides a full range of services, including police protection, legal and judicial services, construction and maintenance of roads and bridges, public health service, and facilities for recreational and cultural use. The County operates a full service airport as a reliever to nearby Bush Intercontinental Airport. Three major rail lines intersect in the county seat of Conroe. The Lone Star College System offers both 2- and 4-year degree plans in partnership with several universities throughout the state. Scenic Lake Conroe sits among some 1,090 square miles of rolling hills and grassy meadows to create an atmosphere of rural America nestled securely beside its urban neighbors.

The County operates as specified under the Constitution of the State of Texas, and in accordance with the provisions of the State Statutes of Texas, which provide for a Commissioners' Court consisting of the County Judge, elected at-large to a four-year term and four Commissioners, each of whom is elected from four geographical precincts to four-year staggered terms. The Commissioners' Court serves as the governing body of the County.

The U.S. Census Bureau reported the 1990 population for Montgomery County to be 180,394 and the year 2000 population to be 293,768. The most recent census reported the population of Montgomery County to be 455,746. At each census, the County has experienced growth in excess of 50%, with no sign of slowing down. At September 30, 2017 the estimated population was 563,209. Despite the turbulent economic times, the County's population has continued to grow during the past year and is evident in the increased demand for service at the county level. The main impetus for growth in the past two decades has come from the expansion of nearby metropolitan Houston. Many Montgomery County residents now work in Houston, and the spread of the city's suburbs into the County has led to a rapid rise in population. The governing body's active involvement in infrastructure improvements has been instrumental in this explosive growth in population. In recent years Montgomery County has become a recreation destination for many Houston residents. The area, with its abundant lakes and the Sam Houston National Forest, offers numerous opportunities for hunting, boating, fishing, and hiking.

Montgomery County maintains strict budgetary controls to ensure compliance with legal provisions in the annual appropriated budget approved by the governing body. Activities of the General Funds, the Special Revenue Funds, and the Debt Service Funds are included in the annual appropriated budget. Budget to actual comparisons are provided in this report for all funds for which an annual appropriated budget is adopted. According to the budget laws of the State of Texas, expenditures may not exceed the amount appropriated for each fund. The County Auditor is responsible for compiling and presenting a budget to Commissioners' Court for their consideration and approval, adhering to a calendar established by the statutes of the State of Texas. In keeping with those statutes, the ad valorem tax levy cannot be established until the budget is adopted. In Montgomery County, the budget is adopted by September 30th of each year. Once adopted, the budget is enforced by the County Auditor, as provided by statute.

Factors Affecting Financial Condition

The information presented in the financial statements of Montgomery County is best understood when it is considered from the broader perspective of the specific environment within which Montgomery County operates.

Local economy – Historically, the County’s economy has been based on mineral production (oil, gas, sand, and gravel), agriculture (horses, cattle, and greenhouse nurseries), and lumbering (timber products). Today, the economy has shifted towards an urban-rural mix. In recent years, the largest industries have been energy, education, health and social services, with retail trade and manufacturing following. Investments made in Texas highways recently have assisted in attracting new and diverse businesses to the County. A favorable taxing environment has drawn many companies to relocate corporate headquarters to Montgomery County. The Woodlands, a planned community in south Montgomery County, is home to energy, biomedical, and technology businesses. This is causing ever-continued growth in the southern part of the County. As Houston and Harris County, directly to the south, run out of developable land, business and residential growth in Montgomery County is expected to continue.

Recent developments that have contributed to the continued upturn in the local economy in Montgomery County include the construction of a nascent medical compound, centered around the busy intersection of Interstate 45 and State Highway 242, anchored by Texas Children’s Hospital, St. Luke’s and Methodist Hospital. The relocation of ExxonMobil’s corporate headquarters to northern Harris County has further driven growth to the southern part of Montgomery County. The former Boy Scout camp at Camp Strake was sold to Johnson Development Corporation with the intent of creating a new master planned community, Grand Central Park, on 2,046 acres. Construction began in 2016; the 336 Marketplace located in the community has welcomed its first tenant, Kroger Marketplace.

Just before the end of the fiscal year, Hurricane Harvey made landfall on the Texas Gulf Coast and meandered east back into the Gulf of Mexico before making a final landfall in Cameron, Louisiana on August 30, 2017. The enormous category 4 storm’s slow movement over the greater Houston area led to catastrophic flooding. The County experienced record levels of rainfall, in some areas exceeding 30 inches. Law enforcement and road crews throughout the County worked tirelessly to prepare for the impending arrival of Harvey. The County is working diligently with the State of Texas and the Federal Emergency Management Agency (FEMA) to make critical repairs to infrastructure and buildings.

Long-term financial planning – The Commissioners’ Court continues to be very active in infrastructure development, specifically road improvements, to help ensure economic growth. In the second half of calendar year 2005, the County executed an agreement with the Texas Department of Transportation that is facilitating the improvement of five separate state-owned roads. This Pass-Through Toll Agreement provides for the County to pledge local funds to improve these roads, with a partial reimbursement from highway funds at a later date. The County pledged \$100 million of the Series 2006 \$160 million voter-approved road bonds, as well as an additional \$88 million of future bonds to leverage the federal funds for the projects in the hopes of gaining an estimated \$232 million in improvements for the citizens of Montgomery County. In the same spirit of infrastructure development, voters in the County approved a ballot measure in November 2015 for a series of bond offerings that will raise \$280 million for a multitude of road projects throughout Montgomery County. The remaining bond offerings will be issued as funding for critical projects is needed.

As part of this future planning, the Commissioners’ Court created the Montgomery County Toll Road Authority (MCTRA) in August 2006. The MCTRA is charged with the task of collecting tolls from vehicles traveling on the portion of State Highway 242 which connects with Interstate 45 in southern Montgomery County. SH 242 opened to the public in July 2015. Revenues generated by the authority are anticipated to be used to either retire a portion of the debt related to the construction and/or to fund future improvements, as the need arises.

Energy innovations – Various energy saving ventures have been planned for county owned facilities. Lighting retrofits and solar charging panels have been installed in the County’s parking garages to recycle energy produced back into the county’s building grid. Infrastructure projects that replaced outdated windows and air conditioning units in the Montgomery County Courthouse and old Administration Building are already showing a marked reduction in energy consumption. The ongoing support by the Commissioners’ Court of various energy saving projects and small scale remodeling projects has allowed for even greater savings now and for the future. Management has taken an active interest in reducing both the County’s carbon footprint and energy costs.

New developments – As part of the continuing effort in the County to alleviate traffic congestion in the southern part of the County, the Commissioners’ Court awarded a contract to construct an interchange facility and direct connectors from State Highway 242 to Interstate 45. This project, approved by the governing body in February 2013, opened in July of 2015 and has improved the flow of traffic in the heavily congested south county area. The County is continuing in its endeavors to face transportation issues by exploring the expansion of the MCTRA to the western part of the County and specifically the Tomball Parkway. Working in conjunction with the Harris County Toll Road Authority (HCTRA), MCTRA is in the beginning stages of widening and improving Tomball Parkway.

Financial Transparency – In a continuing effort to embrace technological advances, the County embarked on replacing its enterprise resource planning system. Aided by various staff members throughout multiple user departments, vendor demonstrations took place in the fall of 2016. A final vendor selection is anticipated in the middle of 2018.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Montgomery County for its comprehensive annual financial report for the fiscal year ended September 30, 2016. This was the twenty-ninth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of all County departments. I want to express my appreciation to the entire staff of the Office of County Auditor for their continued efforts. I also wish to commend the members of the Commissioners’ Court for conducting the financial operations of Montgomery County in a responsible manner, while meeting the increasing demands for public service.

Respectfully submitted,

Phyllis L. Martin
Montgomery County Auditor

PLM/kgd



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Montgomery County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

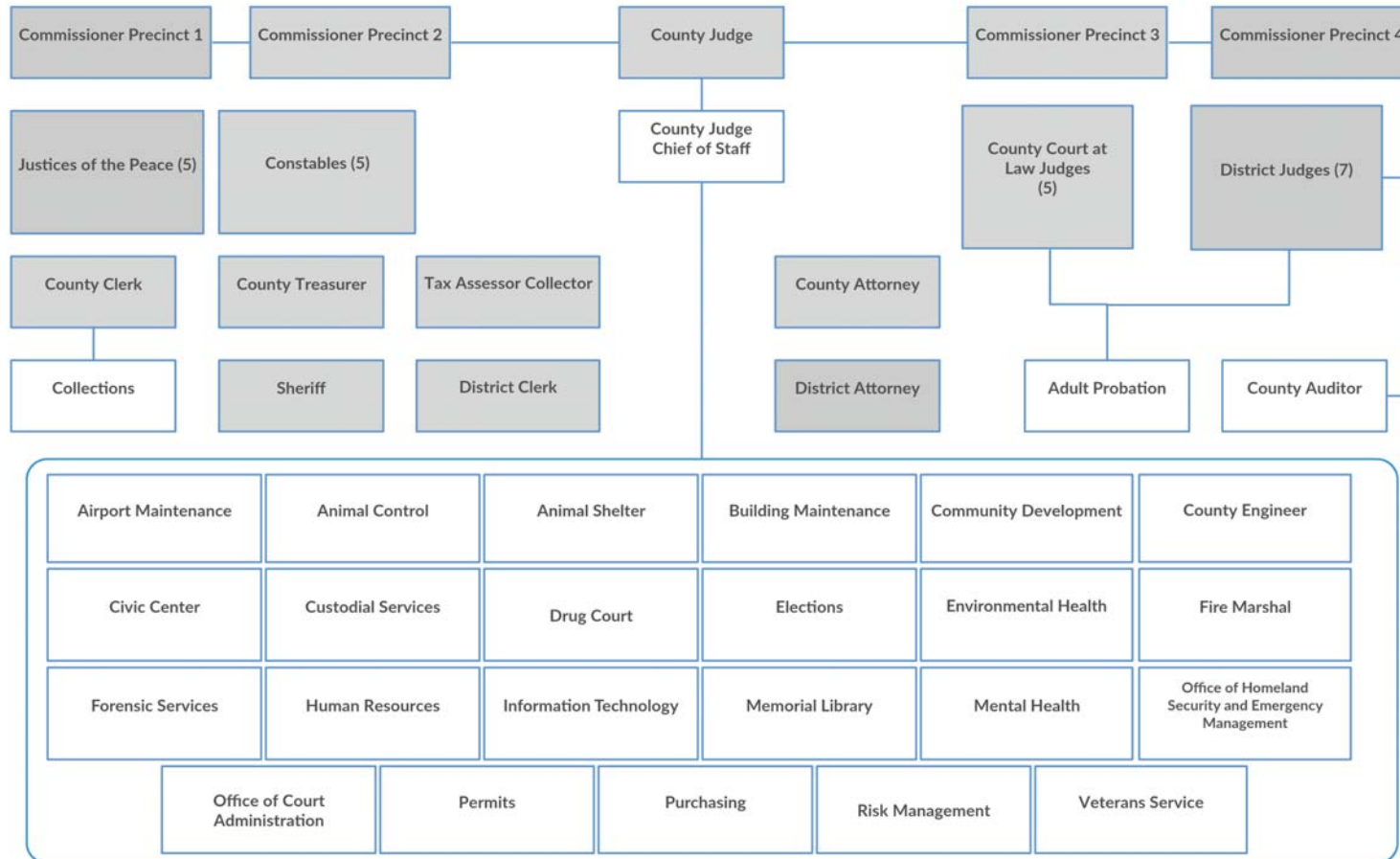




Montgomery County, Texas

Organization Chart

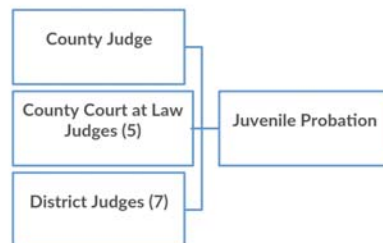
Determined in Elections by
VOTERS



Juvenile Board

Montgomery County Toll Road Authority

Intergovernmental



Commissioners Court

County Judge
Commissioner Precinct 1
Commissioner Precinct 2
Commissioner Precinct 3
Commissioner Precinct 4

Child Welfare
Crime Stoppers
Dispute Resolution
D.P.S. Secretary Pool
Extension Agents
Law Library



MONTGOMERY COUNTY, TEXAS
DIRECTORY OF OFFICIALS
SEPTEMBER 30, 2017

COMMISSIONERS' COURT:

Craig Doyal
Mike Meador
Charlie Riley
James L. Noack, Jr.
Jim Clark

County Judge
Commissioner, Precinct #1
Commissioner, Precinct #2
Commissioner, Precinct #3
Commissioner, Precinct #4

DISTRICT COURTS:

Phil Grant
Lisa Michalk
Cara Wood
Kathleen Hamilton
Jennifer Robin
Tracy Gilbert
Patty Maginnis
Brett Ligon
Barbara G. Adamick

Judge, 9th Judicial District
Judge, 221st Judicial District
Judge, 284th Judicial District
Judge, 359th Judicial District
Judge, 410th Judicial District
Judge, 418th Judicial District
Judge, 435th Judicial District
District Attorney
District Clerk

COUNTY COURTS AT LAW:

Dennis Watson
Claudia Laird
Patrice McDonald
Mary Ann Turner
Keith Stewart
JD Lambright
Mark Turnbull

Judge, County Court at Law #1
Judge, County Court at Law #2
Judge, County Court at Law #3
Judge, County Court at Law #4
Judge, County Court at Law #5
County Attorney
County Clerk

JUSTICE COURTS:

Wayne L. Mack
Grady Trey Spikes
Mary E. Connelly
James Metts
Matthew Masden

Justice of Peace, Precinct #1
Justice of Peace, Precinct #2
Justice of Peace, Precinct #3
Justice of Peace, Precinct #4
Justice of Peace, Precinct #5

LAW ENFORCEMENT:

Rand Henderson
Phillip Cash
Gene DeForest
Ryan Gable
Kenneth "Rowdy" Hayden
David H. Hill

Sheriff
Constable, Precinct #1
Constable, Precinct #2
Constable, Precinct #3
Constable, Precinct #4
Constable, Precinct #5

FINANCIAL ADMINISTRATION:

Tammy McRae
Stephanne Davenport
Phyllis L. Martin
Gilbert Jalomo

Tax Assessor-Collector
County Treasurer
County Auditor¹
Purchasing Agent¹

¹ Designates appointed official. All others are elected.



FINANCIAL SECTION

Independent Auditor's Report

To The Honorable County Judge
and County Commissioners and Management of
Montgomery County
P.O. Box 539
Conroe, Texas 77305-0539

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montgomery County (the County), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montgomery County, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To The Honorable County Judge
and County Commissioners and Management of
Montgomery County, Texas

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Montgomery County's basic financial statements. The Introductory Section, Supplementary Information, Combining and Individual Fund Statements and Schedules, Capital Assets used in the Operation of Governmental Funds, and Statistical Section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information and Combining and Individual Fund Statements and Schedules 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 Supplementary Information and Combining and Individual Fund Statements and Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section, Capital Assets used in the Operation of Governmental Fund, and Statistical Section have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2018 on our consideration of Montgomery County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Montgomery County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Montgomery County's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
March 19, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis provides readers of the financial statements of Montgomery County, Texas (the County) with a narrative overview and analysis of the County's financial activities for the fiscal year ended September 30, 2017. The intent of this discussion and analysis is to evaluate the current activities, resulting changes, and currently known facts of the County as a whole. Readers of this discussion and analysis should consider the information presented here in conjunction with additional information that is furnished in the accompanying letter of transmittal, which can be found on pages 1-4 of this report. This discussion should also be read in conjunction with the basic financial statements and the notes to those financial statements (which immediately follow this discussion). The discussion and analysis includes comparative data from the prior year.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$624,667,365 (net position). Of this amount, \$73,859,730 is restricted for specific purposes. With the presentation of the net investment in capital assets, unrestricted net position becomes \$36,023,800.
- The County's total net position increased by \$48,955,296. This is due to the rapid growth experienced throughout the County as well as an increase in net investment in capital assets in business-type activities of \$991,587.
- At September 30, 2017, the County's governmental funds reported combined ending fund balances of \$335,373,605, an increase of \$56,495,114 from operations in comparison with the prior year. From the ending fund balances, \$813,310 is non-spendable, \$166,901,302 is restricted, \$54,845,363 is committed and \$68,130,167 is assigned. Approximately 13.3% of the ending balances, \$44,683,463 is unassigned and available for spending at the government's discretion. Details on these balances can be found in the chart included in Note 11.
- At September 30, 2017, unassigned fund balance for the General Fund was \$44,683,463, or 20.3% of total General Fund expenditures.
- The County's total bonded debt increased by \$17,070,000 (4.0%) during the current fiscal year. This increase was primarily due to the combination of the issuance of a series of refunding debt which defeased certain obligations as well as the issuance of road bonds during the current fiscal year.
- As of fiscal year 2017, the County reported a net pension liability of \$48,318,814.
- As of fiscal year 2017, the County reported other post-employment benefit obligations (OPEB) of \$81,060,161.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Montgomery County's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional supplementary information to the financial statements themselves.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities, the two government-wide financial statements, are designed to provide readers with a broad overview of Montgomery County's finances, similar to the financial statements of a private-sector business. Both of these statements are presented using the full accrual basis of accounting; therefore, revenues are reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of cash being received or disbursed. These statements include capital assets of the County (including infrastructure added since implementing GASB Statement No. 34 in fiscal year 2003 and the portion of GASB Statement No. 34 as it pertains to retroactive infrastructure reporting) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables and receivables.

The Statement of Net Position presents information on all of Montgomery County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two groups being reported as net position. This statement is similar to that of the balance sheet of a private-sector business (with primary sections in a business balance sheet being assets, liabilities, and equity). The GASB believes that, over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents the County's revenues and expenses for the year, with the difference between the two resulting in the change in net position for the fiscal year ended September 30, 2017. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Because the statement of activities separates program revenue (revenue generated by specific programs through fees, fines, forfeitures, charges for services, or grants received) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each function has to rely on general revenues for funding. The governmental functions of the County include general administration, judicial, legal services, elections, financial administration, public facilities, public safety, health and welfare, culture and recreation, conservation, public transportation, and debt service.

Government-wide financial statements include not only the activities of the County itself (known as the primary government), but also those of a legally separate component unit: the Montgomery County Toll Road Authority. The County Commissioners' Court acts as the Board of Directors for the component unit whose activities are blended with those of the primary government because they function as part of the County government. Montgomery County's government-wide financial statements distinguish functions of the County that are principally supported by tax and intergovernmental revenues (*governmental activities*) from those that are intended to recover all or a significant portion of their costs through fees and charges (*business-type activities*).

The government-wide financial statements can be found on pages 32-33 of this report.

Fund Financial Statements

The fund financial statements focus on the County's most significant funds (major funds) rather than fund types, or the County as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Montgomery County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- 1) Governmental funds are maintained to account for the government's operating and financing activities. The measurement focus is on available resources.
- 2) Proprietary funds are utilized to account for internal service funds and enterprise funds. Internal service funds are an accounting tool used to accumulate and allocate costs amongst the County's functions. Enterprise funds are used to report an activity for which a fee is charged to external users for goods and services.
- 3) Fiduciary funds are used to account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. As mentioned earlier, government-wide financial statements are reported using full accrual accounting; governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as balances of available resources. In other words, revenue is reported when earned, provided it is collectible within the reporting period or soon enough afterward to be used to pay liabilities of the current period. Likewise, liabilities are recognized as expenditures only when payment is due since they must be liquidated with available cash. Such information is useful in comparing a government's near-term financing requirements to near-term resources available.

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore 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 should better understand the results and long-term impact of the government's near-term financing decisions. The user is assisted in this comparison between the two bases of accounting by way of a reconciliation statement between the governmental fund balance sheet and the government-wide statement of net position, as well as a reconciliation statement between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

Montgomery County maintained 44 individual governmental funds during the fiscal year ended September 30, 2017. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road and Bridge Fund, the Debt Service Fund, and the Road Bonds Series 2016A Fund, all of which are considered to be major funds. Data from the remaining governmental funds (i.e., nonmajor funds) is combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of combining schedules, which are included in the Supplementary Information section following the notes to the financial statements.

Montgomery County utilizes and maintains budgetary controls over its operating funds. Budgetary controls are used to ensure compliance with legal provisions required under state statute governing the annual appropriated budget. Budgets for governmental funds are established in accordance with state law and, by County policy, are adopted at the department level for the General Fund, all Special Revenue Funds, and the Debt Service Fund using the primary categories of salaries, benefits, supplies, services, and capital outlay. A budgetary comparison statement is provided in the financial section for the General Fund and the Road and Bridge Special Revenue Fund. Budgetary comparison schedules for all nonmajor

special revenue funds are provided as supplementary information. These budgetary comparisons can be used to demonstrate compliance with the budget both in its original and final forms.

The basic governmental fund financial statements can be found on pages 34-43 of this report.

Proprietary Funds are utilized as an accounting device to accumulate and allocate costs internally among the County's various functions. The County maintains four Internal Service funds to account for its employee health benefits, accident and liability, worker's compensation, and the County's Wellness Clinic. Since the internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The County also maintains an Enterprise Fund to account for activity in the Montgomery County Toll Road Authority (MCTRA). The projects are in the beginning stages, the operations are primarily dependent on taxes rather than user fees; however, the intention is for these funds to ultimately become fully supported by user fees. This fund is reported as a business-type activity in the financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service funds are also presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 45-47 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties other than the County itself. Agency funds are the only fiduciary fund type used by Montgomery County, and they are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs and expenses of the County. The basis of accounting used for fiduciary funds is the full accrual basis, much like that of the government-wide statements.

The basic fiduciary fund financial statements can be found on page 48 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. As such, the notes are an integral part of the basic financial statements. They focus on the primary government's governmental activities, major funds, and nonmajor funds in the aggregate.

The notes to the financial statements can be found on pages 49-83 of this report.

Required supplementary information provides information on the County's participation in the agent multiple-employer defined benefit pension plan as well as information on other post-employment benefits. The required supplementary information can be found on pages 84-86.

Supplementary information is comprised of the General Fund final budget versus actual at the department level. This comparative data can be found on pages 89-102 of this report.

Supplementary information also includes combining financial statements for non-major governmental, proprietary and fiduciary funds. These funds are totaled by fund type and presented in a single column in the basic financial statements. They are not reported individually, as with major funds, on the governmental fund financial statements.

Supplementary information can be found on pages 104-173 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, the GASB believes that net position may serve over time as a useful indicator of a government's financial position. Montgomery County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$624,667,365 at September 30, 2017, as shown in the table below.

Montgomery County, Texas Net Position						
	Governmental Activities		Business-type activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Current and other assets	\$ 404,378,985	\$ 344,959,458	\$ (5,542,689)	\$ (4,254,205)	\$ 398,836,296	\$ 340,705,253
Capital assets	792,069,288	760,415,572	62,599,944	60,315,827	854,669,232	820,731,399
Total assets	<u>1,196,448,273</u>	<u>1,105,375,030</u>	<u>57,057,255</u>	<u>56,061,622</u>	<u>1,253,505,528</u>	<u>1,161,436,652</u>
Deferred outflow of resources	55,584,420	64,967,783	-	-	55,584,420	64,967,783
Long-term liabilities outstanding	643,965,832	612,687,988	-	-	643,965,832	612,687,988
Other liabilities	37,540,377	34,459,362	385,621	381,575	37,925,998	34,840,937
Total liabilities	<u>681,506,209</u>	<u>647,147,350</u>	<u>385,621</u>	<u>381,575</u>	<u>681,891,830</u>	<u>647,528,925</u>
Deferred inflow of resources	2,530,753	3,163,441	-	-	2,530,753	3,163,441
Net Position:						
Net Investment in Capital Assets	452,183,891	386,697,807	62,599,944	60,315,827	514,783,835	447,013,634
Restricted	73,859,730	63,131,106	-	-	73,859,730	63,131,106
Unrestricted	41,952,110	70,203,109	(5,928,310)	(4,635,780)	36,023,800	65,567,329
Total net position	<u>\$ 567,995,731</u>	<u>\$ 520,032,022</u>	<u>\$ 56,671,634</u>	<u>\$ 55,680,047</u>	<u>\$ 624,667,365</u>	<u>\$ 575,712,069</u>

The County's total assets of \$1,253,505,528 are largely comprised of investments of \$215,114,109, or 17.2%, and capital assets net of accumulated depreciation of \$854,669,232, or 68.2%. The capital assets of the County include land, buildings, improvements other than buildings, equipment, intangibles, and infrastructure (roads, bridges, signs, etc.). Capital assets are non-liquid assets that provide services to citizens; as a result, these assets cannot be utilized to satisfy County obligations.

As in last year, long-term debt of \$643,965,832 comprises the largest portion of the County's total liabilities of \$681,891,830 at 94.5%. Of total long-term liabilities, \$44,555,212 is due within one year, with the remainder of \$599,410,620 being due over a period of time greater than one year. A more in-depth discussion of long-term debt can be found in the notes to the financial statements.

The County's assets and deferred outflows of resources exceeded its liabilities by \$624,667,365 (net position) as of September 30, 2017. Roughly 12%, or \$73,859,730, of the County's net position represents restricted net position. These resources are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants, and granting conditions. Of the restricted net position, \$31,668,024 is restricted for capital projects and \$42,191,706 is restricted for debt service. The most significant portion (\$514,783,835) of the County's net position reflects its net investment in capital assets.

Montgomery County, Texas
Statement of Activities

	Governmental activities		Business-type activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Revenues:						
<i>Program revenues:</i>						
Fees, fines, forfeitures, and charges for services	\$ 136,496,566	\$ 146,981,482	\$ 1,150,033	\$ 1,419,725	\$ 137,646,599	\$ 148,401,207
<i>Operating grants and contributions:</i>	14,153,836	13,138,023	-	-	14,153,836	13,138,023
<i>Capital grants and contributions:</i>	58,853,193	89,527,655	1,148,672	10,882,724	60,001,865	100,410,379
<i>General revenues:</i>						
Property taxes	248,120,144	229,719,148	-	-	248,120,144	229,719,148
Other taxes	2,788,410	2,757,791	-	-	2,788,410	2,757,791
Other general revenues	4,365,688	2,718,693	-	-	4,365,688	2,718,693
Total revenues	464,777,837	484,842,792	\$ 2,298,705	\$ 12,302,449	467,076,542	497,145,241
Expenses:						
General administration	65,159,730	57,650,555	-	-	65,159,730	57,650,555
Judicial	37,787,341	34,705,287	-	-	37,787,341	34,705,287
Legal services	4,038,642	4,074,382	-	-	4,038,642	4,074,382
Elections	2,142,405	2,431,498	-	-	2,142,405	2,431,498
Financial administration	8,001,174	7,545,414	-	-	8,001,174	7,545,414
Public facilities	71,243,441	72,057,612	-	-	71,243,441	72,057,612
Public safety	83,664,853	110,534,947	-	-	83,664,853	110,534,947
Health and welfare	30,656,288	27,909,010	-	-	30,656,288	27,909,010
Culture and recreation	11,037,207	10,445,137	-	-	11,037,207	10,445,137
Conservation	1,704,745	1,480,246	-	-	1,704,745	1,480,246
Public transportation	81,958,847	80,106,170	-	-	81,958,847	80,106,170
Debt service interest and fiscal charges	19,419,455	18,137,058	-	-	19,419,455	18,137,058
Toll Road	-	-	1,307,118	1,506,873	1,307,118	1,506,873
Total expenses	416,814,128	427,077,316	1,307,118	1,506,873	418,121,246	428,584,189
Increase (decrease) in net position	47,963,709	57,765,476	991,587	10,795,576	48,955,296	68,561,052
Net Position - beginning	520,032,022	459,343,410	55,680,047	44,884,471	575,712,069	504,227,881
Prior period adjustment	-	2,923,136	-	-	-	2,923,136
Net Position - Beginning, as restated	520,032,022	462,266,546	55,680,047	44,884,471	575,712,069	507,151,017
Net Position - Ending	\$ 567,995,731	\$ 520,032,022	\$ 56,671,634	\$ 55,680,047	\$ 624,667,365	\$ 575,712,069

However, the County's overall net position increased from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities

During the current fiscal year, net position for governmental activities increased by \$47,963,709 from the prior fiscal year, attributing to the ending balance of \$567,995,731. Despite the requirement of GASB 68 to report a net pension liability of \$48,318,814, the government wide activities experienced an increase. This is in part due to a continued growth throughout the County which contributes to the boost in ad valorem tax receipts.

The County's total revenues of \$464,777,837 is a decrease from the prior year. Property tax revenue accounts for \$248,120,144, or 53.4%, and is an increase over last year of \$18,400,996. Montgomery County continues to see increased population and commercial development, as people continue to relocate to the County. These both contribute greatly to increase appraisal values and subsequent tax collections.

Program revenues of fees, fines, forfeitures, and charges for services comprise \$136,496,566, or 29.4%; and grants and contributions encompass \$73,007,029, or 15.7% of total revenues of governmental activities. This represents a decrease in program revenues of \$10,484,916. Operating Grants and Contributions were \$14,153,836, an increase of \$1,015,813 largely due to the inclusion of Adult Probation. Capital Grants and Contributions experienced a decrease in the amount of \$30,674,462 primarily due to the reduction on county infrastructure donations.

Expenses for the year totaled \$416,814,128. The Public Transportation function accounted for \$81,958,847, or 19.7% of the total expenses in governmental activities. The increase in spending in the public transportation function (\$1,852,677) is due to several large road construction projects undertaken by the County during the fiscal year. These projects are primarily for widening and improvement of State-owned roads, creating expenditures with no offsetting asset capitalization.

The Public Safety function experienced a decrease in expenses of \$26,870,094 over the previous year. Contributing to the downturn in Public Safety expenses are the closing of several large Homeland Security grants and a newly elected Sheriff who restructured and streamlined law enforcement operations.

The General Administration function experienced an increase in expenses of \$7,509,175 over last year to \$65,159,730. This is primarily due to the increase in the expenses recorded in the county's internal service funds, which are recorded in the General Administration function.

The Health and Welfare function expenses increased to \$30,656,288, an increase of \$2,747,278. During the prior fiscal year, the County terminated the management and operations contract for the Animal Shelter and resumed operating its own facility. The County has responded to constituents' requests and has increased the budget for the Animal Shelter.

Business-type Activities

For the County's business-type activities, the results for the current year were positive in that overall net position was \$56,671,634. Capital Grants and Contributions of \$1,148,672 comprised 50.0% of total revenues for business-type activities. Included in this amount is the purchase of land parcels as MCTRA is in the beginning stages of expansion of a portion of Tomball Parkway to be used as a toll road. The SH242 Direct Connectors have been in service since July 2016. During fiscal year 2017, MCTRA receipted \$1,150,033 in toll revenue.

The government's ending net position of \$624,667,365 represents an increase of \$48,955,296 from the prior year's net position. The County's change in net position for governmental activities is summarized by the following chart:

Montgomery County, Texas
Change in Net Position

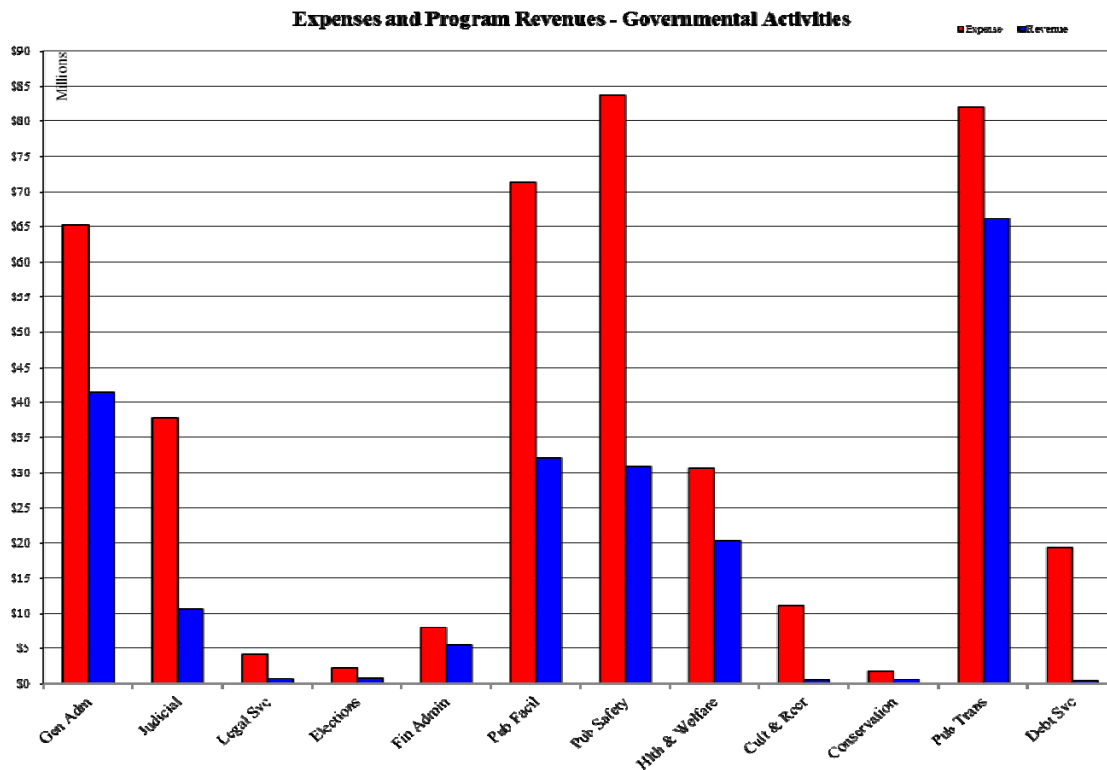
	Governmental Activities	
	FY 2017	FY 2016
<i>Governmental funds activity:</i>		
Total revenues	\$ 389,792,173	\$ 378,755,693
Total expenditures	416,033,913	370,086,406
Excess (Deficiency) of revenues over expenditures	(26,241,740)	8,669,287
Capital lease financing	758,256	595,566
Grant funds not reimbursed	-	(6,862)
Issuance of Refunding Bonds	47,775,000	60,402,677
Issuance of general obligation bonds	73,725,000	51,662,323
Payment to refunded bond escrow agent	(51,269,830)	(73,331,090)
Premiums on obligations	11,311,438	22,414,184
Net change in fund balance	56,058,124	70,406,085
<i>Government-wide activity:</i>		
Difference between current year's capital outlay expenditures and depreciation expense	(7,820,958)	(8,013,118)
Expenditures made in addition to the annual required		
Net effect of capital asset sales, donations, trade-ins, etc.	39,515,910	65,446,003
Revenues not reported in funds because they do not provide current-period financial resources	475,549	(22,361,420)
Internal Service Funds which are not reported in funds but are reported in government wide activity	(2,023,356)	405,730
Long-term debt not reported in funds because it does not affect the current period	(24,586,008)	(39,294,610)
Expenses not reported in the funds because they do not use current-period financial resources	(13,655,552)	(8,823,194)
Total change in net position	<u>\$ 47,963,709</u>	<u>\$ 57,765,476</u>

This change in net position begins with the current year's differences between governmental revenues and expenditures (\$26,241,740) along with other financing sources and uses (\$82,299,864). Differences between capital assets added during the year and the depreciation related to all capital assets recorded, along with the effect of various capital assets transactions, such as dispositions and donations (\$31,694,952) also affect this change.

Other factors influencing the change in net position are those revenues and expenses that do not provide or require the use of current financial resources (\$13,180,003). GASB Statement No. 34 dictates that the County record an allowance for accounts that are unlikely to be collected. These allowances for doubtful accounts combine with items, such as deferrals of long-term balances not being paid in the current year, to constitute further changes in net position. Additionally, long-term debt, whether being issued or retired, has an effect on the change in net position (\$24,586,008). During the fiscal year, the County issued road bonds and an issuance of refunding debt. The County also reports a net pension liability (\$48,318,814) on the balance sheet.

The overall financial position of the County has improved over the last year. As mentioned earlier, there is an increase in net position of \$47,963,709. Moreover, the increase of \$21,654,249 in the combined fund balance of Montgomery County's two major operating funds, the General Fund and the Road and Bridge Fund, indicates continued improvement in overall financial position. As part of long-range planning, management has pledged to continue maintaining the level of the General fund's unassigned fund balance at an amount between 10 and 15 percent of annual operating expenditures.

The following chart depicts expenses and program revenues for the fiscal year ending September 30, 2017 for governmental activities.

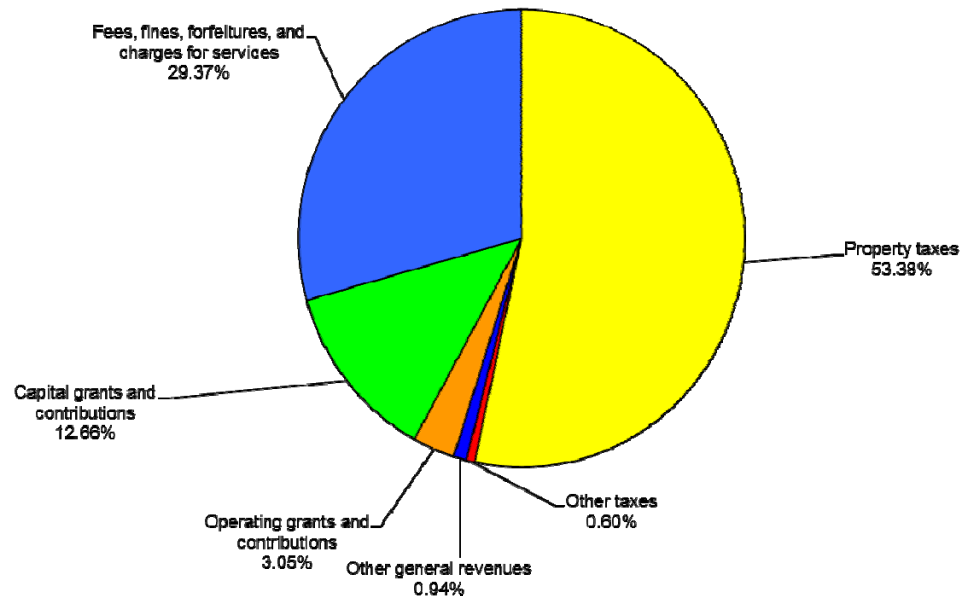


Key elements of the analysis of government-wide program revenues and expenses as they relate to each function reflect the following:

- Program revenues of \$209,503,595 are comprised in large part (31.5%) of public transportation's revenues of \$66,063,688 and general administration's revenues of \$41,344,942 (19.7%). The public facilities function comprises 15.3% of program revenues with \$32,133,645, public safety makes up 14.7% of program revenues with \$30,884,873, and Health and Welfare covers 9.7% of program revenues with \$20,256,247. The expenses of these functions account for 19.7%, 15.6%, 17.1%, 20.1%, and 7.4%, respectively. As expected, general revenues provided the required support and coverage in areas where expenses exceeded revenues.
- The public transportation function experienced an increase in expenses of \$1,852,677 while also realizing a decrease in revenues of \$32,619,911. The increase in expenses is the result of an aggressive effort on the part of the Commissioners to complete road way projects, many of which are state-owned, located in the County. The continued and explosive growth in the County, sparked by the energy boom, provides the impetus for the Commissioners' actions. The decrease in revenues is due to a decrease in the amount of donations of roads received by the County.

The following chart depicts revenues of the governmental activities for the fiscal year ended September 30, 2017.

Revenues by Source - Governmental Activities



GOVERNMENTAL FUND FINANCIAL ANALYSIS

Montgomery County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are a means of providing information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Montgomery County's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2017, the County's governmental funds reported combined ending unassigned fund balances of \$44,683,463 that are available for spending at the County's discretion. The remainder of fund balances are categorized as non-spendable (\$813,310), restricted (\$166,901,302), committed (\$54,845,363) or assigned (\$68,130,167) to reflect the varying levels of liquidity.

Total assets and deferred outflows of resources in the General Fund amounted to \$221,108,249, accounting for 47.6% of total governmental fund assets. The total assets of other major funds, which include Road and Bridge Special Revenue Fund (\$19,784,216), the Debt Service Fund (\$29,319,317), and the Road Bonds, Series 2016A (\$77,417,356). Together, all major funds account for \$347,629,138 (74.8%) of the County's \$464,785,012 in total assets.

The County's General Fund balance increased by \$24,740,221 during the current fiscal year. Key factors in this increase are as follows:

- An increase in the appraised value of real and personal property, sparked by the influx of new residents, boosted current ad valorem tax revenues by \$9,563,826.
- Conservative spending policies and practices of the Commissioners' Court encouraged all aspects of the organization to reduce spending where possible.

The Road and Bridge Special Revenue Fund has a total fund balance of \$13,196,890 which is reported as \$1,498,265 restricted, \$4,605,860 as committed, and \$7,092,765 as assigned. The fund balance decreased by \$3,085,972 during the current year due to the increased focus of funding through the operating budgets of the Commissioners of various road maintenance projects to improve mobility.

The fund balance of \$28,249,874 in the Debt Service Fund is presented as fund balance restricted for debt service. The fund balance decreased as a result of the defeasance of debt associated with the Pass-Through Toll Agreement.

The entire fund balance of the Road Bonds, Series 2016A, \$70,480,890 is classified as restricted and represents amounts that are for specifically for Commissioners' Court approved road improvement projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The published budget of Montgomery County for fiscal 2017 was prepared on a modified accrual basis, and includes all elements required by Texas Local Government Code Section 111.034, applicable to counties of population more than 225,000 that do not have an appointed County Budget Officer. The original adopted budget of the General Fund includes revenues of \$234,995,904 and expenditures of \$223,642,751. The General Fund's final budget, as amended, contains revenues and other financing sources of \$255,808,822 and expenditures and other financing uses of \$255,727,650.

The following table presents the changes between the original adopted budget and the final budget for the General Fund as of September 30, 2017.

General Fund Budget Variances Year Ended September 30, 2017			
	Original Budget	Final Budget	Variance with Original Budget Positive (Negative)
Revenues:			
Taxes	\$ 182,866,366	\$ 182,866,366	\$ -
Licenses and Permits	2,009,000	2,165,871	156,871
Fees	15,512,989	15,617,922	104,933
Intergovernmental	1,065,000	5,339,417	4,274,417
Charges for Services	2,911,386	3,236,479	325,093
Interest	332,210	383,630	51,420
Contract Reimbursements	13,981,453	14,834,305	852,852
Inmate Housing	15,800,000	29,992,842	14,192,842
Fines and Forfeitures	40,000	40,000	-
Miscellaneous	477,500	869,488	391,988
Total Revenues	<u>234,995,904</u>	<u>255,346,320</u>	<u>20,350,416</u>
Expenditures:			
General Administration	37,757,532	31,879,681	5,877,851
Judicial	21,884,805	23,098,679	(1,213,874)
Legal Services	3,502,720	3,651,365	(148,645)
Elections	1,381,347	1,472,949	(91,602)
Financial Administration	11,419,156	11,931,625	(512,469)
Public Facilities	49,932,696	67,017,826	(17,085,130)
Public Safety	73,732,840	88,061,860	(14,329,020)
Health and Welfare	8,702,098	11,984,237	(3,282,139)
Culture and Recreation	9,474,185	10,022,975	(548,790)
Conservation	709,789	744,777	(34,988)
Public Transportation	938,789	1,535,540	(596,751)
Miscellaneous	4,206,794	732,095	3,474,699
Total Expenditures	<u>223,642,751</u>	<u>252,133,609</u>	<u>(28,490,858)</u>
Excess Revenues Over Expenditures	<u>11,353,153</u>	<u>3,212,711</u>	<u>(8,140,442)</u>
Other Financing Sources/(Uses):			
Transfers In	-	462,502	462,502
Transfers Out	-	(3,594,041)	(3,594,041)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>(3,131,539)</u>	<u>(3,131,539)</u>
Net Change in Fund Balances	<u>11,353,153</u>	<u>81,172</u>	<u>(11,271,981)</u>
Fund Balance - Beginning	<u>98,225,193</u>	<u>94,831,281</u>	<u>(3,393,912)</u>
Fund Balance - Ending	<u>\$ 109,578,346</u>	<u>\$ 94,912,453</u>	<u>\$ (14,665,893)</u>

Final budgeted revenues were higher than originally planned by \$20,350,416. Intergovernmental revenue contained \$4,274,417 more in the final budget than in the original budget. This increase is largely due to the receipt of several large federal and state grants during the year that were not foreseen at the time the original budget was adopted.

The final budget for contract reimbursements was \$852,852 more than the original budget. During the original budget process, Commissioners' Court does not budget for funds that are not at the discretion of the County to spend. Additionally, during the course of the fiscal year, the County entered into several contracts for law enforcement services with local agencies. These contracts were also contributing factors to the increase in the budget for contract reimbursements.

The County has entered into agreements with the United States Marshals Service (USMS) and Immigration and Customs Enforcement (ICE) to house federal detainees. Fluctuations in the number of detainees throughout the fiscal year contributed to the increase of \$14,192,842 in the final budget over the original budget.

The originally unanticipated revenue partially offsets the expenditure differences of \$28,490,858 between the original budget and the final amended budget. The Judicial function had a final expenditure budget that is \$1,213,874 higher than the original budget. Contributing to this increase in budgeted expenditures two grants that were received by the County during the fiscal year that funded the establishment of a veteran's treatment court. This specialty court assists veterans by diverting them from the traditional criminal justice system into an alternative to incarceration program that addresses their specific needs.

Funds that were originally scheduled in prior fiscal years were not included in the original budget for fiscal year 2017. This practice reflects the County's policy of letting encumbrances lapse at year-end and re-appropriating them in the current year. This policy created increases in the amended budget for carryovers from the prior year in the Legal, Elections, Financial Administration, Culture and Recreation, Conservation and Public Transportation functions.

The General Administration function experienced a drop of \$5,877,851 in expenditures between the original and final amended budget. The County budgets its utility costs for the entire county in a cost center and allocates an estimated amount to each department at the beginning of the fiscal year. Fiscal year 2017 marked the second year that the County set aside funds for capital improvements. A budget of \$8,080,778 was established and transferred to an appropriate capital improvement fund as projects were identified.

The Health and Welfare function experienced a \$3,282,139 increase from the original budget primarily due to a grant awarded to the County during fiscal year 2017 for the repair of vehicles owned by low income individuals that fail emissions testing as well as two grants for the Animal Shelter that provided much needed supplies.

A \$14,329,020 increase in the final budget over the original budget for expenditures in the Public Safety function was the result of several factors, including encumbrance carryovers as mentioned above. Also contributing to the budgeted variances for the Public Safety function, is the County's participation in several contracts with the Federal government as well as local agencies for law enforcement services. During the course of the fiscal year, additional inter-local agreements were created with local agencies for the performance of security services. These additional contracts created increased expenditures for the County, but also created an increase in the revenue line supporting the associated expenditure.

The Public Facilities function had final budgeted expenditures \$17,085,130 higher than the original budget. This is directly related to the agreements that the County has entered into with the USMS and ICE for the care and custody of federal inmates, and the increase in the number of those inmates throughout the year.

The Miscellaneous function had a reduction of \$3,474,699 between the adopted and final amended budget. During the 2017 budget process, the County set aside \$1,000,000 as a contingency for the Animal Shelter operations. Over the course of several months, the Animal Shelter presented updates to the governing body on their improved operations and funding was allocated the department.

The following table presents the differences between the final amended budget and actual expenditures for the General Fund as of September 30, 2017.

General Fund Budget Variances Year Ended September 30, 2017			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 180,826,366	\$ 181,739,577	\$ 913,211
Licenses and Permits	2,165,871	2,430,326	264,455
Fees	15,617,922	16,835,114	1,217,192
Intergovernmental	7,379,417	7,684,300	304,883
Charges for Services	3,236,479	2,914,647	(321,832)
Investment Earnings	383,630	1,969,724	1,586,094
Contract Reimbursements	14,834,305	14,065,098	(769,207)
Inmate Housing	29,992,842	29,992,842	-
Fines and Forfeitures	40,000	57,074	17,074
Miscellaneous	869,488	1,313,512	444,024
Total Revenues	<u>255,346,320</u>	<u>259,002,214</u>	<u>3,655,894</u>
Expenditures:			
General Administration	31,879,681	23,002,029	8,877,652
Judicial	23,098,679	22,167,337	931,342
Legal Services	3,651,365	3,461,661	189,704
Elections	1,472,949	1,317,448	155,501
Financial Administration	11,931,625	7,218,354	4,713,271
Public Facilities	67,017,826	64,873,327	2,144,499
Public Safety	88,061,860	75,905,464	12,156,396
Health and Welfare	11,984,237	10,680,118	1,304,119
Culture and Recreation	10,022,975	9,472,302	550,673
Conservation	744,777	704,599	40,178
Public Transportation	1,535,540	1,038,932	496,608
Miscellaneous	732,095	-	732,095
Total Expenditures	<u>252,133,609</u>	<u>219,841,571</u>	<u>32,292,038</u>
Excess Revenues Over Expenditures	<u>3,212,711</u>	<u>39,160,643</u>	<u>35,947,932</u>
Other Financing Sources/(Uses):			
Transfers In	462,502	1,404,290	941,788
Transfers Out	(3,594,041)	(16,066,327)	(12,472,286)
Capital Lease Financing	-	241,615	241,615
Total Other Financing Sources/(Uses)	<u>(3,131,539)</u>	<u>(14,420,422)</u>	<u>(11,288,883)</u>
Net Change in Fund Balances	<u>81,172</u>	<u>24,740,221</u>	<u>24,659,049</u>
Fund Balance - Beginning	<u>111,214,645</u>	<u>111,214,645</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 111,295,817</u>	<u>\$ 135,954,866</u>	<u>\$ 24,659,049</u>

Actual revenues exceeded budgeted revenues by \$3,655,894. Fee increases approved by the State Legislature and an increase in investment earnings comprise the lion's share of the increase (\$2,803,286) and serve to offset the shortfall in charges for service and contract reimbursements.

Actual expenditures were \$32,292,038 lower than final budgeted expenditures. The General Administration function contributed \$8,877,652 toward that amount. The County's policy for multiple year grants is to budget the entire grant in the year in which it is awarded, even though all expenditures may not be realized in the initial year. This can lead to a seemingly large, unspent budget. Additionally, funding for capital improvement projects was budgeted in 2017 but not spent during the year amounting to \$5,530,080.

All departments in the Public Safety function of the General Fund expended less than was approved in the final amended budget by \$12,156,396. The difference is primarily due to the fact that grants, most notably grants awarded by the Department of Homeland Security, which span multiple County fiscal years or are awarded late in the fiscal year contain monies that are spent in subsequent years. Additionally, unanticipated turnover in the Sheriff's office, which has cost centers in both the Public Safety and Public Facilities functions, left the department with excess salary and benefits funds as well as the supplies needed for those positions.

The Financial Administration function showed actual expenditures less than the final budget by \$4,713,271, primarily due to the County proactively budgeting for Enterprise Resource Planning (ERP). The County's original timeline anticipated implementation commencing during fiscal year 2017.

The actual net change in fund balance was \$24,659,049 more than anticipated with the final budget. This is the result of a reduction in actual expenditures that included sufficient amounts to cover transfers to other funds as well as the decrease in actual revenues. The Jury Special Revenue Fund received \$10,800,000 more than shown in the final budget. In the Jury Special Revenue Fund the emphasis is on providing a service. That service is in the form of a court system. This fund is not expected in any year to provide enough revenues to adequately fund its own services. Therefore, it is anticipated that the General Fund will service the expenditures of this fund every year. Transfers in and out simply provide a mechanism to move funds from one self-balancing set of accounts (a fund) to another self-balancing set of accounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Montgomery County's investment in capital assets for its governmental and business-type activities as of September 30, 2017 amounted to \$854,669,232 (net of accumulated depreciation). This investment in capital assets includes land and easements, buildings, improvements, equipment, intangibles, infrastructure that was purchased, completed or donated since the fiscal year 1981, and construction in progress.

Major capital asset events during the current fiscal year included the following:

- Additions to the buildings category of \$7,298,376 consisted primarily of the purchase of a structure to be used as a potential south county fleet maintenance facility and a building for the Sheriff's district 2 patrol office.
- Vehicles and other various equipment items were acquired at a cost of \$5,874,485.
- A variety of projects for both new infrastructure construction and for expansion or updating of existing infrastructure were ongoing during the year. Infrastructure projects completed in 2017 amounted to \$19,963,038.

- Montgomery County continues to grow; it is continually ranked in the top 100 fastest growing counties in the nation¹. This brisk growth brings with it a need for vast improvements to a rural infrastructure system that must also cope with an influx of traffic. Development frequently comes with donations in the form of roads. Infrastructure donations for the year totaled \$39,435,529.
- Expenditures of \$1,607,286 were incurred for construction that was in progress throughout the year. Projects that were capitalized from ongoing construction throughout the year totaled \$2,163,951. These include extensive equipment upgrades such as an uninterrupted power source (UPS) at the Emergency Operations Center, a CCTV system at the recycle center and an HVAC upgrade at the Animal Shelter as well as a recycle center in the northern part of the County and a district one building remodel among other projects.
- Increases in assets for governmental and business-type activities were offset by depreciation expense of \$50,810,324.

Montgomery County, Texas
Capital Assets
(net of depreciation)
September 30, 2017
with Comparative Totals for September 30, 2016

	Governmental Activities		Business-Type Activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Land	\$ 90,389,114	\$ 80,953,544	\$ -	\$ -	\$ 90,389,114	\$ 80,953,544
Buildings	141,246,489	139,136,955	-	-	141,246,489	139,136,955
Improvements	6,946,499	7,903,750	-	-	6,946,499	7,903,750
Equipment	26,868,875	33,866,025	-	-	26,868,875	33,866,025
Infrastructure	526,580,968	497,961,290	62,599,944	60,315,827	589,180,912	558,277,117
Construction in Progress	37,343	594,008	-	-	37,343	594,008
Total	\$ 792,069,288	\$ 760,415,572	\$ 62,599,944	\$ 60,315,827	\$ 854,669,232	\$ 820,731,399

Efforts to assist constituents in obtaining services and the County's obligation to provide those services in a rapidly growing county come with many challenges. During the fiscal year, the County completed several major remodeling projects including, but not limited to, an HVAC upgrade at the Animal Shelter, a grand jury room remodel and various audio visual equipment installations. In addition, various construction projects and renovations are underway in the County and include the construction of boat storage for a Constable and new partitions for the Convention Center. Furthermore, the County began the massive undertaking of a jail expansion/construction to serve the needs of the County now and in the future.

More information on the County's capital assets can be found in Note 7 starting on page 64 of this report.

¹ <http://www.census.gov>

Long-Term Debt

At September 30, 2017, Montgomery County had total bonded debt outstanding of \$443,540,000. Commissioners' Court keeps maturity dates confined to no more than 30 years. The County has maintained an underlying rating by Standard & Poor's of "AA+" and an underlying rating by Moody's of "Aaa".

The County issues three types of debt; general obligation bonds are approved by the voters of the County while revenue bonds and certificates of obligation are approved by Commissioners' Court. Of the County's total debt, \$376,370,000 corresponds to general obligation debt, \$16,420,000 is in the form of revenue bonds and \$50,750,000 represents certificates of obligation. Montgomery County's total bonded debt had an increase of \$17,400,000 during 2017 due to the issuance of road bonds and refunding bonds.

The following table represents the entire long-term debt of the County at September 30, 2017 on a comparative basis.

**Montgomery County, Texas
Governmental Activities
Outstanding Long-Term Debt**

	FY 2017	FY 2016
General obligation bonds	\$ 376,370,000	\$ 315,110,000
Lease Revenue Bonds	16,420,000	52,825,000
Certificates of obligation	50,750,000	58,535,000
Capital Leases	3,777,887	5,893,321
Premiums, net of discounts	46,503,251	43,468,294
Compensated absences	13,941,832	14,255,347
Medical Obligation	5,213,837	3,616,159
Worker's Comp Obligation	1,610,050	1,347,167
Net Pension Liability	48,318,814	48,212,157
OPEB Liability	81,060,161	69,425,543
Total	<u>\$ 643,965,832</u>	<u>\$ 612,687,988</u>

The County is authorized under Article III, Section 52 of the State Constitution to issue bonds payable from ad valorem taxes for the construction and maintenance of roads. There is no constitutional or statutory limit as to rate on bonds issued pursuant to such constitutional provision. However, the amount of bonds that may be issued is limited to 25% of the assessed valuation of real property in the County. The current debt limitation for the County is \$13,600,749,082, which is significantly greater than the County's outstanding debt obligation.

Additional information on Montgomery County's long-term debt can be found in Note 9 beginning on page 66 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for the County is currently 4.1%², which is lower than the rate of 4.3% a year ago. This compares slightly unfavorably to the State's average unemployment rate of 4.0%³ and favorably to the national average rate of 4.2%⁴.
- The estimated debt service obligation decreased by \$20,238,756 in fiscal year 2018 to \$35,182,916. This decrease is due to the County's defeasance of the debt associated with the state's pass through toll program during fiscal years 2017 and 2018.
- In fiscal year 2016, the County began budgeting for various capital improvements through the annual budget process rather than relying on the issuance of debt. To continue this effort, contained within the fiscal year 2018 budget is funding in the amount of \$1,077,086 for this endeavor.
- The County created a budget review committee that studied ways to build a more fiscally conservative budget while striving to maintain services for the citizenry.

All of these factors were considered in preparing the Adopted Budget of Montgomery County, Texas for the fiscal year ending September 30, 2018.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Montgomery County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Montgomery County Auditor, P. O. Box 539, Conroe, Texas 77305-0539.

² The Work Source. <http://www.wrksolutions.com/Documents/Employer/LMI/unemploymentrates/LAUSHISTORY.pdf>.

³ The Work Source. <http://www.wrksolutions.com/Documents/Employer/LMI/unemploymentrates/LAUSHISTORY.pdf>.

⁴ U.S. Department of Labor, Bureau of Labor Statistics. <http://data.bls.gov/timeseries/LNS14000000>.

BASIC FINANCIAL STATEMENTS

MONTGOMERY COUNTY, TEXAS**Statement of Net Position****September 30, 2017**

EXHIBIT I

	Governmental Activities	Business -Type Activities	Total
ASSETS:			
Cash	\$ 114,491,032	\$ 2,147,173	\$ 116,638,205
Investments	215,114,109	-	215,114,109
Cash, Restricted for Retainage	1,271	-	1,271
Receivables:			
Taxes (net)	6,781,684	-	6,781,684
Accounts (net)	4,164,359	-	4,164,359
Interest	175,768	-	175,768
Internal Balances	7,808,928	(7,808,928)	-
Due from Other Governments	55,028,524	119,066	55,147,590
Prepaid Items	813,310	-	813,310
Capital Assets, net of accumulated depreciation:			
Land	90,389,114	-	90,389,114
Buildings	141,246,489	-	141,246,489
Improvements	6,946,499	-	6,946,499
Equipment	35,599,611	-	35,599,611
Infrastructure	517,850,232	62,599,944	580,450,176
Construction in Progress	37,343	-	37,343
Total Assets	<u>1,196,448,273</u>	<u>57,057,255</u>	<u>1,253,505,528</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows from Pensions	41,577,321	-	41,577,321
Deferred Charge on Refunding	14,007,099	-	14,007,099
Total Deferred Outflows of Resources	<u>55,584,420</u>	<u>-</u>	<u>55,584,420</u>
LIABILITIES:			
Accounts Payable	29,205,637	298,321	29,503,958
Retainage Payable	485,204	-	485,204
Accrued Interest Payable	1,731,780	-	1,731,780
Due to Other Governments	7,220	-	7,220
Unearned Revenue	6,110,536	87,300	6,197,836
Noncurrent Liabilities:			
Due within one year	44,555,212	-	44,555,212
Due in more than one year	599,410,620	-	599,410,620
Total Liabilities	<u>681,506,209</u>	<u>385,621</u>	<u>681,891,830</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows from Pensions	2,530,753	-	2,530,753
Total Deferred Inflows of Resources	<u>2,530,753</u>	<u>-</u>	<u>2,530,753</u>
NET POSITION:			
Net investment in capital assets	452,183,891	62,599,944	514,783,835
Restricted for:			
Capital Projects	31,668,024	-	31,668,024
Debt Service	42,191,706	-	42,191,706
Unrestricted	41,952,110	(5,928,310)	36,023,800
Total Net Position	<u>\$ 567,995,731</u>	<u>\$ 56,671,634</u>	<u>\$ 624,667,365</u>

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Activities
Year Ended September 30, 2017

EXHIBIT II

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines, Forfeitures, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental Activities:							
Current:							
General Administration	\$ 65,159,730	\$ 41,240,937	\$ 104,005	\$ -	\$ (23,814,788)	\$ -	\$ (23,814,788)
Judicial	37,787,341	9,131,103	1,488,906	-	(27,167,332)	-	(27,167,332)
Legal Services	4,038,642	555,769	141,875	-	(3,340,998)	-	(3,340,998)
Elections	2,142,405	7,327	747,881	-	(1,387,197)	-	(1,387,197)
Financial Administration	8,001,174	5,385,447	-	-	(2,615,727)	-	(2,615,727)
Public Facilities	71,243,441	32,057,716	75,429	500	(39,109,796)	-	(39,109,796)
Public Safety	83,664,853	21,919,270	7,440,711	1,524,892	(52,779,980)	-	(52,779,980)
Health and Welfare	30,656,288	16,300,319	3,839,845	116,083	(10,400,041)	-	(10,400,041)
Culture and Recreation	11,037,207	303,209	132,543	-	(10,601,455)	-	(10,601,455)
Conservation	1,704,745	143,524	-	386,179	(1,175,042)	-	(1,175,042)
Public Transportation	81,958,847	9,451,945	182,641	56,429,102	(15,895,159)	-	(15,895,159)
Debt Service Interest and						-	
Fiscal Charges	19,419,455	-	-	396,437	(19,023,018)	-	(19,023,018)
Total Governmental Activities	<u>\$ 416,814,128</u>	<u>\$ 136,496,566</u>	<u>\$ 14,153,836</u>	<u>\$ 58,853,193</u>	<u>(207,310,533)</u>	<u>-</u>	<u>(207,310,533)</u>
Business-type activities:							
Toll Road	\$ 1,307,118	\$ 1,150,033	\$ -	\$ 1,148,672	-	991,587	991,587
Total business-type activities	<u>\$ 1,307,118</u>	<u>\$ 1,150,033</u>	<u>\$ -</u>	<u>\$ 1,148,672</u>	<u>-</u>	<u>991,587</u>	<u>991,587</u>
General Revenues:							
Property Taxes					248,120,144	-	248,120,144
Other Taxes					106,980	-	106,980
Mixed Beverage Taxes					2,209,351	-	2,209,351
Bingo Taxes					124,005	-	124,005
Vehicle Weight Tax					348,074	-	348,074
Unrestricted Investment Earnings					3,977,715	-	3,977,715
Gain on Sale of Capital Assets					387,973	-	387,973
Total General Revenues					<u>255,274,242</u>	<u>-</u>	<u>255,274,242</u>
Change in Net Position					<u>47,963,709</u>	<u>991,587</u>	<u>48,955,296</u>
Net Position - Beginning					<u>520,032,022</u>	<u>55,680,047</u>	<u>575,712,069</u>
Net Position - Ending					<u>\$ 567,995,731</u>	<u>\$ 56,671,634</u>	<u>\$ 624,667,365</u>

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2017

	General	Road and Bridge	Debt Service
<u>ASSETS:</u>			
Cash	\$ 85,179,353	\$ 1,826,641	\$ 8,946,422
Investments	80,522,694	16,533,744	1,947,160
Cash, Restricted for Retainage	-	-	-
Receivables:			
Taxes (net)	4,968,675	705,820	1,107,189
Accounts (net)	1,646,855	373,248	-
Interest	29,935	-	-
Due from Other Funds	38,057,169	-	1,200,665
Due from Other Governments	10,703,568	344,763	16,117,881
Prepaid Items	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 221,108,249</u>	<u>\$ 19,784,216</u>	<u>\$ 29,319,317</u>
<u>LIABILITIES:</u>			
Accounts Payable	\$ 18,214,620	\$ 2,402,269	\$ -
Retainage Payable	-	-	-
Due to Other Funds	57,082,767	3,459,673	-
Due to Other Governments	7,220	-	-
Unearned Revenue	4,981,897	-	-
Total liabilities	<u>80,286,504</u>	<u>5,861,942</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue: Property Taxes	4,866,879	725,384	1,069,443
Total Deferred inflows of resources	<u>4,866,879</u>	<u>725,384</u>	<u>1,069,443</u>
<u>FUND BALANCES:</u>			
Nonspendable	-	-	-
Restricted	2,855,149	1,498,265	28,249,874
Committed	29,242,336	4,605,860	-
Assigned	59,173,918	7,092,765	-
Unassigned	44,683,463	-	-
Total Fund Balances	<u>135,954,866</u>	<u>13,196,890</u>	<u>28,249,874</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	<u>\$ 221,108,249</u>	<u>\$ 19,784,216</u>	<u>\$ 29,319,317</u>

See accompanying notes to the financial statements.

EXHIBIT III

Road Bonds Series 2016A	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 18,149,654	\$ 114,102,070
77,270,252	38,840,259	215,114,109
1,271	-	1,271
-	-	-
-	-	6,781,684
-	423,341	2,443,444
145,833	-	175,768
-	31,167,240	70,425,074
-	27,762,070	54,928,282
-	813,310	813,310
<u>\$ 77,417,356</u>	<u>\$ 117,155,874</u>	<u>\$ 464,785,012</u>
\$ 2,865,131	\$ 5,293,692	\$ 28,775,712
217,421	267,783	485,204
3,853,914	22,974,675	87,371,029
-	-	7,220
-	1,128,639	6,110,536
<u>6,936,466</u>	<u>29,664,789</u>	<u>122,749,701</u>
-	-	6,661,706
<u>-</u>	<u>-</u>	<u>6,661,706</u>
-	813,310	813,310
70,480,890	63,817,124	166,901,302
-	20,997,167	54,845,363
-	1,863,484	68,130,167
-	-	44,683,463
<u>70,480,890</u>	<u>87,491,085</u>	<u>335,373,605</u>
<u>\$ 77,417,356</u>	<u>\$ 117,155,874</u>	<u>\$ 464,785,012</u>



MONTGOMERY COUNTY, TEXAS
Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
September 30, 2017

Total fund balances - governmental funds (page 35) \$ 335,373,605

Amounts reported for governmental activities in
the statement of net position are different because:

Capital assets used in governmental activities are
not financial resources and therefore are not reported
in the funds. These capital assets (net of accumulated

Land	\$ 90,389,114	
Buildings	141,246,488	
Improvements	6,946,499	
Equipment	35,599,613	
Infrastructure	517,850,232	
Construction in Progress	37,343	
Total Capital Assets		792,069,288

Property taxes earned that are not available to pay for
current-period expenditures are deferred in the funds. 6,661,706

Internal Service Funds are used by management to charge the costs
of certain activities to individual funds. The assets and liabilities of
internal service funds are included in governmental activities in the
statement of net position. 19,711,190

Some liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Those liabilities consist of:

Accrued Interest payable	\$ (1,731,780)	
Bonds and capital leases payable, net	(493,821,138)	
OPEB Liability	(81,060,161)	
Deferred charge on refunding	14,007,099	
Deferred amounts for pensions	39,046,568	
Net Pension Liability	(48,318,814)	
Compensated absences	(13,941,832)	
Total future period liabilities		(585,820,058)
Net position of governmental activities		\$ 567,995,731

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2017

	General	Road and Bridge	Debt Service
<u>REVENUES:</u>			
Taxes	\$ 181,739,577	\$ 26,181,459	\$ 40,158,218
Licenses and Permits	2,430,326	6,665,327	-
Fees	16,835,114	-	-
Intergovernmental	7,684,300	564,960	16,514,318
Charges for Services	2,914,647	141,524	-
Investment Earnings	1,969,724	265,848	439,706
Contract Reimbursements	14,065,098	339,804	-
Inmate Housing	29,992,842	-	-
Fines and Forfeitures	57,074	1,752,671	-
Miscellaneous	1,313,512	778,121	-
<u>TOTAL REVENUES</u>	<u>259,002,214</u>	<u>36,689,714</u>	<u>57,112,242</u>
<u>EXPENDITURES:</u>			
Current:			
General Administration	23,002,029	-	-
Judicial	22,167,337	-	-
Legal Services	3,461,661	-	-
Elections	1,317,448	-	-
Financial Administration	7,218,354	-	-
Public Facilities	64,873,327	749,133	-
Public Safety	75,905,464	-	-
Health and Welfare	10,680,118	170,999	-
Culture and Recreation	9,472,302	-	-
Conservation	704,599	1,182,451	-
Public Transportation	1,038,932	39,163,436	-
Capital Projects	-	-	-
Debt Service:			
Principal Retirement	-	-	27,260,000
Interest and Fiscal Charges	-	-	19,787,766
Issuance Costs	-	-	214,303
Payment to Refunded Bonds Escrow Agent for Cash Defeasance	-	-	31,789,234
<u>TOTAL EXPENDITURES</u>	<u>219,841,571</u>	<u>41,266,019</u>	<u>79,051,303</u>
Excess (Deficiency) Revenues Over Expenditures	<u>39,160,643</u>	<u>(4,576,305)</u>	<u>(21,939,061)</u>
<u>OTHER FINANCING SOURCES/(USES):</u>			
Transfers In	1,404,290	1,428,538	1,122,357
Transfers Out	(16,066,327)	(454,846)	-
Capital Lease Financing	241,615	516,641	-
Issuance of General Obligation Debt	-	-	-
Issuance of Refunding Bonds	-	-	47,775,000
Premium on Refunding Bonds Issued	-	-	3,984,085
Premium on General Obligation Debt Issued	-	-	-
Payment to Refunded Bonds Escrow Agent	-	-	(51,269,830)
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>(14,420,422)</u>	<u>1,490,333</u>	<u>1,611,612</u>
Net Change in Fund Balances	24,740,221	(3,085,972)	(20,327,449)
Fund Balances at Beginning of Year	111,214,645	16,282,862	48,577,323
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 135,954,866</u>	<u>\$ 13,196,890</u>	<u>\$ 28,249,874</u>

See accompanying notes to the financial statements.

EXHIBIT IV

Road Bonds Series 2016A	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 248,079,254
-	-	9,095,653
-	2,657,750	19,492,864
-	11,760,768	36,524,346
-	2,927,155	5,983,326
670,564	631,876	3,977,718
-	15,844,684	30,249,586
-	-	29,992,842
-	2,300,966	4,110,711
-	194,240	2,285,873
670,564	36,317,439	389,792,173
-	1,237,085	24,239,114
-	13,219,985	35,387,322
-	273,888	3,735,549
-	559,249	1,876,697
-	-	7,218,354
-	-	65,622,460
-	9,045,566	84,951,030
-	18,732,472	29,583,589
-	133,912	9,606,214
-	-	1,887,050
-	299,703	40,502,071
11,026,364	21,131,133	32,157,497
-	-	27,260,000
-	-	19,787,766
215,663	-	429,966
-	-	31,789,234
11,242,027	64,632,993	416,033,913
(10,571,463)	(28,315,554)	(26,241,740)
-	14,485,202	18,440,387
-	(1,482,224)	(18,003,397)
-	-	758,256
73,725,000	-	73,725,000
-	-	47,775,000
-	-	3,984,085
7,327,353	-	7,327,353
-	-	(51,269,830)
-	-	-
81,052,353	13,002,978	82,736,854
70,480,890	(15,312,576)	56,495,114
-	102,803,661	278,878,491
\$ 70,480,890	\$ 87,491,085	\$ 335,373,605



MONTGOMERY COUNTY, TEXAS
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
Year Ended September 30, 2017

Amounts reported for governmental activities in the statement of activities (page 33)
are different because:

Net change in fund balances - total governmental funds (page 39)	\$	56,495,114
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Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		(7,820,958)
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The net effect of various miscellaneous transactions involving capital assets.		39,515,910
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		475,549
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The issuance of long-term debt (e.g., bonds, leases) provides

current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(24,586,008)
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Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenues over expenditures of the internal service funds is reported with the governmental activities.		(2,460,346)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

The changes in these expenditures are as follows:

Compensated absences	\$	313,515	
Bond interest owed but not yet paid		(73,604)	
Amortization of deferred amounts		4,121,328	
Net Pension Liability and Deferred Amounts Related to Pension		(6,382,173)	
OPEB Obligation		(11,634,618)	
		(13,655,552)	

Change in net position of governmental activities	\$	47,963,709
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See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
General Fund
Year Ended September 30, 2017

EXHIBIT V
Page 1 of 2

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Taxes	\$180,826,366	\$180,826,366	\$181,739,577	\$ 913,211
Licenses and Permits	2,009,000	2,165,871	2,430,326	264,455
Fees	15,512,989	15,617,922	16,835,114	1,217,192
Intergovernmental	3,105,000	7,379,417	7,684,300	304,883
Charges for Services	2,911,386	3,236,479	2,914,647	(321,832)
Investment Earnings	332,210	383,630	1,969,724	1,586,094
Contract Reimbursements	13,981,453	14,834,305	14,065,098	(769,207)
Inmate Housing	15,800,000	29,992,842	29,992,842	-
Fines and Forfeitures	40,000	40,000	57,074	17,074
Miscellaneous	477,500	869,488	1,313,512	444,024
<u>TOTAL REVENUES</u>	<u>234,995,904</u>	<u>255,346,320</u>	<u>259,002,214</u>	<u>3,655,894</u>
<u>EXPENDITURES:</u>				
Current:				
General Administration	37,757,532	31,879,681	23,002,029	8,877,652
Judicial	21,884,805	23,098,679	22,167,337	931,342
Legal Services	3,502,720	3,651,365	3,461,661	189,704
Elections	1,381,347	1,472,949	1,317,448	155,501
Financial Administration	11,419,156	11,931,625	7,218,354	4,713,271
Public Facilities	49,932,696	67,017,826	64,873,327	2,144,499
Public Safety	73,732,840	88,061,860	75,905,464	12,156,396
Health and Welfare	8,702,098	11,984,237	10,680,118	1,304,119
Culture and Recreation	9,474,185	10,022,975	9,472,302	550,673
Conservation	709,789	744,777	704,599	40,178
Public Transportation	938,789	1,535,540	1,038,932	496,608
Miscellaneous	4,206,794	732,095	-	732,095
<u>TOTAL EXPENDITURES</u>	<u>223,642,751</u>	<u>252,133,609</u>	<u>219,841,571</u>	<u>32,292,038</u>
Excess Revenues Over Expenditures	11,353,153	3,212,711	39,160,643	35,947,932
<u>OTHER FINANCING SOURCES/ (USES):</u>				
Transfers In	-	462,502	1,404,290	941,788
Transfers Out	-	(3,594,041)	(16,066,327)	(12,472,286)
Capital Lease Financing	-	-	241,615	241,615
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>-</u>	<u>(3,131,539)</u>	<u>(14,420,422)</u>	<u>(11,288,883)</u>
Net Change in Fund Balances	11,353,153	81,172	24,740,221	24,659,049
Fund Balances at Beginning of Year	111,214,645	111,214,645	111,214,645	-
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 99,327,536</u>	<u>\$111,295,817</u>	<u>\$ 135,954,866</u>	<u>\$ 24,659,049</u>

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Road and Bridge Fund
Year Ended September 30, 2017

EXHIBIT V

Page 2 of 2

	Road and Bridge Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Taxes	\$ 26,254,163	\$ 26,254,163	\$ 26,181,459	\$ (72,704)
Licenses and Permits	6,324,000	6,324,000	6,665,327	341,327
Intergovernmental	140,000	162,848	564,960	402,112
Charges for Services	-	141,524	141,524	-
Investment Earnings	14,000	14,000	265,848	251,848
Contract Reimbursements	-	-	339,804	339,804
Fines and Forfeitures	2,500,000	2,500,000	1,752,671	(747,329)
Miscellaneous	-	764,564	778,121	13,557
<u>TOTAL REVENUES</u>	<u>35,232,163</u>	<u>36,161,099</u>	<u>36,689,714</u>	<u>528,615</u>
<u>EXPENDITURES:</u>				
Current:				
General Administration	-	-	-	-
Judicial	-	-	-	-
Legal Services	-	-	-	-
Elections	-	-	-	-
Financial Administration	-	-	-	-
Public Facilities	888,719	1,069,826	749,133	320,693
Health and Welfare	-	170,999	170,999	-
Conservation	635,138	1,370,282	1,182,451	187,831
Public Transportation	33,708,306	52,003,329	39,163,436	12,839,893
<u>TOTAL EXPENDITURES</u>	<u>35,232,163</u>	<u>54,614,436</u>	<u>41,266,019</u>	<u>13,348,417</u>
Excess (Deficiency) Revenues Over Expenditures	-	(18,453,337)	(4,576,305)	13,877,032
<u>OTHER FINANCING SOURCES/ (USES):</u>				
Transfers In	-	1,535,403	1,428,538	(106,865)
Transfers Out	-	(561,710)	(454,846)	106,864
Capital Lease Financing	-	516,641	516,641	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>-</u>	<u>1,490,334</u>	<u>1,490,333</u>	<u>(1)</u>
Net Change in Fund Balances	-	(16,963,003)	(3,085,972)	13,877,031
Fund Balances at Beginning of Year	16,282,862	16,282,862	16,282,862	-
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 16,282,862</u>	<u>\$ (680,141)</u>	<u>\$ 13,196,890</u>	<u>\$ 13,877,031</u>

See accompanying notes to the financial statements.



MONTGOMERY COUNTY, TEXAS

Statement of Net Position

Proprietary Funds

September 30, 2017

EXHIBIT VI

	<u>Enterprise Fund</u>	
	<u>Toll Road</u>	<u>Internal Service</u>
	<u>Authority</u>	<u>Funds</u>
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 2,147,173	\$ 388,962
Accounts	-	1,720,915
Due from other funds	-	24,754,883
Due from other governments	119,066	100,242
Total Current Assets	<u>2,266,239</u>	<u>26,965,002</u>
Capital Assets (net of accumulated depreciation):		
Buildings	-	795,990
Improvements	-	479
Equipment	-	52,953
Infrastructure	62,599,944	-
Total Capital Assets	<u>62,599,944</u>	<u>849,422</u>
Total Assets	<u>64,866,183</u>	<u>27,814,424</u>
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable	298,321	429,925
Claims Payable	-	5,713,837
Due to Other Funds	7,808,928	-
Unearned Revenue	87,300	-
Total Current Liabilities	<u>8,194,549</u>	<u>6,143,762</u>
Noncurrent Liabilities		
Claims Payable	-	1,110,050
Total Noncurrent Liabilities	<u>-</u>	<u>1,110,050</u>
Total Liabilities	<u>8,194,549</u>	<u>7,253,812</u>
<u>NET POSITION:</u>		
Net Investment in Capital Assets	62,599,944	849,422
Unrestricted	(5,928,310)	19,711,190
Total Net Position	<u>\$ 56,671,634</u>	<u>\$ 20,560,612</u>

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2017

EXHIBIT VII

	<u>Enterprise Fund</u>	
<u>OPERATING REVENUES:</u>	<u>Toll Road Authority</u>	<u>Internal Service Funds</u>
Charges for Service	\$ 1,150,033	\$ 34,558,600
Miscellaneous	-	1,069,399
Total Operating Revenues	<u>1,150,033</u>	<u>35,627,999</u>
<u>OPERATING EXPENSES:</u>		
Supplies	-	14,668
Services	208,664	37,595,450
Depreciation	1,098,454	41,237
Total Operating Expenses	<u>1,307,118</u>	<u>37,651,355</u>
Operating Income(Loss)	(157,085)	(2,023,356)
Income (Loss) before capital contributions and transfers	(157,085)	(2,023,356)
Capital Contributions - Governmental Funds	(69,138)	-
Capital Contributions - Grants	1,217,810	-
Transfer Out	<u>-</u>	<u>(436,990)</u>
Change in Net Position	991,587	(2,460,346)
Total net position - beginning	<u>55,680,047</u>	<u>23,020,958</u>
Total net position - ending	<u><u>\$ 56,671,634</u></u>	<u><u>\$ 20,560,612</u></u>

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2017

EXHIBIT VIII

	<u>Enterprise Fund</u>	
	<u>Toll Road Authority</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:		
Receipts from customers	\$ 1,240,810	\$ 36,266,202
Payments to vendors	2,424,520	-
Receipts from others	-	1,069,399
Benefits Paid	-	(36,490,380)
Net cash provided (used) by operating activities	<u>3,665,330</u>	<u>845,221</u>
Cash flows from noncapital financing activities:		
Intergovernmental contributions	1,170,795	(77,060)
Transfer to other funds	-	(436,990)
Net cash provided by noncapital financing activities	<u>1,170,795</u>	<u>(514,050)</u>
Cash flows from capital financing activities:		
Acquisition and construction of capital assets	(3,451,709)	-
Net cash used by capital financing activities	<u>(3,451,709)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>1,384,416</u>	<u>331,171</u>
Cash and cash equivalents - October 1, 2015	<u>762,757</u>	<u>57,791</u>
Cash and cash equivalents - September 30, 2017	<u><u>2,147,173</u></u>	<u><u>388,962</u></u>
Reconciliation of operating income (loss) to net cash provided (used) in operating activities		
Operating income (loss)	\$ (157,085)	\$ (2,023,356)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in due from other funds	2,701,138	2,664,296
Depreciation expense	1,098,454	41,238
(Increase) decrease in accounts receivable	90,777	(92,642)
(Increase) decrease in intergovernmental receivable	-	(864,051)
Increase (decrease) in accounts payable	(67,954)	(477,941)
Increase (decrease) in claims payable	-	1,597,677
Total adjustments	<u>3,822,415</u>	<u>2,868,577</u>
Net cash provided (used) by operating activities	<u><u>\$ 3,665,330</u></u>	<u><u>\$ 845,221</u></u>
Schedule of non-cash capital and related financing activities:		
Contributions of capital assets - Governmental Funds	\$ (69,138)	\$ -

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Assets and Liabilities
Fiduciary Funds
As of September 30, 2017

EXHIBIT IX

	<u>Agency Funds</u>
<u>ASSETS:</u>	
Cash	\$ 19,879,459
Accounts Receivable	<u>2,819,535</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 22,698,994</u>
 <u>LIABILITIES:</u>	
Due to Others	<u>\$ 22,698,994</u>
 <u>TOTAL LIABILITIES</u>	 <u>\$ 22,698,994</u>

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Montgomery County, Texas have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to local government units in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

A) REPORTING ENTITY:

Montgomery County, Texas (the County) was created in 1837. The County is a political subdivision of the State of Texas. The Commissioners' Court, composed of the County Judge and four Commissioners, governs the County. The following services are provided for the citizens: public safety, road and bridge construction and maintenance, health and social services, culture and recreation, public improvements, environmental protection, and administrative services.

Per GASB codification, the discussion that follows sets forth the guidelines for an entity's inclusion in the County's financial statements.

The definition of the reporting entity is based primarily on the notion of **financial accountability**. The elected officials governing Montgomery County are accountable to their constituents for their public policy decisions, regardless of whether those decisions are carried out directly through the operations of the County or by their appointees through the operations of a separate entity. Therefore, the County is not only financially accountable for the organizations that make up its legal entity, it is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either, it is able to impose its will on that organization or, there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the County.

Depending upon the significance of the County's financial and operational relationships with various separate entities, the organizations are classified as blended or discrete component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly.

Blended Component Units - Legally separate entities that either a) have substantially the same governing body as the governing body of the primary government or b) provide services entirely, or almost entirely, to the primary government must be reported in the financial statements of the primary government as blended component units.

Montgomery County Toll Road Authority:

The Montgomery County Toll Road Authority was created by the Commissioners' Court of the County in August 2006. The Toll Road Authority serves all citizens of the County and is governed by the members of Commissioners' Court and is funded entirely by the County. The Toll Road Authority was incorporated under the provisions of Texas Transportation Code Act, Chapter 431 with the purpose to aid in the planning, design, improvement and financing of transportation projects throughout Montgomery County. The Authority is reported as an enterprise fund and does not issue separate financial statements.

Related Organizations - Where the Commissioners' Court is responsible for appointing a majority of the members of a board of another organization, but the County's accountability does not extend beyond making such appointments, disclosure is made in the form of the relation between the County and such organization.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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Montgomery County Emergency Service Districts No. 1-14:

The emergency service districts are organized under the statutes of the State of Texas as political subdivisions of the State to provide protection from fire for life and property. Commissioners' Court appoints a five-member board for each district, and must approve the issuance of any long-term debt for each. Individual boards retain authority to levy taxes and approve or modify annual appropriation budgets. Inasmuch as each district is required by state law to have audited financial statements prepared, and because the exercise of authority by Commissioners' Court is of a compliant nature rather than substantive, these entities are not included in the County's financial statements.

Montgomery County Housing Authority:

The Montgomery County Housing Authority is organized as a public corporation pursuant to Chapter 392 of the Statutes of the State of Texas, Local Government Code. Its stated mission is the development, acquisition, leasing and administration of federally assisted housing programs under the direction of the U.S. Department of Housing and Urban Development. Commissioners' Court appoints a five-member board for the corporation, but may not remove a member at-will. There is also no financial interdependence between the corporation and the County. The corporation issues a separate financial report, which may be obtained from its offices at 521 N. Thompson Street, Conroe, Texas, 77301.

B) IMPLEMENTATION OF NEW STANDARD:

In the current year, the County implemented the following new standards:

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and amendments to certain provisions of GASB Statements 67 and 68*, improves financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension related information reported by employers and non-employer contributing entities.

GASB Statement No. 77, *Tax Abatement Disclosures*, will require governments that enter into tax abatement agreements to disclose certain information about those agreements.

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, will improve financial reporting by amending the scope and applicability of Statement 68 associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*, will amend the blending requirements for the financial statement presentation of component units of all state and local governments.

GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, will improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

C) FINANCIAL STATEMENT PRESENTATION, MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:

Government-wide Statements

Government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all of the non-fiduciary activities of the primary government and its blended component units. The effect of inter-fund transfers has been removed from these statements, but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included in program revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Major revenue types, which have been accrued, are district and county clerk fees, justice of the peace fines, revenue from investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements are met.

Fund-level Statements

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements. Non-major funds are aggregated into a single column in the fund financial statements. Detailed statements for non-major funds are presented within the Combining and Individual Fund Statements and Schedules.

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Property taxes levied prior to September 30, 2016 that were due October 1, 2016, have been assessed to finance the budget of the fiscal year ending September 30, 2016. Property taxes and interest earned as of September 30 and received within 60 days of year end are accrued as income in the current period. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures, claims and judgments, and compensated absences are recorded only when payment is made.

Proprietary fund level financial statements include funds which are classified into enterprise and internal service funds. The County has both enterprise and internal service funds. The County's internal service funds are used to accumulate and allocate costs internally among the various functions. Montgomery County's internal service funds predominantly benefit governmental rather than business-type functions; therefore they have been included within governmental activities in the government-wide financial statements. The County's enterprise funds are used to account for the costs of the Montgomery County Toll Road Authority.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position reports increases and decreases in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary fund level financial statements include fiduciary funds which are classified into private purpose trust and agency funds and use the accrual basis of accounting. The County has only agency funds which are used to account for assets held by the County as an agent for individuals, private organizations, other governments and other funds. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The County reports the following *major governmental funds*:

The General Fund is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, and intergovernmental revenues. Primary expenditures are for general and financial administration, public safety, judicial operations, health and welfare, and capital acquisition.

The Road and Bridge Special Revenue Fund is used to account for rehabilitation, repair and maintenance of the County's roadways and bridges. The Road and Bridge Fund is financed by a designated part of the annual property tax levy, as well as certain statutory fees.

Debt Service Fund is used to account for the receipt and disbursement of funds to retire debt resulting from the issuance of general obligation bonds, certificates of obligation and lease revenue bonds. Financing is provided by a specific annual property tax levy and the investment interest earned thereon.

Road Bonds Series 2016A Fund is used to account for the County's issuance of \$73,725,000 in bonds that are being used to finance improvements to various roads within the County.

The County reports the following *nonmajor governmental funds*:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects or debt service) that are restricted or committed to expenditures for specified purposes.

Capital Project Funds are used to account for debt proceeds to be used for the acquisition or construction of major capital assets and infrastructure. Existing projects include road construction, airport improvements, and various remodeling plans.

The County reports the following *proprietary funds*:

The Enterprise Fund is used to account for the cost of the Montgomery County Toll Road Authority.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

Internal Service Funds are used to account for the costs of the County's medical plan, workers' compensation plan, accident and liability plan and the Wellness Clinic.

The County reports the following *fiduciary funds*:

Agency Funds are used to account for assets held by the County as custodian for individuals and other governmental units, such as officials' fee accounts, inmate funds, cash bail bonds, and other similar arrangements.

D) ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION OR FUND BALANCES:

1. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as bank certificates with a maturity date within three months of the date acquired by the County.

Investments for the County, except for certain investment pools are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or net asset value; i.e. fair value.

The County is authorized by the Public Funds Investment Act of 1987 to invest idle funds in a) obligations of the United States and its agencies or instrumentalities, b) obligations of the State of Texas, c) obligations of states, agencies, political subdivisions, and municipalities having a rating of not less than A, and d) fully collateralized direct repurchase agreements.

2. Receivables

Property taxes are recognized as revenues in the period for which they are levied, regardless of the lien date. Property taxes for the County are levied based on taxable value on the lien date of January 1 prior to September 30 of the same year. They become due October 1 of that same year and delinquent after January 31 of the following year. Accordingly, receivables for prior-year levies delinquent at year end are reflected on the government-wide statement based on the full accrual method of accounting and under the modified accrual method in the fund statements.

Accounts receivable from other governments include amounts due from grantors in regards to approved grants for specific programs and reimbursements for services performed by the County. Program grants are recorded as receivables and revenues at the time all eligibility requirements have been met and reimbursable costs are incurred.

3. Inter-fund Transactions

Outstanding balances of lending and borrowing type activities between funds are classified as "due from other funds" and "due to other funds," respectively, on the fund financial statements. Inter-fund activity has been eliminated for the government-wide statements.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and recorded as prepaid items in both government-wide and fund financial statements. The County reports prepaid items using the consumption method.

In the fund financial statements, prepaid items are classified as non-spendable, which indicates they do not represent "available spendable resources" even though they are a component of current assets.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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5. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, intangibles (included in land and equipment), infrastructure, and construction in progress, are reported in the government-wide financial statements. By policy of the Commissioners' Court, acquisitions are capitalized when they cost at least \$1,000 and have a useful life in excess of five years. Buildings and building improvements require a cost of at least \$5,000 and a useful life in excess of 5 years. Land and construction in progress are not depreciated. The policy applied to infrastructure acquisitions requires a cost of at least \$10,000 and a useful life in excess of five years. Infrastructure assets include county-owned roads, drainage improvements, bridges, signals, and runways. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value on the date of donation.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend the asset's life are expensed rather than capitalized.

Capital assets, including infrastructure, are depreciated using the straight-line method over the following estimated useful lives (in years):

<u>Assets</u>	<u>Years</u>
Buildings	5-50
Improvements	5-30
Equipment	5-15
Infrastructure	5-50

6. Payables

Amounts due to suppliers for trade purchases and amounts due to employees for salaries and benefits are presented on both the government-wide statements and the fund statements as accounts payable. Amounts due to various contractors for funds previously deducted from construction draws are presented as retainage payable. Both categories represent current liabilities.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The County has two items that qualify for reporting in this category. The deferred outflow for pensions results from the difference in projected and actual earnings on plan investments, contributions subsequent to the measurement date and the effects of actuarial differences and changes in assumptions. The plan's investment earnings difference is amortized over 5 years and the actuarial differences and changes in assumptions is amortized over a period equal to the average of the expected remaining service lives of all employees. A deferred charge on refunding reported in the government-wide statement of net position results from the difference in carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The County has one type of item which qualifies for reporting in this category. A deferred inflow from pensions reported

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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in the government-wide statement of net position results from the effect of demographic gains/losses related to the pension plan. The difference is amortized over 5 years and the actuarial differences and changes in assumptions is amortized over a period equal to the average of the expected remaining service lives of all employees. Additionally, the governmental funds report unavailable revenues from property taxes. These property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Unearned Revenue

The County records received but unearned grant revenues and other miscellaneous fee revenues in the fund financial statements as unearned revenues.

9. 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. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they incurred.

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 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.

10. Fund Balances

County Commissioners' Court established Fund Balance policies in accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The County strives to maintain a minimum Unassigned Fund Balance in the general operating fund of 10 to 15 percent of the annual operating expenditures as presented in its annual financial report.

The County reports fund balances in five classifications:

Nonspendable – These balances represent amounts that are not spendable because of their form or are legally required to be maintained or intact, such as inventories.

Restricted - These balances represent that portion of fund balance that reflects resources that are subject to externally enforceable legal restrictions, typically imposed by parties outside of the government. Such parties may include creditors, grantors, contributors, or other governments. Fund balance on the debt service fund will be restricted for the payment of principal and interest on the debt service obligation. Fund balance on the Community Development fund will be restricted for eligible rehabilitation and preservation activities as allowable by Department of Housing and Urban Development.

Committed – This is the portion of fund balance that represents resources whose use is constrained by limitations that Commissioners' Court, the County's highest level of decision making authority, imposes on them. The Court will approve all commitments by quorum vote through the adoption of a court order. The limitations imposed by the court require the same formal action to be removed.

Assigned –Represents amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The governing body may

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

delegate its authority to assign amounts to another official. The Commissioners' Court, when it is appropriate for fund balance to be assigned, delegates the authority to the County Auditor. Assignments may be necessary for items such as other post-employment benefits, claims and judgments or transfers to special revenue funds.

Unassigned – This represents the residual amount in the general fund which has not been committed, restricted or assigned for other purposes.

For any expenditure incurred for purposes for which multiple fund balance categories can be used, the County will utilize funds in the following order on a first-in-first-out basis: restricted, committed, assigned, and unassigned.

11. Compensated Absences

A liability for unused vacation and compensatory time for all full-time regular employees is calculated and reported in the government-wide financial statements. For financial reporting purposes, the following criteria have been applied in considering the accrual of the liability associated with compensated absences: a) leave or compensation is attributable to services already rendered, and b) leave or compensation is not contingent on a specific event (such as illness).

GASB Interpretation No. 6 indicates that liabilities for compensated absences should only be recognized in the fund statements to the extent the liabilities have matured and are payable out of current available resources. Compensated absences are accrued in the government-wide statements.

Each full-time regular employee earns ten days of excused leave per year, and from ten to twenty-five days of vacation time may be earned per year. A maximum of sixty days for excused leave may be accrued, and for those employees hired prior to September 1987, the number of days of excused leave accrued at September 30, 1987, may be paid only upon retirement. A maximum of twenty-five days of vacation may be accrued, and is paid upon retirement, resignation, or discharge from the County. Compensatory time is earned in accordance with the provisions of the Fair Labor Standards Act, as it applies to government employees.

12. Arbitrage

The Tax Reform Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on local government bonds. Issuing governments must calculate any rebate due and remit the amount due at least every five years. There were no arbitrage rebate payments made during fiscal year 2017.

13. Net Position/Fund Balance (restricted)

Net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. For the government-wide financial statements, restricted net position represent externally imposed restrictions by creditors, grantors, contributors or laws or regulations of other governments. They may also represent restrictions imposed by law through constitutional provisions or enabling legislation.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

14. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

15. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

16. Program Revenues

Amounts reported as 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as actual program revenues.

NOTE 2- RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between **net changes in fund balances – total governmental funds** and **changes in net position of governmental activities** as reported in the government-wide statement of activities. Several of the elements of that reconciliation are more fully explained below.

“Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 41,849,675
Depreciation expense	(49,670,633)
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Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	 \$ (7,820,958)
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MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

“The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, seizures, and donations) is to increase net position.” The details of this difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources.

Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	\$ 194,310
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The acquisition of capital assets by seizure and by donations increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

39,321,600

Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$ 39,515,910
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\$ 39,515,910

“The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

The details of this difference are as follows:

Debt issued or incurred:

Issuance of Refunding Bonds	\$ (47,775,000)
Premium on bonds issued, net	(3,984,085)
Issuance of General Obligation debt	(73,725,000)
Premium on bonds issued, net	(7,327,353)
Capital lease financing	(516,641)

Adjustment to interest on refunding debt	1,679,996
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Principal repayments:

General Obligation debt	60,240,000
Revenue debt	36,405,000
Certificates of Obligation debt	7,785,000
Capital leases	2,632,075

Net adjustment to decrease net changes in fund balances-total governmental	\$ (24,586,008)
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\$ (24,586,008)

“Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences	\$ 313,515
Accrued interest	(73,604)
Amortization of charge on refunding bonds	(4,155,153)
Amortization of bond discounts	(297,889)
Amortization of bond premiums	8,574,370
Increase of Pension Liability, net of related deferred inflow and outflow amounts	(6,382,173)
Increase of Other Post-Employment Benefits	(11,634,618)

Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	\$ (13,655,552)
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\$ (13,655,552)

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

NOTE 3- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) BUDGETS AND BUDGETARY ACCOUNTING:

The budget law of the State of Texas provides that “the amounts budgeted for the current expenditures from the various funds of the County shall not exceed the balances in said funds plus the anticipated revenues for the current year for which the budget is made as estimated by the County Auditor.” In addition, the law states that the Commissioners’ Court “may, upon proper application, transfer an existing budget surplus during the year to a budget of like kind and fund, but no such transfer shall increase the total of the budget.”

The budget is prepared by the County Auditor and adopted by the Commissioners’ Court following departmental budget reviews and a public hearing. A copy of the budget must be filed with the Clerk of the County Court and made available to the public. The Commissioners’ Court must provide for a public hearing on the budget on some date within ten calendar days after the filing of the budget and prior to its adoption.

The budget is legally adopted by an order of the Commissioners’ Court on a basis consistent with generally accepted accounting principles. The legal level of control (as set forth by statute) is total resources as appropriated to each fund. Any expenditure that alters the total budgeted amounts of a fund must be approved by Commissioners’ Court, and the budget amended. The annual budget is monitored and reported in the financial statements at the *function* level, as management believes that this provides for a more thorough disclosure of the County’s operations.

For fiscal year 2017, formal budgets were adopted for the General Fund, the Special Revenue Funds, and the Debt Service Fund. Formal budgetary integration is not employed for Capital Project Funds, and legal budgets are not adopted, because budgetary control is achieved through legally binding construction contracts. All appropriations lapse at fiscal year-end with the exception of grant awards and certain ongoing projects.

The Commissioners’ Court may approve expenditures as an amendment to the budget to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. Such expenditures would include the re-appropriation of approved but unexpended amounts for encumbrances, grants, and certain projects from the previous fiscal year. In fiscal year 2017, budget amendments totaling \$102,690,602 were approved that met these criteria.

The Commissioners’ Court may also adopt a supplemental budget for the limited purpose of spending proceeds that become available for disbursement in a fiscal year, but are not included in the budget for that budget year. Included in this category are public or private grants or aid money, revenue from intergovernmental contracts, and proceeds from the issuance of debt. In fiscal year 2017, supplemental appropriations were approved in the amounts of \$20,470,655, \$3,211,101, and \$516,641 for grants received, intergovernmental contracts executed, and capital leases approved, respectively.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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NOTE 4- DEPOSITS AND INVESTMENTS:

A) **DEPOSITS:**

Custodial Credit Risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a policy for custodial credit risk. As of September 30, 2017, the County's bank balance (collected funds) was \$121,953,036. At that same date, none of the County's bank balance was exposed to custodial credit risk since the County's deposits were insured and collateralized by securities pledged by the depository and held by third party agents of the County in the County's name.

B) **INVESTMENTS:**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

MONTGOMERY COUNTY, TEXAS
Notes to the Financial Statements
September 30, 2017

As of September 30, 2017, the County had the following investments:

<u>Fair Value Measurements Using</u>						
	September 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
<i>Investments Measured at Cost:</i>						
FICA Program	\$ 13,406,947	\$ -	\$ -	6.22%	1	AAA
<i>Investments Measured at Amortized Cost</i>						
Investment Pools:						
Lone Star Government Overnight Fund	402,735	-	-	0.19%	21	AAAm
TEXPOOL	1,125,120	-	-	0.52%	37	AAAm
<i>Investments Subject to Fair Value Level:</i>						
U.S. Government Agency Securities:						
Tennessee Valley	8,081,600	-	8,081,600	3.76%	76	AA+
Federal Farm Credit	6,996,500	-	6,996,500	3.25%	671	AA+
Farmer MAC Discount	9,972,000	-	9,972,000	4.64%	339	AA+
Mutual Funds:						
BPIF	3,479,842	3,479,842	-	1.62%	41	AAAm
AIM	3,200,688	3,200,688	-	1.49%	21	AAAm
ICT	601,046	601,046	-	0.28%	26	AAAm
Investments Measured at Net Asset Value (NAV), Fair Value						
Investment Pools:						
TexSTAR	3,644,949	-	-	1.69%	27	AAAm
TEXCLASS	27,181,599	-	-	12.64%	54	AAAm
LOGIC	137,021,083	-	-	63.70%	43	AAAm
Total Value	\$ 215,114,109	\$ 7,281,576	\$ 25,050,100	100.00%		
Portfolio Weighted Average Maturity					48	

Investment Pools are measured at amortized cost or net asset value (NAV) and are exempt for fair value reporting.

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quotes prices.

Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

The *TexPool* and Lone Star investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

The Texas CLASS, LOGIC, and TexSTAR investment pools are external investment pools measured at NAV. Texas CLASS, LOGIC, and TexSTAR's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The County has no unfunded commitments related to the investment pools. Texas CLASS, LOGIC, and TexSTAR have a redemption notice period of one day and may redeem daily. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pools' liquidity.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. While the County does not have an investment policy for custodial credit risk, there is no need for such policy because of the nature of the County's investments. A third party institution is required to hold the insured, registered securities underlying the County's investments in a safekeeping account in the County's name.

Interest rate risk. In accordance with its written investment policy, the County manages its exposures to declines in fair value by limiting the maturity of its investments to less than one year at the time of purchase.

Credit risk. While state statutes allow for additional investments, the County's formal investment policy authorizes the County to only invest in the following:

- Obligations of the U.S. Treasury and Governmental Agencies,
- Time deposits,
- Negotiable Order of Withdrawal (NOW) Accounts,
- Investment Pools rated AAA or AAAM by at least 1 nationally recognized rating service,
- Certificates of Deposit, and
- Money Market mutual funds.
- Commercial Paper as defined in Texas Government Code, Section 2256.013

As stated above, Standard and Poor's has rated the three investment pools and the three mutual funds AAAM.

Concentration of credit risk. The County's investment policy does not have any provisions regarding the amount that may be invested in any one issuer. However, the Investment Committee regularly reviews that saturation for anything in excess of 25%.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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NOTE 5- PROPERTY TAXES:

The County Tax Assessor-Collector bills and collects property taxes. Revenues are recognized in the Governmental Funds when levied to the extent that they result in current receivables. Property taxes are levied (assessed) and payable on October 1. They attach as an enforceable lien on property as of January 1 of the following year and become delinquent on February 1.

The County is permitted by the Texas State Constitution (Article VIII, Section 9) and statutes to levy taxes of up to \$0.80 per \$100 of assessed valuation for general governmental services and the payment of long-term debt. The combined current tax rate for the year end was \$0.4667 per \$100, which means that the County has a tax margin of \$0.3333 per \$100, and could raise up to \$181,325,186 in additional taxes from the present assessed valuation of \$54,402,996,328 before the limit is reached.

The thirty years' property taxes receivable at September 30, 2018, as reported by the Tax Assessor-Collector are presented as follows:

	Taxes Receivable	Less: Allowance for Uncollectables	Net Taxes Receivable
General Fund	\$5,070,077	\$ 101,402	\$4,968,675
Road & Bridge Fund	720,224	14,404	705,820
Debt Service Fund	1,129,785	22,596	1,107,189
Total Receivable	<u>\$6,920,086</u>	<u>\$138,402</u>	<u>\$6,781,684</u>

Approximately 68% of the outstanding balance of property taxes receivable is not anticipated to be collected in the next year.

NOTE 6- DUE FROM OTHER GOVERNMENTS:

At September 30, 2017, the following amounts were recorded as due to the County:

	Federal	State	Local	Total
General Fund	\$ 5,913,092	\$ 737,135	\$4,053,341	\$ 10,703,568
Road & Bridge Fund	-	193,214	151,549	344,763
Debt Service Fund	-	16,117,881	-	16,117,881
Other Governmental Funds	5,603,363	21,621,033	537,674	27,762,070
Total Due from Governments	<u>\$11,516,455</u>	<u>\$38,669,263</u>	<u>\$4,742,564</u>	<u>\$ 54,928,282</u>

Amounts due from other governments arise from funding received from federal and state grants, as well as interlocal agreements with local governments.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

NOTE 7- CAPITAL ASSETS:

A) Governmental Activities:

<u>Primary Government Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions ⁽¹⁾</u>	<u>Deletions ⁽¹⁾</u>	<u>Ending Balance</u>
Land ⁽²⁾	\$ 80,953,544	\$ 15,256,272	⁽²⁾ \$ (5,820,702)	\$ 90,389,114
Construction in Progress	594,008	1,607,286	(2,163,951)	37,343
Total Capital Assets not being depreciated	81,547,552	16,863,558	(7,984,653)	90,426,457
Buildings ⁽³⁾	207,630,910	7,298,375	-	214,929,285
Improvements ⁽³⁾	23,515,820	230,292	-	23,746,112
Equipment ⁽²⁾⁽³⁾	108,918,597	13,094,046	⁽²⁾ (6,761,573)	115,251,070
Infrastructure	1,345,318,809	55,129,513	-	1,400,448,322
Total Capital Assets being depreciated	1,685,384,136	75,752,226	(6,761,573)	1,754,374,789
Less accumulated depreciation for:				
Buildings	(68,493,955)	(5,188,841)	-	(73,682,796)
Improvements	(15,612,070)	(1,187,543)	-	(16,799,613)
Equipment	(75,052,572)	(8,094,915)	3,496,028	(79,651,459)
Infrastructure	(847,357,519)	(35,240,571)	-	(882,598,090)
Total Depreciation	(1,006,516,116)	(49,711,870)	3,496,028	(1,052,731,958)
Total Capital Assets, net of Accumulated depreciation	<u>\$ 760,415,572</u>	<u>\$ 42,903,914</u>	<u>\$ (11,250,198)</u>	<u>\$ 792,069,288</u>

(1) Amounts representing transfers between categories are included in the columns for both additions and deletions.

(2) As required by GASB 51, this schedule reports intangible assets of \$62,627,740 and \$8,730,735 in land and equipment respectively.

(3) Internal service fund assets are included in these amounts.

Depreciation Expense:

Depreciation expense was charged to the functions/programs of the primary government's governmental activities as follows:

Governmental activities:	
General Administration	\$ 2,928,299
Judicial	207,508
Legal Services	73,559
Elections	155,246
Financial Administration	19,509
Public Facilities	1,748,372
Public Safety	4,675,909
Health and Welfare	1,530,536
Culture and Recreation	811,169
Conservation	33,029
Public Transportation	37,487,496
Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets	41,238
Total depreciation expense-governmental activities	<u>\$49,711,870</u>

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

B) Business-type Activities:

<u>Primary Government Business-type Activities</u>	<u>Beginning Balance</u>	<u>Additions ⁽¹⁾</u>	<u>Deletions ⁽¹⁾</u>	<u>Ending Balance</u>
Infrastructure	\$ 62,439,835	\$ 3,451,709	\$ (69,138)	\$ 65,822,406
Total Capital Assets being depreciated	62,439,835	3,451,709	(69,138)	65,822,406
Less accumulated depreciation for:				
Infrastructure	(2,124,008)	(1,098,454)	-	(3,222,462)
Total Depreciation	(2,124,008)	(1,098,454)	-	(3,222,462)
Total Capital Assets, net of Accumulated depreciation	\$ 60,315,827	\$ 1,098,454	\$ (69,138)	\$ 62,599,944

Depreciation Expense:

Depreciation expense was charged to the functions/programs of the primary government's business-type activities as follows:

Business-type Activities:

Toll Road

\$ 1,098,454

Total depreciation expense-governmental activities

\$ 1,098,454

C) CONSTRUCTION COMMITMENTS:

The County has entered into contracts for the construction, renovation, and improvement of real property. The following projects were in progress at September 30, 2017:

<u>Project</u>	<u>Status</u>	<u>Commitment</u>	<u>Paid to Date</u>
Various Road Projects	Under construction	\$ 273,202,127	\$ 29,232,996
Building Remodels	Underway	24,480,575	2,491,094
	Total	<u>\$297,682,702</u>	<u>\$ 31,724,090</u>

D) ENCUMBRANCES:

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$10,292,513
Road and Bridge Fund	4,605,860
Road Bonds 2016A	37,972,077
Other Non-Major	17,721,895
Internal Service Funds	13,776
Enterprise Fund	1,342,784
Total Encumbrances	<u>\$71,948,905</u>

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

NOTE 8- DISAGGREGATION OF PAYABLE BALANCES:

A) DUE TO OTHER GOVERNMENTS:

The County records certain amounts due to other governments as a result of operating contracts and overpayment of certain grant funds. At September 30, 2017, the following amounts were due to other governments:

<u>Fund</u>	<u>Local</u>	<u>Total</u>
General	\$7,220	\$7,220

B) UNEARNED REVENUES:

The County reports unearned revenues in the governmental funds that consist of resources that have been received, but not yet earned.

At the end of September 2017, unearned revenues are presented below:

<u>Fund</u>	<u>Unearned Fees</u>
General	\$4,981,897
Other Non-Major	1,128,639
Total	<u>\$6,110,536</u>

NOTE 9- LONG-TERM DEBT:

General long-term debt consists of general obligation bonds, revenue bonds, certificates of obligation, the County's accrued liability for compensated absences and compensatory time, capital leases, workers' compensation and medical claims and judgments, net pension liability, other post-employment benefit liability, and arbitrage due the federal government. Principal and interest payments on the County's bonded debt, in general, are secured by ad valorem property taxes levied on all taxable property within the County. Payments are recorded in the Debt Service Fund.

A) BONDED DEBT:

A summary of the long-term bonded debt, at September 30, 2017 is presented:

	<u>Interest Rate (%)</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Bonds Outstanding</u>
GENERAL OBLIGATION BONDS:				
Refunding Bonds, Series 2008	3.50-5.00	2008	2018	\$ 580,000
Refunding Bonds, Series 2010	4.00-5.00	2010	2030	28,175,000
Refunding Bonds, Series 2012	2.00-5.00	2012	2026	23,710,000
Refunding Bonds, Series 2014	1.75-2.27	2014	2020	19,275,000
Refunding Bonds, Series 2014A	5.00	2014	2025	72,125,000
Refunding Bonds, Series 2016	3.00-5.00	2016	2027	58,925,000
Road Bonds, Series 2016	2.00-5.00	2016	2027	52,905,000
Refunding Bonds, Series 2016A	3.00-5.00	2017	2030	46,950,000
Road Bonds, Series 2016A	4.00-5.00	2017	2042	<u>73,725,000</u>
TOTAL GENERAL OBLIGATION BONDS				<u>\$376,370,000</u>
REVENUE BONDS:				
Pass-Through Toll Revenue and Limited Tax Bonds, Series 2009	3.00-5.00	2009	2032	12,565,000
Toll Revenue Bonds, Series 2010	3.00-5.00	2011	2021	<u>3,855,000</u>
TOTAL REVENUE BONDS:				<u>\$16,420,000</u>

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

CERTIFICATES OF OBLIGATION:

Series 2010	3.00-5.40	2010	2039	26,030,000
Series 2012	2.00-5.00	2012	2032	12,320,000
Series 2012A	2.00-5.00	2012	2023	12,400,000

**TOTAL CERTIFICATES OF
OBLIGATION**

\$50,750,000

TOTAL BONDED DEBT

\$443,540,000

All of the County's outstanding bonded debt is assigned a fixed rate of interest.

B) CHANGES IN LONG-TERM DEBT:

The following schedule illustrates changes in long-term debt for the year ended September 30, 2017. For each category, management has presented the portion that will be due within one year.

	Beginning		Provisions	Ending	Due Within
Governmental Activities:	Balance	Additions	(Reductions)	Balance	One Year
Bonds payable:					
General Obligation	\$ 315,110,000	\$121,500,000	\$ (60,240,000)	\$376,370,000	\$13,155,000
Revenue Bonds	52,825,000	-	(36,405,000)	16,420,000	8,575,000
Certificates of Obligation	58,535,000	-	(7,785,000)	50,750,000	1,660,000
Less deferred amounts:					
Issuance discounts	(630,782)	-	297,889	(332,893)	(26,546)
Issuance Premiums	44,099,076	11,311,438	(8,574,370)	46,836,144	3,789,843
Total bonds payable	469,938,294	132,811,438	(112,706,481)	490,043,251	27,153,297
Capital leases	5,893,321	516,641	(2,632,075)	3,777,887	2,595,572
Workers' Comp Obligation	1,347,167	979,783	(716,900)	1,610,050	500,000
Medical Obligation	3,616,159	21,719,722	(20,122,044)	5,213,837	5,213,837
OPEB Obligation	69,425,543	14,692,633	(3,058,015)	81,060,161	-
Net Pension Liability	48,212,157	15,614,190	(15,507,533)	48,318,814	-
Compensated absences	14,255,347	8,214,388	(8,527,903)	13,941,832	9,092,506
Total Long-term Liabilities	\$ 612,687,988	\$221,105,277	\$(142,761,492)	\$643,965,832	\$44,555,212

Internal Service Funds predominantly serve the governmental funds. Accordingly, long term liabilities, including Workers' Compensation and Medical, reported in those funds are included as part of the above totals for governmental activities. At year end, \$1,610,050 for Workers' Compensation obligation and \$5,213,837 for Medical obligation were included in the above amounts. Since medical claims are typically resolved within 60 days after occurrence, the entire claims liability is due within one year.

At year end, \$1,766,151 of special revenue funds compensated absences is included in the above amounts. The remaining balance of \$12,175,681 will be liquidated by the general fund. In prior years, compensated absences have been liquidated by the County's general fund and special revenue funds. The OPEB obligation will be liquidated by the general fund. In prior years, the OPEB obligation was liquidated by the general fund.

MONTGOMERY COUNTY, TEXAS
Notes to the Financial Statements
September 30, 2017

C) **ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY:**

The following table lists the amounts required to amortize bonded debt, by debt type.

<u>Maturity</u>	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Certificates of Obligation</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 13,155,000	\$ 17,083,744	\$ 8,575,000	\$ 557,225	\$ 1,660,000	\$ 2,254,080
2019	13,730,000	16,645,131	4,940,000	244,050	1,715,000	2,197,830
2020	14,605,000	16,153,844	2,905,000	72,625	1,770,000	2,142,236
2021	17,475,000	17,475,000	-	-	810,000	2,099,727
2022	18,435,000	14,568,013	-	-	1,665,000	2,051,686
2023-2027	103,805,000	58,235,463	-	-	14,695,000	8,528,538
2028-2032	121,065,000	30,699,331	-	-	17,125,000	4,988,578
2033-2037	34,475,000	12,833,625	-	-	7,790,000	2,031,480
2038-2042	39,625,000	3,845,550	-	-	3,520,000	191,700
Total	\$376,370,000	\$185,525,464	\$ 16,420,000	\$ 873,900	\$ 50,750,000	\$ 26,485,855

D) **PRIOR YEAR DEFEASANCE OF DEBT:**

In prior years, the County defeased multiple debt issues by creating separate irrevocable trust funds. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until it is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed from the government-wide financial statements.

On December 1, 2016 the County issued \$47,775,000 in Limited Tax Refunding Bonds, Series 2016A. Proceeds from the sale of the bonds were used to refund and defease certain outstanding obligations and to pay costs of issuance of the bonds. The refunding issue advance refunded \$31,755,000 of the Limited Tax Refunding Bonds, Series 2007, \$1,960,000 of the Certificates of Obligation, Series 2010A, and \$15,205,000 of the Unlimited Tax Refunding Bonds, Series 2010. The County refunded the bonds in order to reduce its future debt service payments by \$4,740,046 and to obtain an economic gain (difference between the debt) of \$3,765,809.

On December 13, 2016 the County authorized the use of available funds received through the Pass Through Toll Agreement to refund and defease the remaining outstanding debt as it relates to the Pass Through Toll Program. This resulted in the defeasance of \$3,440,000 of Pass-Through Toll Revenue & Limited Tax Bonds, Series 2009, \$8,930,000 of Pass-Through Toll Revenue & Limited Tax Bonds, Series 2010, and \$15,880,000 of Pass-Through Toll Revenue & Limited Tax Bonds, Series 2012.

As of September 30, 2017, defeased but outstanding debt from prior year refunding transactions consisted of the following:

<u>Series</u>	<u>Amount</u>
Unlimited Tax Road Bonds, Series 2006B	\$ 20,195,000
Unlimited Tax Road Bonds, Series 2008B	34,705,000
Pass-Through Toll Revenue Bonds, Series 2010	4,905,000
Pass-Through Toll Refunding Bonds, Series 2012	15,880,000
Certificates of Obligation, Series 2010A	1,960,000
Refunding Bonds, Series 2010	15,205,000
Total Defeased but Outstanding	\$ 92,850,000

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

E) FUTURE BORROWING:

In November 2015, the voters of Montgomery County approved the issuance of \$280 million in unlimited tax road bonds to fund road improvements throughout the County. The County issued a total of \$140 million of these road bonds. This leaves the remaining authorized amount at \$139.6 million to be issued in subsequent periods.

F) CONDUIT DEBT OBLIGATIONS:

Harris County Health Facilities Development Corporation and Harris County Cultural Education Facilities Finance Corporation issued bonds to provide financial assistance to private and public sector entities engaged in activities that are deemed to be in the public interest. These bonds are obligations of the issuing entities payable solely from the proceeds of the underlying financing agreements and, in the opinion of legal counsel, do not represent indebtedness or liability to the issuing entity, to Montgomery County, Texas, to the State of Texas, or to any political subdivision; therefore, they are not reported as liabilities in the County's financial statements.

Harris County Health Facilities Development Corporation- The corporation issues bonds if there is a public benefit or purpose that is necessary or convenient for health care, research, or education. Its activity is included in this disclosure because its bonds have been issued for the benefit of organizations located in Montgomery County. As of February 28, 2017, there were ten (10) series of bonds outstanding with an aggregate principal payable of \$940,480,000. The bonds will be repaid from sources defined in the various underlying financing agreements between the corporation and the entities for whose benefit the bonds were issued.

Harris County Cultural Education Facilities Finance Corporation- The corporation issues bonds for the purpose of defraying expansion costs, for Space Center Houston projects, Houston Livestock Show and Rodeo projects, Baylor College of Medicine, Memorial Hermann Healthcare System, Methodist Hospital System, Texas Medical Center projects, and the Young Men's Christian Association (YMCA) of the Greater Houston Area and others. Its activity is included in this disclosure because its bonds have been issued for the benefit of organizations located in Montgomery County. As of February 28, 2017 there were forty-nine (49) series of Bonds outstanding with an aggregate principal payable of \$4,517,428,248. The Bonds will be repaid from payments required to be made under loan agreements between the issuing entity and the aforementioned parties.

G) CAPITAL LEASES:

The County has entered into capital lease agreements for the lease/purchase/construction of certain heavy road equipment, vehicles, and buildings. Acquisition of equipment with a value of \$516,641 was financed during the current fiscal year under capital leases and recorded in the Capital Assets portion of the government-wide financial statements. Depreciation expense for these assets is included as part of the depreciation expense detailed in Note 7. The lease agreements are classified as capital leases because title passes to the County at the end of the lease term, and are included as leases payable in the Long-Term Debt portion of the government-wide statements. The present value of future minimum capital lease payments at September 30, 2017 and the funds from which they will be paid are as shown below:

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

<u>Year</u> <u>Ending</u>	<u>General</u> <u>Fund</u>	<u>Special Revenue</u> <u>Funds</u>	<u>Total</u>
2018	\$ 1,877,660	\$ 851,406	\$ 2,729,066
2019	61,022	797,028	858,050
2021	-	385,977	385,977
Total Minimum Lease Payments	1,938,682	2,034,411	3,973,093
Less: amount representing interest	67,942	127,264	195,206
Present value-minimum lease payments	<u>\$ 1,870,740</u>	<u>\$ 1,907,147</u>	<u>\$ 3,777,887</u>

NOTE 10- INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS:

A) DUE FROM/DUE TO OTHER FUNDS:

Activity between funds that represents the current portion of lending/borrowing and inter-fund charges for goods and services arrangements outstanding at fiscal year-end are referred to as “due from/due to other funds.” Inter-fund balances are expected to be repaid within one year from the date of the financial statements, and are routine in nature.

The composition of inter-fund balances as of September 30, 2017 was as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 38,057,169	\$ 57,082,767
Road and Bridge Fund	-	3,459,673
Debt Service Fund	1,200,665	-
Road Bonds Series 2016A Fund	-	3,853,914
Non-major Governmental Funds	31,167,240	22,974,675
Internal Service Funds	24,754,883	-
Enterprise Fund	-	7,808,928
Total	<u>\$ 95,179,957</u>	<u>\$ 95,179,957</u>

B) TRANSFERS:

Transfers are used to a) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, b) move receipts from bond refundings and residual balances from capital project funds to the debt service fund to pay debt obligations, and c) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Inter-fund transfers for the year ended September 30, 2017 were:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,404,290	\$ 16,066,327
Road and Bridge Fund	1,428,538	454,846
Debt Service Fund	1,122,357	-
Non-major Governmental Funds	14,485,202	1,482,224
Internal Service Funds	-	436,990
Total	<u>\$ 18,440,387</u>	<u>\$ 18,440,387</u>

Although inter-fund activity is reported in the fund financial statements, it has been eliminated in the government-wide financial statements.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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NOTE 11- FUND BALANCES:

The following table provides detail of the classification of fund balances as reported in the fund financial statements:

	General	Road & Bridge	Debt Service	Road Bonds Series 2016A	Other Governmental Funds	Total Governmental Funds
Non-Spendable						
Prepaid	\$ -	\$ -	\$ -	\$ -	\$ 813,310	\$ 813,310
Total Non-Spendable	-	-	-	-	813,310	813,310
Restricted for:						
Capital Projects	-	-	-	70,480,890	43,841,656	114,322,546
Debt Service	-	-	28,249,874	-	-	28,249,874
General Admin	-	-	-	-	5,460,685	5,460,685
Financial Admin	-	-	-	-	-	-
Conservation	-	-	-	-	-	-
Judicial	148,114	-	-	-	1,404,120	1,552,234
Legal Services	4,674	-	-	-	554,192	558,866
Elections	-	-	-	-	633,753	633,753
Public Facilities	-	-	-	-	-	-
Public Safety	2,440,853	-	-	-	6,990,385	9,431,238
Health & Welfare	261,508	-	-	-	4,108,254	4,369,762
Culture & Recreation	-	-	-	-	117,594	117,594
Public Transportation	-	1,498,265	-	-	706,485	2,204,750
Total Restricted	2,855,149	1,498,265	28,249,874	70,480,800	63,817,124	166,901,302
Committed for:						
Capital Projects	11,791,868	-	-	-	20,994,071	32,785,939
General Admin	774,903	-	-	-	-	774,903
Financial Admin	4,578,330	-	-	-	-	4,578,330
Conservation	244	16,125	-	-	-	16,369
Public Facilities	2,949,377	3,177	-	-	-	2,952,554
Public Safety	7,950,916	-	-	-	-	7,950,916
Judicial	189,065	-	-	-	3,096	192,161
Legal Services	235	-	-	-	-	235
Elections	34,868	-	-	-	-	34,868
Culture & Recreation	148,530	-	-	-	-	148,530
Health & Welfare	571,583	-	-	-	-	571,583
Public Transportation	252,417	4,586,558	-	-	-	4,838,975
Toll Road	-	-	-	-	-	-
Total Committed	29,242,336	4,605,860	-	-	20,997,167	54,845,363
Assigned to:						
OPEB Obligation	59,173,918	-	-	-	-	59,173,918
Judicial	-	-	-	-	1,863,484	1,863,484
Public Transportation	-	7,092,765	-	-	-	7,092,765
Total Assigned	59,173,918	7,092,765	-	-	1,863,484	68,130,167
Unassigned	44,683,463	-	-	-	-	44,683,463
Total Fund Balances	\$135,954,866	\$ 13,196,890	\$ 28,249,874	\$ 70,480,800	\$ 87,491,085	\$335,373,605

NOTE 12- OPERATING LEASES:

The County is a party to several lease agreements. Significant terms are discussed below:

Office Space- The County leases 4,474 square feet of office space to the Conroe Symphony Orchestra for a period of sixty months. The term of this lease is July 1, 2015 through June 30, 2020. The monthly rent of \$1,200 is recorded in the General Fund.

MONTGOMERY COUNTY, TEXAS

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September 30, 2017

The County leases 2,872 square feet of office space to the Montgomery County Housing Authority on a month-to-month basis. The monthly rent is \$425 and is recorded in the General Fund.

The County also leases office space at the East Montgomery County Community Development Building to Lakewood Family Practice and/or Dr. N. K. Karimjee, for a period of eighty-four months. The original term of this lease was through July 1, 2014 and was amended to renew through July 2021. The monthly rent of \$3,250 is recorded in the Community Development Fund. The building is recorded as a Capital Asset in the County's government-wide financial statements at a cost of \$2,587,911, less accumulated depreciation of \$641,567.

Additionally, the County leases office space at a low income medical clinic to the Magnolia Family Practice Clinic and/or Dr. N. K. Karimjee, for a period of 84 months ending on March 10, 2021. The monthly rent of \$2,500 and utilities of \$400 is recorded in the Community Development Fund.

Following is a schedule of lease payments on office space leases through the ending dates of the agreements:

<u>Year Ending</u>	
<u>September 30.</u>	
2018	95,550
2019	98,550
2020	97,950
2021	81,650
2022	39,900
Total Future Lease Payments	<u>\$413,600</u>

NOTE 13- RISK MANAGEMENT:

A) EMPLOYEE HEALTH BENEFITS:

Effective January 1989, the County established a partially self-funded trust plan which offers medical and life insurance coverage to employees and their dependents. The County maintains excess loss insurance, which limits annual claims paid from the plan to a maximum of \$200,000 per plan participant. This excess loss reinsurance policy includes a contract provision that eliminates a large claim run off liability. A third party administrator is employed by the plan to administer claims. A trustee has been engaged to receive employer and employee contributions and to disburse payments to the providers of the plan. Costs relating to the plan are recorded as expenditures in the internal service fund. In prior years these costs were recorded in the General Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

The plan is funded to discharge liabilities as they become due. Claims incurred and reported, but not paid at September 30, 2017, were \$531,222. Claims incurred but not reported (IBNR) at September 30, 2017, are estimated to be \$4,682,615. Estimates are not based on actuarial calculations, but rather on historical trends. Both amounts have been recorded as expenditures in the Self Insurance Medical Fund, an internal service fund, and a liability has been established.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

Changes in the health claims liability for the two fiscal years ended September 30, 2017 and September 30, 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Unpaid claims, beginning of year	\$ 3,616,159	\$ 3,622,386
Incurred claims (includes IBNR)	21,719,722	22,160,954
Claim payments	(20,122,044)	(22,167,181)
Unpaid claims, end of year	<u>\$ 5,213,837</u>	<u>\$ 3,616,159</u>

During the year ended September 30, 2017, the plan received contributions in the amounts of \$27,900,326 and \$2,571,512 from the employer and employees, respectively. The contributions made by employees included contributions by qualified retirees and certain former employees covered by the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). In addition to the claim payments made, the plan also expended \$1,208,360 in administrative costs and \$2,754,938 for reinsurance and insurance premiums.

B) WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY:

As of January 1, 2003, the County established a partially self-funded program to cover claims by employees arising from job related injuries. The program offers coverage at the statutorily required limits required by the State of Texas. A third party administrator has been engaged by the County to adjudicate claims, provide nurse case management, pre-certification and bill review. Excess loss insurance was purchased to limit the claims loss to the County to no more than \$250,000 per individual claim in 2017.

Costs associated with this program are recorded as expenditures in the Self Insurance Workers' Compensation Fund, which is an Internal Service Fund. Prior to fiscal year 2011, these costs were recorded in the General Fund. Liabilities are recorded when it is probable that a loss has occurred and when an amount can be reasonably estimated. During the year ended September 30, 2017, the County expended \$103,453 for administrative costs and \$285,654 for excess loss insurance premiums.

Changes in the Workers' Compensation liability for the two fiscal years ended September 30, 2017 and September 30, 2016 are detailed below:

	<u>2017</u>	<u>2016</u>
Unpaid claims, beginning of year	\$ 1,347,167	\$ 977,932
Current year claims and changes in estimates (includes IBNR)	979,783	666,803
Claim payments	(716,900)	(297,568)
Unpaid claims, end of year	<u>\$1,610,050</u>	<u>\$1,347,167</u>

C) PROPERTY, CASUALTY AND BOILER COVERAGE:

The County purchased reinsurance coverage for certain property including vehicle, equipment and contents coverage for the fiscal year. Self-Insured Retentions are maintained at the following levels:

• Buildings and Contents	\$100,000
• Boats and Vehicles with less than 6 wheels	\$ 10,000
• Vehicles Heavy Equipment above 6 wheels	\$ 25,000
• Boilers and HVAC systems	\$ 1,500
• Pollution (Storage Tank) Liability	\$ 10,000

MONTGOMERY COUNTY, TEXAS

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Total insured values exceed \$395,000,000 for the first three coverages listed above and an additional \$100,000,000 for boilers and HVAC systems.

The County paid \$428,356 in premiums in fiscal year 2017, and recorded the expenditure in the Accident Liability Fund. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

D) GENERAL AND OTHER LIABILITY COVERAGES:

The County purchased reinsurance coverage for General Liability, Auto Liability, Public Officials' Liability, Law Enforcement Liability, Marine Liability, Crime Coverage, Employee Benefits Liability and Airport Operators' Liability. Self-Insured Retentions are maintained at the \$100,000 level per occurrence by the type of coverage with the exception of the Airport Operators' Liability, which has no deductible. The Public Officials' Liability and Employee Benefits Liability are written on a "claims-made basis". The County and District Clerks have a \$25,000 deductible on the Public Officials Liability. Coverage limits are set at \$1,000,000 per claim by type of coverage. The Airport Operators' Liability is set to \$10,000,000. The Pollution Liability (Storage Tank) limit is \$1,000,000 each incident/\$1,000,000 aggregate limit.

Effective December 1, 2003, the County began participating in an individual public entity risk pool, for the coverages listed in subsections B, C, and D above, to transfer certain risks associated with property, casualty, liability and workers' compensation. In addition to those coverages, the County purchased an additional aggregate reinsurance policy. The aggregate coverage loss fund is written on a claims-made basis and is capped at \$1,800,000 for the fiscal year. Note 16 describes the County's obligation under liability claims for 2017.

NOTE 14- EMPLOYEE RETIREMENT PLAN:

A) PLAN DESCRIPTION:

The County's nontraditional defined benefit pension plan, Texas County and District Retirement System (TCDRS), provides pensions for all of its full-time employees. The TCDRS Board of Trustees is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 738 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, TX, 78768.

B) BENEFITS PROVIDED:

TCDRS provides retirement, disability, and death benefits. 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 with 8 or more years of service at age 60 and above, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the Commissioners' Court 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 employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. The plan is open to new entrants.

C) EMPLOYEES COVERED BY BENEFIT TERMS:

Inactive employees or beneficiaries currently receiving benefits	857
Inactive employees entitled to but not yet receiving benefits	1,413
Active employees	<u>2,297</u>

D) CONTRIBUTIONS:

Montgomery County has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer 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 12.27 percent and \$14,521,021 for the months of the calendar year 2016.

The deposit rate payable by the employee members for calendar year 2016 was 6.0 percent as adopted by the Commissioners' Court. The employee deposit rate and the employer contribution rate may be changed by the Commissioners' Court within the options available in the TCDRS Act.

E) ACTUARIAL ASSUMPTIONS:

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Payroll growth	3.5%
Real rate of return	5.0%
Long-term investment return	8.0%

The actuarial assumptions that determined the total pension liability as of December 31, 2016 were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012. In addition, mortality rates were based on the following mortality tables:

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year set-back, both projected to 2014 with a scale AA and then projected with 110% of the MP-2014 Ultimate scale after that.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table projected to 2014 with scale AA and the projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two-year set-forward for females.

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The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The numbers shown are based on January 2017 information for a 7-10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon.

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equities	13.50%	4.70%
Private Equity	16.00%	7.70%
Global Equities	1.50%	5.00%
International Equities --Developed	10.00%	4.70%
International Equities - Emerging	7.00%	5.70%
Investment - Grade Bonds	3.00%	0.60%
High-Yield Bonds	3.00%	3.70%
Opportunistic Credit	2.00%	3.83%
Direct Lending	10.00%	8.15%
Distressed Debt	3.00%	6.70%
REIT Equities	2.00%	3.85%
Master Limited Partnerships	3.00%	5.60%
Private Real Estate Partnerships	6.00%	7.20%
Hedge Funds	20.00%	3.85%
Total	100.00%	

The discount rate used to measure the total pension liability was 8.10%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the funding policy and the legal requirements under the TCDRS Act. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods. The employee is legally required to make the contribution specified in the funding policy. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable. Based on the above assumptions, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the net pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 8.10% has been used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

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Notes to the Financial Statements

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F) PLAN FIDUCIARY NET POSITION:

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2015	\$419,773,994	\$371,561,838	\$48,212,157
Changes for the year:			
Service cost	16,207,504	-	16,207,504
Interest	34,011,062	-	34,011,062
Effects of plan changes	419,483	-	419,483
Effect of economic/demographic gains or losses	40,860	-	40,860
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(819,808)	(819,808)	-
Benefit payments	(15,571,272)	(15,571,272)	-
Administrative expense	-	(299,286)	299,286
Member contributions	-	7,100,748	(7,100,748)
Net investment income	-	27,516,524	(27,516,524)
Employer contributions	-	15,909,431	(15,909,431)
Other changes	-	344,834	(344,834)
Net changes	\$ 34,287,829	\$ 31,181,171	\$ 416,658
Balances at December 31, 2016	\$454,061,823	\$402,743,009	\$48,318,814

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.10%) or 1-percentage-point higher (9.10%) than the current rate.

	1% Decrease (7.10%)	Current Discount Rate (8.10%)	1% Increase (9.10%)
County's Net Pension Liability/(Asset)	\$111,326,883	\$48,318,814	\$(3,814,616)

MONTGOMERY COUNTY, TEXAS

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September 30, 2017

G) PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS:

For the fiscal year ended September 30, 2017, the County recognized pension expense of \$22,278,117. At September 30, 2017, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 2,530,753	\$ 835,733
Changes of assumptions	-	2,802,813
Net difference between projected and actual earnings	-	25,948,217
Contributions made subsequent to measurement date	-	11,990,559
	<u>\$ 2,530,753</u>	<u>\$ 41,577,322</u>

The \$11,990,559 reported as deferred outflows of resources related to pensions from County contribution subsequent to the measurement date will be recognized as a reduction of net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30, 2017

2018	\$ 9,147,536
2019	9,147,536
2020	8,110,374
2021	643,754
2022	6,810
Total	<u>\$ 27,056,010</u>

NOTE 15- OTHER POST-EMPLOYMENT BENEFITS (OPEB):

A) PLAN DESCRIPTION:

Effective January 1, 2000, Commissioners' Court adopted a plan to pay for health benefit coverage for qualified retirees under a single-employer defined benefit plan. To qualify for inclusion in the coverage, an individual must currently attain either 15 continuous years of full-time employment (for employees hired prior to October 1, 2009) or 25 continuous years of full-time employment (for employees hired after October 1, 2009) with the County and be eligible for a retirement annuity from the Texas County and District Retirement System. The employee can elect to waive health benefit coverage. The County is under no obligation to provide this benefit, and the decision to do so is made by the Commissioners' Court on a year-to-year basis.

Additionally, the County offers an employee-funded health benefit to those who do not meet the above criteria. The County is obligated to provide this benefit subject to requirements of Chapter 175 of the Texas Local Government Code. Contribution levels are determined by Commissioner's Court on a year-to-year basis. The benefit level is the same as that for a full time regular employee, as further disclosed in Note 13-A.

B) FUNDING POLICY:

Montgomery County's optional post-retirement benefit liability is recorded on a full accrual basis in the government-wide statements. An actuarial study was performed for fiscal year 2017 to prepare for disclosure of this liability in accordance with GASB 45. The projected liability accrual for fiscal year 2017 has been recorded net of premium contributions received from retired employees as required in the plan. Management funds this benefit on a "pay-as-you-go" basis.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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During the year, the County incurred \$3,058,015 in health care claims for retirees and their dependents. For the year ended September 30, 2017, forty-seven employees retired from service with the County and met the qualifications stated in Part A above. Currently, there are 330 retirees covered by this benefit. The actual cost recorded by the County is included in Note 13. Retiree contributions for 2017 were \$226,868, and the County paid the remaining amount of claims. The current ARC is 13.53 percent of annual covered payroll.

C) **ANNUAL OPEB COST AND NET OPEB OBLIGATION:**

Montgomery County records the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the county's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the county's net OPEB obligation:

	<u>2017</u>	<u>2016</u>
Annual Required Contribution	\$14,712,082	\$ 13,655,076
Adjustment to annual required contribution	(2,559,609)	(2,139,198)
Interest Adjustment to Net OPEB obligation	2,770,953	2,315,829
Annual OPEB cost (expense)	14,923,426	13,831,707
Contributions made	(3,288,808)	(2,121,443)
Increase in Net OPEB obligation	11,634,618	11,710,264
Net OPEB obligation – beginning of year	69,425,543	57,715,279
Net OPEB obligation – end of year	<u>\$81,060,161</u>	<u>\$ 69,425,543</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>		<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/13	\$	12,051,576	15.3%	\$ 36,723,146
9/30/14		12,082,709	18.7%	46,541,718
9/30/15		13,797,844	19.0%	57,715,279
9/30/16		13,831,707	15.3%	69,425,543
9/30/17		14,923,426	22.0%	81,060,161

D) **FUNDED STATUS AND FUNDING PROGRESS:**

As of September 30, 2017, the most recent actuarial valuation date, the funded status of the plan was as follows:

<u>Actuarial Accrued Liability (AAL)</u>	<u>Actuarial Value of Plan Assets</u>	<u>Unfunded Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annualized Covered Payroll</u>	<u>UAAL as a percentage of Covered Payroll</u>
\$ 167,870,632	\$ -	\$ 167,870,632	-	\$ 108,762,758	154.3%

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Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the notes of the financial statements as required supplementary information, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E) ACTUARIAL METHODS AND ASSUMPTIONS:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Valuation Date	September 30, 2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll, open
Remaining Amortization Period	30 years
Actuarial Assumptions:	
Inflation Rate	3%
Discount Rate	4%
Projected salary increases	3.25% annually
Medical Trend Rate	7%

The valuation will be updated every two years and actual results will be compared with past expectations. As a result of these comparisons, new estimates and assumptions will be made about future results of the plan. Valuations are made based on the benefits provided under the terms of the substantive plan in place at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to that point. Any changes in the benefits offered or the contribution rates would impact future valuations. Montgomery County does not prepare a separate financial report for the post-employment benefit plan.

NOTE 16- CONTINGENT LIABILITIES:

A) GENERAL LIABILITIES:

For fiscal year 2017, the County participated in a public entity risk pool, to which certain losses arising from liability claims were transferred. The premium for this coverage, \$278,947, was recorded in the Accident Liability Fund, as part of the Internal Service Funds. In addition, the County expended \$125,169 for damages in connection with eighteen (18) claims, for which the deductible had not been satisfied.

MONTGOMERY COUNTY, TEXAS

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September 30, 2017

B) GRANTS:

The County receives various grant monies that are subject to audit and adjustment by the grantor agencies. Any disallowed expenditure will become a liability of the County. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

C) LITIGATION:

The County is a defendant in a number of lawsuits with claims for damages in excess of \$5,000,000. These claims result primarily from assertions by former employees that they were wrongfully discharged, allegations by jail inmates that their rights were violated while incarcerated in the County jail, and claims by individuals arising from property damages. The County paid \$50,481 for legal counsel to defend existing claims. These costs are accounted for in the Accident Liability Fund. The County intends to vigorously contest all the cases, and legal counsel is of the opinion that the County will prevail in all cases which may have a material effect on the financial position of the County. For additional information on the County's coverage amounts see Note 13-D.

NOTE 17- TAX ABATEMENTS:

The County enters into property tax abatement agreements with local businesses under the Texas Tax Code, Title 3. Subtitle B, Chapter 312. Texas Property Re-development and Tax Abatement Act (the Act). Under the Act, Counties may grant property tax abatements in accordance with guidelines set forth by the Commissioners' Court. The County may grant property tax abatements for economic projects under the program that are reasonably expected to increase taxable ad valorem tax value of at least \$1,000,000 and that must be expected to prevent the loss of jobs or retain, increase, or create jobs in the County. Abatements are obtained by application by the property owner to either the County Judge or the Tax Assessor-Collector.

A facility may be eligible if it is a: aviation facility, manufacturing facility, regional distribution center, research facility, office building or any other real property not excluded under Section III (c). Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an Abatement Agreement between the County and the property owner and lessee (if required), subject to such limitations as Commissioners' Court may require. New facilities and improvements to existing facilities may be eligible for purposes of modernization or expansion if they are in excess of 1,000,000. Additionally, they must create or retain permanent jobs in order to be eligible for consideration. Abatement may be extended to the value of buildings, structures, site improvements plus that office space, and related fixed personal property improvements necessary to the operation and administration of the facility. Abatement may also be extended to the taxable value of aircraft, but only in conjunction with other eligible property and/or improvements that creates new value in addition to that of the aircraft.

Abatements are granted effective with the January 1 valuation date immediately following the date of execution of the agreement.

For the fiscal year ended September 30, 2017, the County abated property taxes totaling \$2,217,859 under this program which includes twenty (20) entities.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2017

NOTE 18- NEW ACCOUNTING PRONOUNCEMENTS:

The Governmental Accounting Standards Board (GASB) has recently issued several new statements. A listing follows of those that apply to the County. These statements will be implemented in subsequent years, as required by the GASB.

GASB Statement No. 87, *Leases*, will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2021.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*, will increase consistency in accounting and financial reporting for debt extinguishments by establishing uniform guidance for derecognizing debt that is defeased in substance, regardless of how cash and other monetary assets placed in an irrevocable trust for the purpose of extinguishing that debt were acquired. It will also enhance the consistency in financial reporting of prepaid insurance related to debt that has been extinguished. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2018.

GASB Statement No. 85, *Omnibus 2017*, will enhance consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of financial statements. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2018.

GASB Statement No. 84, *Fiduciary Activities*, will enhance consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2020.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, will establish uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2019.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, will enhance the comparability of financial statements by providing accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2018.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, will improve comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2018.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will improve the decision-usefulness of information in financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. This statement replaces the requirements of GASB 45, *Accounting and Financial Reporting by*

MONTGOMERY COUNTY, TEXAS
Notes to the Financial Statements
September 30, 2017

Employers for Postemployment Benefits Other Than Pensions. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2018.

NOTE 19- SUBSEQUENT EVENTS:

On January 25, 2018, Commissioners Court defeased the remaining portion of Pass-Through Toll Revenue Bonds in the amount of \$16,420,000. The final allocation to the County from TXDot for the Pass-Through Toll Program were used to defease the debt.

MONTGOMERY COUNTY, TEXAS
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability

	2015*	2016*	2017*
Total Pension Liability			
Service Cost	\$ 13,961,075	\$ 14,877,252	\$ 16,207,504
Interest	29,231,819	31,734,340	34,011,062
Effect of plan changes	-	(3,634,696)	419,483
Effect of economic/demographic gains or losses	1,603,366	(3,796,129)	40,860
Effect of assumptions changes or inputs	-	4,204,219	-
Benefit Payments, including refunds of employee contributions	(13,944,641)	(15,341,208)	(16,391,080)
Net change in total pension liability	30,851,619	28,043,778	34,287,829
Total pension liability - beginning	360,878,598	391,730,217	419,773,994
Total pension liability - ending	<u>\$ 391,730,217</u>	<u>\$ 419,773,995</u>	<u>\$ 454,061,823</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 12,941,853	\$ 18,689,688	\$ 15,909,431
Contributions - employee	6,328,534	6,694,227	7,100,748
Net Investment income	22,791,347	(5,580,229)	27,516,524
Benefit payments, including refunds of employee contributions	(13,944,641)	(15,341,208)	(16,391,080)
Administrative expenses	(272,575)	(266,281)	(299,286)
Other	200,508	(135,551)	344,834
Net change in plan fiduciary net position	28,045,026	4,060,646	34,181,171
Plan Fiduciary Net Position - beginning	339,456,166	367,501,192	371,561,838
Plan Fiduciary Net Position - ending	<u>\$ 367,501,192</u>	<u>\$ 371,561,838</u>	<u>\$ 405,743,009</u>
County's net pension liability - ending	<u>\$ 24,229,025</u>	<u>\$ 48,212,157</u>	<u>\$ 48,318,814</u>
Plan fiduciary net position as a percentage of the total pension liability	93.81%	88.51%	89.36%
Covered - employee payroll	\$ 105,475,573	\$ 111,570,445	\$ 118,329,101
County's net pension liability as a percentage of covered-employee payroll	22.97%	43.21%	40.83%

* The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, December 31 of the prior year. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

MONTGOMERY COUNTY, TEXAS
Required Supplementary Information
Schedule of County Contributions

	2015*	2016*	2017*
Actuarially determined contribution	\$ 11,834,359	\$ 12,194,650	\$ 12,105,067
Actual Employer Contribution	12,941,853	18,689,688	15,909,431
Contribution deficiency (excess)	<u>\$ (1,107,494)</u>	<u>\$ (6,495,039)</u>	<u>\$ (3,804,363)</u>
Covered employee payroll	\$ 105,475,573	\$ 111,570,445	\$ 126,429,336
Contributions as a percentage of covered-employee payroll	12.30%	16.80%	12.60%

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5 year smoothed non-asymptotic
Inflation	3.0%
Salary increases	3.5%, average, including inflation
Investment rate of return	8.10%, net of investment expense
Depositing members	The RP-2000 Active Employee Mortality Table for males with a tow-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year set-back, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a tow-year set-forward, both with the projection scale AA.

* The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, December 31 of the prior year. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years for which information is available.

MONTGOMERY COUNTY, TEXAS
Required Supplementary Information
September 30, 2017

Other Post Employment Benefits (OPEB)

Schedule of Funding Progress

(Amounts expressed in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll ⁽¹⁾	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
10/01/08	\$ -	\$ 86,253	\$ 86,253	- %	\$62,670	137.6%
09/30/11	-	129,597	129,597	- %	78,297	165.5%
09/30/13	-	141,102	141,102	- %	88,645	159.2%
09/30/15	-	153,708	153,708	- %	100,182	153.4%
09/30/17	-	167,870	167,870	- %	108,763	154.3%

SUPPLEMENTARY INFORMATION



MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance

September 30, 2017

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	<u>General Fund</u>
<u>ASSETS:</u>	
Cash	\$ 85,179,353
Investments	80,522,694
Receivables:	
Taxes (net)	4,968,675
Accounts (net)	1,646,855
Interest	29,935
Due from Other Funds	38,057,169
Due from Other Governments	10,703,568
<u>TOTAL ASSETS</u>	<u>\$ 221,108,249</u>
<u>LIABILITIES:</u>	
Accounts Payable	\$ 18,214,620
Due to Other Funds	57,082,767
Due to Other Governments	7,220
Unearned Revenue	4,981,897
Total liabilities	<u>80,286,504</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Unavailable revenue: property taxes	4,866,879
Total deferred inflows of resources	<u>4,866,879</u>
<u>FUND BALANCES:</u>	
Restricted	2,855,149
Committed	29,242,336
Assigned	59,173,918
Unassigned	44,683,463
Total Fund Balances	<u>135,954,866</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	<u>\$ 221,108,249</u>

MONTGOMERY COUNTY, TEXAS
General Fund
Schedule of Revenues and Other Financing Sources
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

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Page 1 of 2

<u>TAXES:</u>	Original Budget	Final Budget	Actual	Variance with Final Budget
Ad Valorem Current	\$ 178,436,366	\$ 178,436,366	\$ 176,830,693	\$ (1,605,673)
Ad Valorem Delinquent	1,225,000	1,225,000	1,907,871	682,871
Penalty and Interest	1,015,000	1,015,000	1,853,488	838,488
Miscellaneous Taxes	150,000	150,000	1,147,525	997,525
Total Taxes	180,826,366	180,826,366	181,739,577	913,211

LICENSES AND PERMITS:

Beer Licenses	130,000	130,000	167,716	37,716
Trial Fees	4,000	4,000	736	(3,264)
Park Fees	90,000	90,000	118,793	28,793
Health Permits	500,000	500,000	528,870	28,870
Recycle Center Permits	-	-	2,000	2,000
Animal Control Transport	10,000	10,000	25,875	15,875
Alarm Permits	800,000	956,871	989,096	32,225
Hazardous Waste Mgmt Fees	25,000	25,000	21,145	(3,855)
Total Licenses and Permits	2,009,000	2,165,871	2,430,326	264,455

FEES:

County Judge	13,000	13,000	11,949	(1,051)
County Sheriff	325,000	451,372	411,171	(40,201)
County Attorney	80,000	80,000	74,441	(5,559)
County Clerk	3,432,615	3,424,662	3,582,860	158,198
Tax Assessor-Collector	5,018,389	5,021,389	5,444,531	423,142
District Clerk	1,382,932	1,396,701	1,651,591	254,890
Justice of the Peace	4,513,953	4,522,113	4,729,000	206,887
Constable	350,000	350,000	451,203	101,203
Voter Registration	100	100	160	60
Criminal Justice Fees	397,000	358,585	478,208	119,623
Total Fees	15,512,989	15,617,922	16,835,114	1,217,192

INTERGOVERNMENTAL:

Federal Grants	70,000	2,902,260	1,880,747	(1,021,513)
State Grants	420,000	1,056,739	2,009,112	952,373
Other	2,615,000	3,420,418	3,794,441	374,023
Total Intergovernmental	3,105,000	7,379,417	7,684,300	304,883

MONTGOMERY COUNTY, TEXAS
General Fund
Schedule of Revenues and Other Financing Sources
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>CHARGES FOR SERVICES</u>	2,911,386	3,236,479	2,914,647	(321,832)
<u>INVESTMENT EARNINGS</u>	332,210	383,630	1,969,724	1,586,094
<u>CONTRACT REIMBURSEMENTS</u>	13,981,453	14,834,305	14,065,098	(769,207)
<u>INMATE HOUSING</u>	15,800,000	29,992,842	29,992,842	-
<u>FINES AND FORFEITURES</u>	40,000	40,000	57,074	17,074
<u>MISCELLANEOUS:</u>				
Lease of Facility	15,000	15,000	20,225	5,225
Commissions	180,000	255,890	452,735	196,845
Other	282,500	598,598	840,552	241,954
Total Miscellaneous	477,500	869,488	1,313,512	444,024
<u>TOTAL REVENUES</u>	234,995,904	255,346,320	259,002,214	3,655,894
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	-	462,502	1,404,290	941,788
Capital Lease Financing	-	-	241,615	241,615
<u>TOTAL OTHER FINANCING SOURCES</u>	-	462,502	1,645,905	1,183,403
<u>TOTAL REVENUES AND OTHER FINANCING SOURCES</u>	<u>\$ 234,995,904</u>	<u>\$ 255,808,822</u>	<u>\$ 260,648,119</u>	<u>\$ 4,839,297</u>

MONTGOMERY COUNTY, TEXAS**General Fund****Schedule of Expenditures and Other Financing Uses****Budget (GAAP Basis) and Actual Year Ended September 30, 2017**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>GENERAL ADMINISTRATION:</u>				
County Judge:				
Salaries	\$ 451,789	\$ 451,789	\$ 401,660	\$ 50,129
Employee Benefits	145,811	145,811	120,666	25,145
Supplies	8,550	7,081	4,558	2,523
Contract Services	41,331	51,527	35,968	15,559
Total County Judge	647,481	656,208	562,852	93,356
Human Resources:				
Salaries	400,346	400,346	394,217	6,129
Employee Benefits	146,976	146,976	144,041	2,935
Supplies	9,600	9,600	9,252	348
Contract Services	79,846	79,846	58,486	21,360
Total Human Resources	636,768	636,768	605,996	30,772
Risk Management:				
Salaries	603,358	603,358	582,009	21,349
Employee Benefits	221,029	221,029	208,979	12,050
Supplies	30,510	39,273	39,106	167
Contract Services	130,767	121,248	95,639	25,609
Capital Outlay	10,360	10,960	10,952	8
Total Risk Management	996,024	995,868	936,685	59,183
County Clerk:				
Salaries	1,688,842	1,688,842	1,574,175	114,667
Employee Benefits	762,392	762,392	704,038	58,354
Supplies	45,350	46,466	31,844	14,622
Contract Services	26,325	26,325	24,678	1,647
Total County Clerk	2,522,909	2,524,025	2,334,735	189,290
Collections:				
Salaries	262,686	262,686	257,740	4,946
Employee Benefits	119,553	119,553	117,674	1,879
Supplies	9,000	9,133	5,831	3,302
Contract Services	68,167	68,810	47,727	21,083
Total Collections	459,406	460,182	428,972	31,210
Permits:				
Salaries	284,882	284,882	282,990	1,892
Benefits	123,975	123,975	122,648	1,327
Supplies	11,300	7,772	7,509	263
Services	7,564	6,103	5,352	751
Total Permits	427,721	422,732	418,499	4,233

MONTGOMERY COUNTY, TEXAS**General Fund****Schedule of Expenditures and Other Financing Uses****Budget (GAAP Basis) and Actual Year Ended September 30, 2017**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>GENERAL ADMINISTRATION(cont'd)</u>				
Veterans' Service:				
Salaries	170,214	172,499	172,210	289
Employee Benefits	67,520	67,975	67,446	529
Supplies	2,552	2,552	2,502	50
Contract Services	2,347	6,661	6,156	505
Total Veterans' Service	242,633	249,687	248,314	1,373
Information Technology:				
Salaries	2,237,214	2,301,931	2,171,424	130,507
Employee Benefits	770,582	792,779	730,459	62,320
Supplies	1,393,280	1,640,643	1,422,298	218,345
Contract Services	1,493,637	1,530,253	1,317,858	212,395
Capital Outlay	541,689	723,856	592,530	131,326
Total Information Technology	6,436,402	6,989,462	6,234,569	754,893
Purchasing Agent:				
Salaries	835,260	809,548	731,307	78,241
Employee Benefits	323,245	322,107	277,745	44,362
Supplies	18,932	19,336	19,233	103
Contract Services	10,392	35,392	35,038	354
Total Purchasing Agent	1,187,829	1,186,383	1,063,323	123,060
County-Wide:				
Salaries	1,250,000	1,250,000	-	1,250,000
Employee Benefits	4,060,910	4,060,910	4,060,910	-
Supplies	765,000	765,000	464,366	300,634
Contract Services	10,043,671	6,152,376	5,642,808	509,568
Capital Outlay	8,080,778	5,530,080	-	5,530,080
Total County-Wide	24,200,359	17,758,366	10,168,084	7,590,282
<u>TOTAL GENERAL ADM</u>	<u>37,757,532</u>	<u>31,879,681</u>	<u>23,002,029</u>	<u>8,877,652</u>
<u>JUDICIAL:</u>				
County Court No1:				
Salaries	368,807	368,807	368,597	210
Employee Benefits	118,077	118,077	114,309	3,768
Supplies	5,374	5,374	4,679	695
Contract Services	6,410	6,410	4,623	1,787
Total County Court No1	498,668	498,668	492,208	6,460
County Court No2:				
Salaries	610,592	639,150	623,033	16,117
Employee Benefits	211,059	216,748	204,676	12,072
Supplies	4,304	9,708	3,199	6,509
Contract Services	10,338	4,773	4,727	46
Total County Court No2	836,293	870,379	835,635	34,744

MONTGOMERY COUNTY, TEXAS**General Fund****Schedule of Expenditures and Other Financing Uses****Budget (GAAP Basis) and Actual Year Ended September 30, 2017**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>JUDICIAL(cont'd)</u>				
County Court No3:				
Salaries	572,470	574,110	574,107	3
Employee Benefits	181,455	179,815	175,112	4,703
Supplies	9,570	9,570	5,630	3,940
Contract Services	9,644	9,648	6,355	3,293
Total County Court No3	773,139	773,143	761,204	11,939
County Court No4:				
Salaries	382,486	382,486	375,931	6,555
Employee Benefits	120,802	120,802	115,565	5,237
Supplies	8,155	8,155	5,143	3,012
Contract Services	6,650	8,799	5,776	3,023
Total County Court No4	518,093	520,242	502,415	17,827
County Court No5:				
Salaries	365,542	365,542	365,202	340
Employee Benefits	117,427	117,427	113,582	3,845
Supplies	9,830	9,830	2,853	6,977
Contract Services	6,334	6,334	3,251	3,083
Total County Court No5	499,133	499,133	484,888	14,245
Judicial Technology:				
Supplies	386,559	280,029	280,029	-
Services	172,401	222,343	180,457	41,886
Capital Outlay	210,000	527,399	483,951	43,448
Total Judicial Technology	768,960	1,029,771	944,437	85,334
District Attorney:				
Salaries	7,437,378	7,757,961	7,719,191	38,770
Employee Benefits	2,568,148	2,652,901	2,589,304	63,597
Supplies	153,169	196,254	185,159	11,095
Contract Services	286,148	364,287	346,285	18,002
Capital Outlay	150,108	105,655	95,273	10,382
Total District Attorney	10,594,951	11,077,058	10,935,212	141,846
District Clerk:				
Salaries	2,368,170	2,368,170	2,243,537	124,633
Employee Benefits	1,146,002	1,134,041	1,072,150	61,891
Supplies	83,713	102,882	94,672	8,210
Contract Services	52,015	56,776	25,649	31,127
Total District Clerk	3,649,900	3,661,869	3,436,008	225,861

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>JUDICIAL(cont'd)</u>				
Justice of Peace Pct 1:				
Salaries	548,111	548,111	537,396	10,715
Employee Benefits	199,441	199,441	194,778	4,663
Supplies	11,500	14,500	14,300	200
Contract Services	32,654	61,519	51,405	10,114
Capital Outlay	-	-	-	-
Total Justice of Peace Pct 1	791,706	823,571	797,879	25,692
Justice of Peace Pct 2:				
Salaries	345,873	345,873	324,113	21,760
Employee Benefits	136,124	136,124	122,714	13,410
Supplies	7,040	6,877	4,981	1,896
Contract Services	18,715	41,638	33,118	8,520
Total Justice of Peace Pct 2	507,752	530,512	484,926	45,586
Justice of Peace Pct 3:				
Salaries	708,059	708,059	696,842	11,217
Employee Benefits	320,108	320,162	305,374	14,788
Supplies	13,791	13,791	13,531	260
Contract Services	20,288	24,060	21,980	2,080
Total Justice of Peace Pct 3	1,062,246	1,066,072	1,037,727	28,345
Justice of Peace Pct 4:				
Salaries	578,154	578,154	575,659	2,495
Employee Benefits	260,619	260,619	255,745	4,874
Supplies	9,603	9,153	8,148	1,005
Contract Services	24,578	46,882	38,657	8,225
Total Justice of Peace Pct 4	872,954	894,808	878,209	16,599
Justice of Peace Pct 5:				
Salaries	352,746	352,746	352,507	239
Employee Benefits	137,287	137,287	136,038	1,249
Supplies	9,362	9,661	8,720	941
Contract Services	11,615	17,301	14,522	2,779
Total Justice of Peace Pct 5	511,010	516,995	511,787	5,208
Veterans Treatment Court:				
Salaries	-	56,576	14,144	42,432
Employee Benefits	-	22,755	2,900	19,855
Supplies	-	4,187	1,702	2,485
Contract Services	-	252,940	46,056	206,884
Total Veterans Treatment Court	-	336,458	64,802	271,656
<u>TOTAL JUDICIAL</u>	<u>21,884,805</u>	<u>23,098,679</u>	<u>22,167,337</u>	<u>931,342</u>
<u>LEGAL SERVICES:</u>				
County Attorney:				
Salaries	2,301,552	2,370,901	2,259,460	111,441
Employee Benefits	785,492	800,773	755,963	44,810
Supplies	47,880	70,968	66,586	4,382
Contract Services	238,296	263,602	234,531	29,071
Total County Attorney	3,373,220	3,506,244	3,316,540	189,704
Alternate Dispute Resolution:				
Contract Services	129,500	145,121	145,121	-
Total Alternate Dispute Resolution	129,500	145,121	145,121	-
<u>TOTAL LEGAL SERVICES</u>	<u>3,502,720</u>	<u>3,651,365</u>	<u>3,461,661</u>	<u>189,704</u>

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>ELECTIONS:</u>				
Salaries	875,109	885,653	822,830	62,823
Employee Benefits	309,396	310,203	256,473	53,730
Supplies	65,820	76,336	44,048	32,288
Contract Services	131,022	190,338	183,678	6,660
Capital Outlay	-	10,419	10,419	-
<u>TOTAL ELECTIONS</u>	<u>1,381,347</u>	<u>1,472,949</u>	<u>1,317,448</u>	<u>155,501</u>
<u>FINANCIAL ADMINISTRATION:</u>				
County Auditor:				
Salaries	1,601,659	1,601,659	1,520,361	81,298
Employee Benefits	610,572	610,572	573,531	37,041
Supplies	23,200	30,240	20,457	9,783
Contract Services	51,670	39,757	39,659	98
Capital Outlay	-	3,637	3,637	-
Total County Auditor	<u>2,287,101</u>	<u>2,285,865</u>	<u>2,157,645</u>	<u>128,220</u>
Financial Technology:				
Services	327,312	860,987	50,630	810,357
Capital Outlay	<u>3,331,029</u>	<u>3,331,029</u>	<u>-</u>	<u>3,331,029</u>
Total Financial Technology	<u>3,658,341</u>	<u>4,192,016</u>	<u>50,630</u>	<u>4,141,386</u>
County Treasurer:				
Salaries	504,795	495,586	441,131	54,455
Employee Benefits	189,984	177,152	155,791	21,361
Supplies	12,031	12,031	8,624	3,407
Contract Services	<u>19,792</u>	<u>20,601</u>	<u>14,907</u>	<u>5,694</u>
Total County Treasurer	<u>726,602</u>	<u>705,370</u>	<u>620,453</u>	<u>84,917</u>
Tax Assessor-Collector:				
Salaries	2,999,714	2,925,503	2,820,222	105,281
Employee Benefits	1,337,034	1,312,946	1,236,223	76,723
Supplies	169,545	177,062	71,869	105,193
Contract Services	240,819	275,319	203,998	71,321
Capital Outlay	<u>-</u>	<u>57,544</u>	<u>57,314</u>	<u>230</u>
Total Tax Assessor-Collector	<u>4,747,112</u>	<u>4,748,374</u>	<u>4,389,626</u>	<u>358,748</u>
<u>TOTAL FINANCIAL ADM</u>	<u>11,419,156</u>	<u>11,931,625</u>	<u>7,218,354</u>	<u>4,713,271</u>
<u>PUBLIC FACILITIES:</u>				
Custodial Services:				
Salaries	2,034,644	2,034,644	1,962,644	72,000
Employee Benefits	837,072	837,072	787,755	49,317
Supplies	355,700	333,100	306,795	26,305
Contract Services	71,630	74,197	62,675	11,522
Capital Outlay	<u>-</u>	<u>57,728</u>	<u>35,128</u>	<u>22,600</u>
Total Custodial Services	<u>3,299,046</u>	<u>3,336,741</u>	<u>3,154,997</u>	<u>181,744</u>

MONTGOMERY COUNTY, TEXAS**General Fund****Schedule of Expenditures and Other Financing Uses****Budget (GAAP Basis) and Actual Year Ended September 30, 2017**

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<u>PUBLIC FACILITIES (cont'd):</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Building Maintenance:				
Salaries	2,565,476	2,565,476	2,501,083	64,393
Employee Benefits	1,037,650	1,037,650	993,013	44,637
Supplies	1,383,744	1,827,206	1,290,168	537,038
Contract Services	363,715	1,213,460	1,147,443	66,017
Capital Outlay	92,760	191,356	118,433	72,923
Total Building Maintenance	5,443,345	6,835,148	6,050,140	785,008
Jail:				
Salaries	14,222,173	14,287,558	13,793,395	494,163
Employee Benefits	6,116,155	6,138,036	5,715,196	422,840
Supplies	1,866,163	1,388,165	1,368,145	20,020
Contract Services	17,906,040	33,584,246	33,487,838	96,408
Capital Outlay	-	17,513	2,795	14,718
Total Jail	40,110,531	55,415,518	54,367,369	1,048,149
Civic Center:				
Salaries	466,542	470,017	470,013	4
Employee Benefits	193,775	193,775	192,048	1,727
Supplies	140,929	149,643	130,287	19,356
Contract Services	220,712	530,272	421,761	108,511
Capital Outlay	57,816	86,712	86,712	-
Total Civic Center	1,079,774	1,430,419	1,300,821	129,598
<u>TOTAL PUBLIC FACILITIES</u>	<u>49,932,696</u>	<u>67,017,826</u>	<u>64,873,327</u>	<u>2,144,499</u>
<u>PUBLIC SAFETY:</u>				
Fire Marshal:				
Salaries	1,027,372	1,037,782	1,017,061	20,721
Employee Benefits	361,928	362,870	354,592	8,278
Supplies	91,930	145,777	95,637	50,140
Contract Services	38,930	29,207	24,933	4,274
Capital Outlay	38,599	52,558	46,995	5,563
Total Fire Marshal	1,558,759	1,628,194	1,539,218	88,976
Constable Pct 1:				
Salaries	2,660,166	2,676,587	2,579,982	96,605
Employee Benefits	933,059	940,874	884,080	56,794
Supplies	168,325	185,376	162,309	23,067
Contract Services	52,309	153,291	133,770	19,521
Capital Outlay	23,948	540,197	391,841	148,356
Total Constable Pct 1	3,837,807	4,496,325	4,151,982	344,343

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>PUBLIC SAFETY (cont'd):</u>				
Constable Pct 2:				
Salaries	1,257,301	1,256,937	1,230,182	26,755
Employee Benefits	429,422	429,350	415,081	14,269
Supplies	49,795	77,862	44,166	33,696
Contract Services	33,345	46,227	37,177	9,050
Capital Outlay	5,251	43,586	26,900	16,686
Total Constable Pct 2	1,775,114	1,853,962	1,753,506	100,456
Constable Pct 3:				
Salaries	2,922,241	3,019,850	2,975,475	44,375
Employee Benefits	1,086,108	1,094,859	1,061,688	33,171
Supplies	146,128	293,325	270,526	22,799
Contract Services	47,423	81,682	69,934	11,748
Capital Outlay	193,957	387,278	269,539	117,739
Total Constable Pct 3	4,395,857	4,876,994	4,647,162	229,832
Constable Pct 4:				
Salaries	2,456,022	2,381,081	2,349,887	31,194
Employee Benefits	877,274	845,651	826,937	18,714
Supplies	153,297	176,994	161,341	15,653
Contract Services	52,991	72,792	55,381	17,411
Capital Outlay	102,813	343,866	233,151	110,715
Total Constable Pct 4	3,642,397	3,820,384	3,626,697	193,687
Constable Pct 5:				
Salaries	1,892,137	1,826,851	1,693,148	133,703
Employee Benefits	679,020	649,105	587,202	61,903
Supplies	107,168	117,026	57,077	59,949
Contract Services	35,915	43,004	33,239	9,765
Capital Outlay	167,051	221,936	52,664	169,272
Total Constable Pct 5	2,881,291	2,857,922	2,423,330	434,592
Sheriff:				
Salaries	27,996,033	30,855,908	29,745,346	1,110,562
Employee Benefits	10,910,621	11,891,448	11,189,420	702,028
Supplies	3,436,120	4,495,060	3,012,470	1,482,590
Contract Services	2,578,570	3,807,240	2,796,835	1,010,405
Capital Outlay	2,938,888	5,292,886	2,262,855	3,030,031
Total Sheriff	47,860,232	56,342,542	49,006,926	7,335,616

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>PUBLIC SAFETY(cont'd)</u>				
Juvenile Services:				
Salaries	3,577,604	3,577,604	3,469,320	108,284
Employee Benefits	1,553,694	1,553,694	1,471,932	81,762
Supplies	82,585	98,477	95,784	2,693
Contract Services	178,738	637,664	308,567	329,097
Capital Outlay	-	22,500	22,401	99
Total Juvenile Services	<u>5,392,621</u>	<u>5,889,939</u>	<u>5,368,004</u>	<u>521,935</u>
Adult Services:				
Supplies	6,030	6,030	2,797	3,233
Contract Services	15,100	10,984	8,413	2,571
Capital Outlay	-	13,000	10,536	2,464
Total Adult Services	<u>21,130</u>	<u>30,014</u>	<u>21,746</u>	<u>8,268</u>
Emergency Management:				
Salaries	298,885	558,213	441,805	116,408
Employee Benefits	104,357	201,441	164,060	37,381
Supplies	3,889	364,876	145,933	218,943
Contract Services	11,587	682,071	354,461	327,610
Capital Outlay	-	1,907,048	688,073	1,218,975
Total Emergency Management	<u>418,718</u>	<u>3,713,649</u>	<u>1,794,332</u>	<u>1,919,317</u>
Law Enforcement Technology:				
Supplies	1,078,458	1,002,486	916,462	86,024
Services	48,000	234	234	-
Capital Outlay	706,469	1,433,228	540,261	892,967
Total Law Enforcement Technology	<u>1,832,927</u>	<u>2,435,948</u>	<u>1,456,957</u>	<u>978,991</u>
Department of Public Safety:				
Salaries	77,658	77,658	77,614	44
Employee Benefits	37,879	37,879	37,540	339
Supplies	450	450	450	-
Total Dept of Public Safety	<u>115,987</u>	<u>115,987</u>	<u>115,604</u>	<u>383</u>
<u>TOTAL PUBLIC SAFETY</u>	<u>73,732,840</u>	<u>88,061,860</u>	<u>75,905,464</u>	<u>12,156,396</u>
<u>HEALTH AND WELFARE:</u>				
Vehicle Emissions Program:				
Contract Services	-	1,443,037	1,366,787	76,250
Medical:				
Contract Services	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Mental Health:				
Contract Services	<u>278,525</u>	<u>278,525</u>	<u>221,023</u>	<u>57,502</u>

MONTGOMERY COUNTY, TEXAS**General Fund****Schedule of Expenditures and Other Financing Uses****Budget (GAAP Basis) and Actual Year Ended September 30, 2017**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>HEALTH AND WELFARE:</u>				
Environmental Health:				
Salaries	1,487,153	1,487,153	1,454,085	33,068
Employee Benefits	542,738	542,738	523,271	19,467
Supplies	34,157	34,157	11,013	23,144
Contract Services	70,566	71,640	55,784	15,856
Total Environmental Health	2,134,614	2,135,688	2,044,153	91,535
Forensic Services:				
Salaries	858,669	743,669	718,621	25,048
Employee Benefits	260,682	253,710	204,253	49,457
Supplies	88,407	85,863	68,036	17,827
Contract Services	384,851	547,823	473,596	74,227
Capital Outlay	2,000	52,895	12,829	40,066
Total Forensic Services	1,594,609	1,683,960	1,477,335	206,625
Animal Control:				
Salaries	571,884	571,884	560,011	11,873
Employee Benefits	270,781	270,781	262,458	8,323
Supplies	92,050	92,890	66,840	26,050
Contract Services	88,582	88,838	82,402	6,436
Total Animal Control	1,023,297	1,024,393	971,711	52,682
Animal Shelter:				
Salaries	1,646,908	1,646,908	1,535,655	111,253
Employee Benefits	743,042	743,042	633,814	109,228
Supplies	956,000	1,041,348	832,525	208,823
Contract Services	62,280	155,655	63,961	91,694
Capital Outlay	-	504,523	242,662	261,861
Final Adjustment to Budget	(1,000,000)	-	-	-
Total Animal Shelter	2,408,230	4,091,476	3,308,617	782,859
Child Welfare:				
Salaries	-	23,192	12,825	10,367
Supplies	30,500	25,500	15,844	9,656
Contract Services	81,950	93,093	77,230	15,863
Total Child Welfare	112,450	141,785	105,899	35,886
MCCD County Appropriation:				
Contract Services	1,000	1,000	220	780
Welfare:				
Contract Services	1,059,373	1,094,373	1,094,373	-
<u>TOTAL HEALTH/WELFARE</u>	8,702,098	11,984,237	10,680,118	1,304,119

MONTGOMERY COUNTY, TEXAS
General Fund
Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>CULTURE AND RECREATION:</u>				
Memorial Library:				
Salaries	5,633,113	5,629,233	5,381,544	247,689
Employee Benefits	2,437,792	2,441,672	2,306,626	135,046
Supplies	624,278	562,167	529,482	32,685
Contract Services	398,908	780,492	742,956	37,536
Capital Outlay	305,094	460,503	381,694	78,809
Total Memorial Library	<u>9,399,185</u>	<u>9,874,067</u>	<u>9,342,302</u>	<u>531,765</u>
Historical Commission:				
Contract Services	75,000	93,908	75,000	18,908
Capital Outlay	-	55,000	55,000	-
Total Historical Commission	<u>75,000</u>	<u>148,908</u>	<u>130,000</u>	<u>18,908</u>
<u>TOTAL CULTURE AND RECREATION</u>	<u>9,474,185</u>	<u>10,022,975</u>	<u>9,472,302</u>	<u>550,673</u>
<u>CONSERVATION:</u>				
Extension Agent:				
Salaries	439,577	439,577	435,612	3,965
Employee Benefits	210,812	210,812	178,374	32,438
Supplies	19,780	18,651	18,254	397
Contract Services	39,620	75,737	72,359	3,378
<u>TOTAL CONSERVATION</u>	<u>709,789</u>	<u>744,777</u>	<u>704,599</u>	<u>40,178</u>
<u>PUBLIC TRANSPORTATION:</u>				
Airport Maintenance:				
Salaries	473,280	474,099	436,279	37,820
Employee Benefits	173,179	173,342	151,941	21,401
Supplies	48,374	237,812	95,630	142,182
Contract Services	227,435	337,760	289,391	48,369
Capital Outlay	16,521	312,527	65,691	246,836
<u>TOTAL PUBLIC TRANSPORTATION</u>	<u>938,789</u>	<u>1,535,540</u>	<u>1,038,932</u>	<u>496,608</u>
<u>MISCELLANEOUS:</u>				
Contingency	3,206,794	732,095	-	732,095
Final Adjustment to Budget	1,000,000	-	-	-
<u>TOTAL MISCELLANEOUS</u>	<u>4,206,794</u>	<u>732,095</u>	<u>-</u>	<u>732,095</u>
<u>TOTAL EXPENDITURES</u>				
<u>GENERAL FUND</u>	<u>223,642,751</u>	<u>252,133,609</u>	<u>219,841,571</u>	<u>32,292,038</u>

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>OTHER FINANCING USES:</u>				
Transfers Out:				
To Attorney Administration	-	-	37,000	(37,000)
To FEMA Disaster Grants	-	30,273	241,136	(210,863)
To Jury	-	-	10,800,000	(10,800,000)
To Road and Bridge	-	991,548	991,548	-
To Courthouse Security	-	1,152	80,000	(78,848)
To Records Management County	-	1,212	405,000	(403,788)
To Debt Service	-	-	941,787	(941,787)
To Jail 13-14	-	754,666	754,666	-
To 2016 Capital Projects	-	1,815,190	1,815,190	-
	-			
<u>TOTAL OTHER FINANCING USES</u>	<u>-</u>	<u>3,594,041</u>	<u>16,066,327</u>	<u>(12,472,286)</u>
<u>TOTAL EXPENDITURES AND</u>				
<u>OTHER FINANCING USES</u>	<u>\$ 223,642,751</u>	<u>\$ 255,727,650</u>	<u>\$ 235,907,898</u>	<u>\$ 19,819,752</u>

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MONTGOMERY COUNTY, TEXAS
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2017

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	Special Revenue	Capital Projects	Total
<u>ASSETS:</u>			
Cash	\$ 12,554,628	\$ 5,595,026	\$ 18,149,654
Investments	2,843,461	35,996,798	38,840,259
Receivables:			
Accounts (net)	423,341	-	423,341
Due from Other Funds	10,123,124	21,044,116	31,167,240
Due from Other Governments	7,762,070	20,000,000	27,762,070
Prepaid Items	813,310	-	813,310
<u>TOTAL ASSETS</u>	<u>\$ 34,519,934</u>	<u>\$ 82,635,940</u>	<u>\$ 117,155,874</u>

LIABILITIES AND
FUND BALANCES:

<u>LIABILITIES:</u>			
Accounts Payable	\$ 2,549,550	\$ 2,744,142	\$ 5,293,692
Retainage Payable	4,105	263,678	267,783
Due to Other Funds	8,182,282	14,792,393	22,974,675
Unearned Revenue	1,128,639	-	1,128,639
Total Liabilities	<u>11,864,576</u>	<u>17,800,213</u>	<u>29,664,789</u>

FUND BALANCES:

Nonspendable	813,310	-	813,310
Restricted	19,975,468	43,841,656	63,817,124
Committed	3,096	20,994,071	20,997,167
Assigned	1,863,484	-	1,863,484
Total Fund Balances	<u>22,655,358</u>	<u>64,835,727</u>	<u>87,491,085</u>

TOTAL LIABILITIES AND
FUND BALANCES

<u>\$ 34,519,934</u>	<u>\$ 82,635,940</u>	<u>\$ 117,155,874</u>
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MONTGOMERY COUNTY, TEXAS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended September 30, 2017

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	Special Revenue	Capital Projects	Totals
<u>REVENUES:</u>			
Fees	\$ 2,657,750	\$ -	\$ 2,657,750
Intergovernmental	11,760,768	-	11,760,768
Charges for Service:	2,927,155	-	2,927,155
Investment Earnings	110,558	521,318	631,876
Contract Reimbursements	15,844,684	-	15,844,684
Fines and Forfeitures	2,300,966	-	2,300,966
Miscellaneous	151,276	42,964	194,240
<u>TOTAL REVENUES</u>	<u>35,753,157</u>	<u>564,282</u>	<u>36,317,439</u>
<u>EXPENDITURES:</u>			
Current:			
General Administration	1,237,085	-	1,237,085
Judicial	13,219,985	-	13,219,985
Legal Services	273,888	-	273,888
Elections	559,249	-	559,249
Public Safety	9,045,566	-	9,045,566
Health and Welfare	18,732,472	-	18,732,472
Culture and Recreation	133,912	-	133,912
Public Transportation	299,703	-	299,703
Capital Projects	-	21,131,133	21,131,133
<u>TOTAL EXPENDITURES</u>	<u>43,501,860</u>	<u>21,131,133</u>	<u>64,632,993</u>
(Deficiency) Revenues Over Expenditures	<u>(7,748,703)</u>	<u>(20,566,851)</u>	<u>(28,315,554)</u>
<u>OTHER FINANCING SOURCES/(USES)</u>			
Transfers In	11,915,346	2,569,856	14,485,202
Transfers Out	<u>(1,301,654)</u>	<u>(180,570)</u>	<u>(1,482,224)</u>
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>10,613,692</u>	<u>2,389,286</u>	<u>13,002,978</u>
Net Change in Fund Balances	2,864,989	(18,177,565)	(15,312,576)
Fund Balances at Beginning of Year	<u>19,790,369</u>	<u>83,013,292</u>	<u>102,803,661</u>
<u>FUND BALANCES AT</u>			
<u>END OF YEAR</u>	<u>\$ 22,655,358</u>	<u>\$ 64,835,727</u>	<u>\$ 87,491,085</u>

NONMAJOR SPECIAL REVENUE FUNDS

Attorney Administration Fund - to account for the operations of the County's returned check collection service provided by the County and District attorneys. Fees charged to offenders finance this fund.

Forfeitures Fund - to account for funds received by prosecutors and law enforcement agencies from forfeitures and/or seizures. Chapter 59 of the Criminal Code of Procedure governs expenditure of these funds.

FEMA Disaster Grants Fund – to account for grants from the Federal Emergency Management Agency. In fiscal year ending September 30, 2017, the purpose of these grants is to assist the County in recovering from Hurricane Harvey and the devastating floods throughout the County during FY 2016.

Jury Fund - to account for the operations of the courts. Financing is provided by ad valorem taxes transferred from General Fund.

Sheriff Commissary Fund - to account for the proceeds from sale of personal items in the jail commissary. Expenditures are restricted to providing education and entertainment for inmates of the county jail.

Memorial Library Fund - to account for the operations of a countywide library system. Financing includes donations from patrons of the Library.

Community Development Fund - to account for annual grants from U.S. Department of Housing and Urban Development (HUD), Block Grants, ESG and HOME Partnership grants. Grants are intended to enhance living conditions in the County.

Law Library Fund - to account for the operations of a law library. Financing is provided by a fee assessed on each civil case filed in County and District Courts.

Juvenile Probation Fund - to account for expenditure of state grants-in-aid and federal reimbursements associated with the care and custody of minors under the supervision of the juvenile courts.

Records Management and Preservation Fund - to account for the receipt and expenditure of fees assessed by county, district and probate courts as allowed by law. Fees may only be spent on records management or preservation projects.

Pre-Trial Diversion Fund – to account for the receipt of fees assessed for pre-trial diversion through the Montgomery County District Attorney. Expenditures are restricted to those activities supporting the pre-trial diversion process.

Airport Grants Fund – to account for grants for the County airport. Funding is provided by grant revenue.

Mental Health Facility Fund – to account for the operation of the Montgomery County Mental Health Treatment Facility. The facility houses offenders that have been deemed incompetent to stand trial and provides treatment until such time as they are competent to stand trial.

Records Management County Fund – to account for the receipt and expenditure of fees assessed by the county. Fees for this fund are authorized under Sections 51.317, 118.052, 118.0546, and 118.0645 of the Local Government Code and Article 102.005(d), of the Code of Criminal Procedure. Fees collected may only be spent on records management or preservation projects.

Records Management District Clerk Fund – to account for the receipt and expenditure of fees assessed by the district. Fees may only be spent on records management or preservation projects.

Digital Preservation County and District Fund – to account for the fees collected for filing of civil cases in county and district courts and to be used for the preservation of court records.

District Clerk Record Preservation Fund – This fund is utilized to account for the receipts and the disbursements relating to the District Clerk’s records preservation program. Financing is received from fees assessed for recording documents in the District Clerk’s Office.

Court Guardianship Fund – This fund was established pursuant to the provisions of the Local Government Code whereby the clerk of the court collects a fee on certain probate court actions involving guardianships and is to provide supplemental funding for court-appointed guardians ad litem and court-appointed attorneys ad litem and to fund local guardianship programs for indigent incapacitated individuals.

Court Reporter Fund – to account for court reporter fees to defray the cost of providing court-reporting services for the County.

Courthouse Security Fund – to account for fees charged for filing certain documents in the County. These fees are restricted to expenditures that provide security of County facilities, primarily in the County Courthouse.

Court Technology County and District Fund – to account for the fees collected from defendants in criminal cases. Proceeds are used to cover the costs of continuing education and training for the judges and clerks on technological enhancements and for the purchase and maintenance of technological enhancements including computer systems, networks, hardware, and software, imaging systems, electronic kiosks, and docket management systems.

Justice Court Building Security Fund – This fund is used to account for revenues related to Court costs. Funds are used to cover costs of Justice of the Peace court security.

Justice Court Technology Fund – to account for the receipts and disbursements of funds directly related to this program. Revenues in this account are a result of court costs for applicable cases. Proceeds are used for the purchase of technology equipment that will be utilized in the Justice Courts.

Juvenile Case Manager Fund – to account for the receipt and disbursements of funds directly related to this program. Revenues result from court costs in certain juvenile justice court cases. Proceeds will be used to cover the cost of several Juvenile Case Manager positions, whose responsibilities will be to track and monitor juvenile case flow to ensure effective and efficient dispositions of these cases.

Bond Supervision Fund - to account for the receipt and disbursement of funds received directly related to bond supervision. Funds are used to support misdemeanor bond supervision and felony supervision.

Adult Probation Basic Supervision Fund – to account for basic supervision funds received. The funding is based on a formula calculated by the State.

Adult Probation Community Corrections Fund - to account for community corrections funding. This is based on a percentage of the state’s population which resides in the county and the percentage of all felony defendants in the state under direct community supervision by the department.

Adult Probation Mental Impairment Fund – to account for state funds received for a program that serves all offenders receiving Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) services from the local Mental Health and Mental Retardation agency (MHMR).



Contract Elections Services Fund – to account for funds received for elections conducted by the County for other entities. Revenues in this account are the result of contracts between the County and other local governments.

Help America Vote Act (HAVA) Grant Fund – to account for the rental of equipment acquired by the HAVA Grant. Disbursements from this fund are limited to acquiring additional equipment and maintenance of the original equipment purchased by the grant.

Federal ARRA Grants Fund – to account for grants received through the American Recovery and Reinvestment Act of 2009. These stimulus funds were intended to create jobs and promote investment and consumer spending.

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2017

	Attorney Administration	Forfeitures	FEMA Disaster Grants	Jury	Sheriff Commissary
<u>ASSETS:</u>					
Cash	\$ 3,059	\$ 1,544,122	\$ -	\$ 85,434	\$ 1,027,641
Investments, at Fair Value	-	-	-	-	-
Receivables:					
Accounts	939	982	14	65,439	46,795
Due from Other Funds	-	-	-	1,896,142	-
Due from Other Governments	-	-	4,812,122	411,862	-
Prepaid Items	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 3,998</u>	<u>\$ 1,545,104</u>	<u>\$ 4,812,136</u>	<u>\$ 2,458,877</u>	<u>\$ 1,074,436</u>

LIABILITIES AND FUND BALANCES:

<u>LIABILITIES:</u>					
Accounts Payable	\$ -	\$ 898	\$ -	\$ 579,463	\$ 1,306
Retainage Payable	-	-	-	-	-
Due to Other Funds	2,548	2,731	3,820,122	-	6,861
Unearned Revenue	-	-	885,150	12,834	-
Total Liabilities	<u>2,548</u>	<u>3,629</u>	<u>4,705,272</u>	<u>592,297</u>	<u>8,167</u>

FUND BALANCES:

Nonspendable	-	-	-	-	-
Restricted	1,450	1,541,475	106,864	-	1,066,269
Committed	-	-	-	3,096	-
Assigned	-	-	-	1,863,484	-
Total Fund Balances	<u>1,450</u>	<u>1,541,475</u>	<u>106,864</u>	<u>1,866,580</u>	<u>1,066,269</u>

<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 3,998</u>	<u>\$ 1,545,104</u>	<u>\$ 4,812,136</u>	<u>\$ 2,458,877</u>	<u>\$ 1,074,436</u>
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Memorial Library	Community Development	Memo Totals from Page 113	Memo Totals from Page 115	Memo Totals from Page 117	Totals
\$ -	\$ -	\$ 5,319,792	\$ 749,007	\$ 3,825,573	\$ 12,554,628
-	-	979,984	-	1,863,477	2,843,461
-	12,900	132,451	140,031	23,790	423,341
120,831	-	6,493,861	1,225,753	386,537	10,123,124
-	703,276	1,707,887	126,003	920	7,762,070
-	-	813,310	-	-	813,310
<u>\$ 120,831</u>	<u>\$ 716,176</u>	<u>\$ 15,447,285</u>	<u>\$ 2,240,794</u>	<u>\$ 6,100,297</u>	<u>\$ 34,519,934</u>
\$ 3,237	\$ 575,243	\$ 1,234,193	\$ 59,764	\$ 95,446	\$ 2,549,550
-	4,105	-	-	-	4,105
-	83,616	423,710	173,914	3,668,780	8,182,282
-	33,938	196,717	-	-	1,128,639
<u>3,237</u>	<u>696,902</u>	<u>1,854,620</u>	<u>233,678</u>	<u>3,764,226</u>	<u>11,864,576</u>
-	-	813,310	-	-	813,310
117,594	19,274	12,779,355	2,007,116	2,336,071	19,975,468
-	-	-	-	-	3,096
-	-	-	-	-	1,863,484
<u>117,594</u>	<u>19,274</u>	<u>13,592,665</u>	<u>2,007,116</u>	<u>2,336,071</u>	<u>22,655,358</u>
<u>\$ 120,831</u>	<u>\$ 716,176</u>	<u>\$ 15,447,285</u>	<u>\$ 2,240,794</u>	<u>\$ 6,100,297</u>	<u>\$ 34,519,934</u>

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2017

	Law Library	Juvenile Probation	Records Management and Preservation	Pre-Trial Diversion
<u>ASSETS:</u>				
Cash	\$ 53,047	\$ 827,598	\$ 4,308,876	\$ -
Investments	287,704	-	-	-
Receivables:				
Accounts	26,147	-	65,095	200
Due from Other Funds	-	1,438,962	757,481	100,556
Due from Other Governments	61,871	145,224	55,226	-
Prepaid Items	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 428,769</u>	<u>\$ 2,411,784</u>	<u>\$ 5,186,678</u>	<u>\$ 100,756</u>

LIABILITIES AND FUND BALANCES:

<u>LIABILITIES:</u>				
Accounts Payable	\$ 23,742	\$ 96,683	\$ 6,694	\$ 3,007
Retainage Payable	-	-	-	-
Due to Other Funds	39,578	-	-	37,264
Unearned Revenue	-	-	-	-
Total Liabilities	<u>63,320</u>	<u>96,683</u>	<u>6,694</u>	<u>40,271</u>

FUND BALANCES:

Nonspendable	-	-	-	-
Restricted	365,449	2,315,101	5,179,984	60,485
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>365,449</u>	<u>2,315,101</u>	<u>5,179,984</u>	<u>60,485</u>

TOTAL LIABILITIES AND

<u>FUND BALANCES</u>	<u>\$ 428,769</u>	<u>\$ 2,411,784</u>	<u>\$ 5,186,678</u>	<u>\$ 100,756</u>
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Airport Grants	Mental Health Facility	Records Management County	Records Management District Clerk	Memo Totals to Page 111
\$ - 692,280	\$ - -	\$ - -	\$ 130,271 -	\$ 5,319,792 979,984
-	-	24,788	16,221	132,451
-	4,180,044	16,818	-	6,493,861
312,042	1,093,050	29,371	11,103	1,707,887
813,310	-	-	-	813,310
<u>\$ 1,817,632</u>	<u>\$ 5,273,094</u>	<u>\$ 70,977</u>	<u>\$ 157,595</u>	<u>\$ 15,447,285</u>
\$ -	\$ 1,094,261	\$ 9,806	\$ -	\$ 1,234,193
-	-	-	-	-
346,868	-	-	-	423,710
-	196,717	-	-	196,717
<u>346,868</u>	<u>1,290,978</u>	<u>9,806</u>	<u>-</u>	<u>1,854,620</u>
813,310	-	-	-	813,310
657,454	3,982,116	61,171	157,595	12,779,355
-	-	-	-	-
-	-	-	-	-
<u>1,470,764</u>	<u>3,982,116</u>	<u>61,171</u>	<u>157,595</u>	<u>13,592,665</u>
<u>\$ 1,817,632</u>	<u>\$ 5,273,094</u>	<u>\$ 70,977</u>	<u>\$ 157,595</u>	<u>\$ 15,447,285</u>

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2017

	Digital Preservation County and District	District Clerk Record Preservation	Court Guardianship	Court Reporter
<u>ASSETS:</u>				
Cash	\$ 162,303	\$ 79,189	\$ -	\$ -
Investments	-	-	-	-
Receivables:				
Accounts	7,706	9,051	2,036	34,901
Due from Other Funds	964	49,126	134,261	-
Due from Other Governments	17,770	22,203	2,000	25,422
Prepaid Items	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 188,743</u>	<u>\$ 159,569</u>	<u>\$ 138,297</u>	<u>\$ 60,323</u>

LIABILITIES AND FUND BALANCES:

LIABILITIES:

Accounts Payable	\$ -	\$ -	\$ -	\$ 9,977
Retainage Payable	-	-	-	-
Due to Other Funds	-	-	-	48,708
Deferred Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,685</u>

FUND BALANCES:

Nonspendable	-	-	-	-
Restricted	188,743	159,569	138,297	1,638
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>188,743</u>	<u>159,569</u>	<u>138,297</u>	<u>1,638</u>

TOTAL LIABILITIES AND

<u>FUND BALANCES</u>	<u>\$ 188,743</u>	<u>\$ 159,569</u>	<u>\$ 138,297</u>	<u>\$ 60,323</u>
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Courthouse Security	Court Technology County and District	Justice Court Building Security	Justice Court Technology	Juvenile Case Manager	Bond Supervision	Memo Totals to Page 111
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 507,515	\$ 749,007
-	-	-	-	-	-	-
44,327	5,673	3,654	14,634	18,049	-	140,031
-	21,301	148,553	563,226	308,322	-	1,225,753
31,004	2,504	2,682	10,707	11,711	-	126,003
-	-	-	-	-	-	-
<u>\$ 75,331</u>	<u>\$ 29,478</u>	<u>\$ 154,889</u>	<u>\$ 588,567</u>	<u>\$ 338,082</u>	<u>\$ 507,515</u>	<u>\$ 2,240,794</u>
\$ 36,819	\$ 157	\$ -	\$ 1,378	\$ 4,865	\$ 6,568	\$ 59,764
-	-	-	-	-	-	-
31,142	-	-	-	-	94,064	173,914
-	-	-	-	-	-	-
<u>67,961</u>	<u>157</u>	<u>-</u>	<u>1,378</u>	<u>4,865</u>	<u>100,632</u>	<u>233,678</u>
-	-	-	-	-	-	-
7,370	29,321	154,889	587,189	333,217	406,883	2,007,116
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,370</u>	<u>29,321</u>	<u>154,889</u>	<u>587,189</u>	<u>333,217</u>	<u>406,883</u>	<u>2,007,116</u>
<u>\$ 75,331</u>	<u>\$ 29,478</u>	<u>\$ 154,889</u>	<u>\$ 588,567</u>	<u>\$ 338,082</u>	<u>\$ 507,515</u>	<u>\$ 2,240,794</u>

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2017

	Adult Probation Basic Supervision	Adult Probation Community Corrections	Adult Probation Mental Impairments
<u>ASSETS:</u>			
Cash	\$ 919,594	\$ 250,051	\$ 51,338
Investments	1,399,744	-	-
Receivables:			
Accounts	23,790	-	-
Due from Other Funds	38,409	1,612	-
Due from Other Governments	33	760	127
Prepaid Items	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 2,381,570</u>	<u>\$ 252,423</u>	<u>\$ 51,465</u>

LIABILITIES AND FUND BALANCES:

<u>LIABILITIES:</u>			
Accounts Payable	\$ 56,599	\$ 6,798	\$ 2,369
Retainage Payable	-	-	-
Due to Other Funds	807,178	134,547	24,680
Due to Other Governments	-	-	-
Deferred Revenue	-	-	-
Total Liabilities	<u>863,777</u>	<u>141,345</u>	<u>27,049</u>

FUND BALANCES:

Nonspendable	-	-	-
Restricted	1,517,793	111,078	24,416
Committed	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>1,517,793</u>	<u>111,078</u>	<u>24,416</u>

TOTAL LIABILITIES AND

<u>FUND BALANCES</u>	<u>\$ 2,381,570</u>	<u>\$ 252,423</u>	<u>\$ 51,465</u>
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Contract Elections Services	HAVA Grant Fund	Federal ARRA Grants	Memo Totals to Page 111
\$ 2,604,590	\$ -	\$ -	\$ 3,825,573
463,733	-	-	1,863,477
-	-	-	23,790
-	269,851	76,665	386,537
-	-	-	920
-	-	-	-
<u>\$ 3,068,323</u>	<u>\$ 269,851</u>	<u>\$ 76,665</u>	<u>\$ 6,100,297</u>

\$ 2,046	\$ -	\$ 27,634	\$ 95,446
-	-	-	-
2,702,375	-	-	3,668,780
-	-	-	-
-	-	-	-
<u>2,704,421</u>	<u>-</u>	<u>27,634</u>	<u>3,764,226</u>

-	-	-	-
363,902	269,851	49,031	2,336,071
-	-	-	-
-	-	-	-
<u>363,902</u>	<u>269,851</u>	<u>49,031</u>	<u>2,336,071</u>

<u>\$ 3,068,323</u>	<u>\$ 269,851</u>	<u>\$ 76,665</u>	<u>\$ 6,100,297</u>
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MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2017

	Attorney Administration	Forfeitures	FEMA Disaster Grants	Jury	Sheriff Commissary
<u>REVENUES:</u>					
Fees	\$ -	\$ -	\$ -	\$ 69,274	\$ -
Intergovernmental	-	-	2,373,675	585,082	-
Charges for Services	11,367	-	-	362,557	684,620
Investment Earnings	43	8,953	-	755	8,656
Contract Reimbursements	-	-	-	622,070	-
Fines and Forfeitures	-	1,657,087	-	643,879	-
Miscellaneous	-	-	-	-	-
<u>TOTAL REVENUES</u>	<u>11,410</u>	<u>1,666,040</u>	<u>2,373,675</u>	<u>2,283,617</u>	<u>693,276</u>
<u>EXPENDITURES:</u>					
General Administration	48,367	-	-	-	-
Judicial	-	-	-	12,661,964	-
Legal Services	-	-	-	-	-
Elections	-	-	-	-	-
Public Safety	-	595,003	-	-	543,028
Health and Welfare	-	-	2,729,961	-	-
Culture and Recreation	-	-	-	-	-
Public Transportation	-	-	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>48,367</u>	<u>595,003</u>	<u>2,729,961</u>	<u>12,661,964</u>	<u>543,028</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(36,957)</u>	<u>1,071,037</u>	<u>(356,286)</u>	<u>(10,378,347)</u>	<u>150,248</u>
<u>OTHER FINANCING SOURCES/ (USES):</u>					
Transfers In	37,000	-	241,136	10,800,000	-
Transfers Out	-	-	-	(7,500)	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>37,000</u>	<u>-</u>	<u>241,136</u>	<u>10,792,500</u>	<u>-</u>
Net Change in Fund Balances	<u>43</u>	<u>1,071,037</u>	<u>(115,150)</u>	<u>414,153</u>	<u>150,248</u>
Fund Balances at Beginning of Year	<u>1,407</u>	<u>470,438</u>	<u>222,014</u>	<u>1,452,427</u>	<u>916,021</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 1,450</u>	<u>\$ 1,541,475</u>	<u>\$ 106,864</u>	<u>\$ 1,866,580</u>	<u>\$ 1,066,269</u>

Memorial Library	Community Development	Memo Totals from Page 121	Memo Totals from Page 123	Memo Totals from Page 125	Totals
\$ -	\$ -	\$ 1,150,822	\$ 1,361,996	\$ 75,658	\$ 2,657,750
6,000	2,551,701	3,708,680	-	2,535,630	11,760,768
-	-	9,530	-	1,859,081	2,927,155
-	-	27,883	6,339	57,929	110,558
-	-	15,222,614	-	-	15,844,684
-	-	-	-	-	2,300,966
108,359	30,584	10,649	-	1,684	151,276
114,359	2,582,285	20,130,178	1,368,335	4,529,982	35,753,157
-	-	1,188,718	-	-	1,237,085
-	-	-	558,021	-	13,219,985
-	-	273,888	-	-	273,888
-	-	-	-	559,249	559,249
-	-	2,320,078	870,789	4,716,668	9,045,566
-	2,586,112	13,416,399	-	-	18,732,472
133,912	-	-	-	-	133,912
-	-	299,703	-	-	299,703
133,912	2,586,112	17,498,786	1,428,810	5,275,917	43,501,860
(19,553)	(3,827)	2,631,392	(60,475)	(745,935)	(7,748,703)
-	-	405,000	80,000	352,210	11,915,346
-	-	(941,944)	-	(352,210)	(1,301,654)
-	-	(536,944)	80,000	-	10,613,692
(19,553)	(3,827)	2,094,448	19,525	(745,935)	2,864,989
137,147	23,101	11,498,217	1,987,591	3,082,006	19,790,369
\$ 117,594	\$ 19,274	\$ 13,592,665	\$ 2,007,116	\$ 2,336,071	\$ 22,655,358

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2017

	Law Library	Juvenile Probation	Records Management and Preservation	Pre-Trial Diversion
<u>REVENUES:</u>				
Fees	\$ 283,839	\$ -	\$ 637,925	\$ 22,300
Intergovernmental	-	2,633,657	-	-
Charges for Services	-	9,530	-	-
Investment Earnings	2,671	7,395	17,229	-
Contract Reimbursements	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	10,649	-	-	-
<u>TOTAL REVENUES</u>	<u>297,159</u>	<u>2,650,582</u>	<u>655,154</u>	<u>22,300</u>
<u>EXPENDITURES:</u>				
General Administration	-	-	413,594	168,724
Judicial	-	-	-	-
Legal Services	273,888	-	-	-
Elections	-	-	-	-
Public Safety	-	2,320,078	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Public Transportation	-	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>273,888</u>	<u>2,320,078</u>	<u>413,594</u>	<u>168,724</u>
Excess (Deficiency) Revenues Over Expenditures	<u>23,271</u>	<u>330,504</u>	<u>241,560</u>	<u>(146,424)</u>
<u>OTHER FINANCING SOURCES/ (USES):</u>				
Transfers In	-	-	-	-
Transfers Out	(157)	-	-	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>(157)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	23,114	330,504	241,560	(146,424)
Fund Balances at Beginning of Year	<u>342,335</u>	<u>1,984,597</u>	<u>4,938,424</u>	<u>206,909</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 365,449</u>	<u>\$ 2,315,101</u>	<u>\$ 5,179,984</u>	<u>\$ 60,485</u>

Airport Grants	Mental Health Facility	Records Management County	Records Management District Clerk	Memo Totals to Page 119
\$ -	\$ -	\$ 162,578	\$ 44,180	\$ 1,150,822
1,075,023	-	-	-	3,708,680
-	-	-	-	9,530
-	-	-	588	27,883
-	15,222,614	-	-	15,222,614
-	-	-	-	-
-	-	-	-	10,649
1,075,023	15,222,614	162,578	44,768	20,130,178
-	-	558,747	47,653	1,188,718
-	-	-	-	-
-	-	-	-	273,888
-	-	-	-	-
-	-	-	-	2,320,078
-	13,416,399	-	-	13,416,399
-	-	-	-	-
299,703	-	-	-	299,703
299,703	13,416,399	558,747	47,653	17,498,786
775,320	1,806,215	(396,169)	(2,885)	2,631,392
-	-	405,000	-	405,000
-	(941,787)	-	-	(941,944)
-	(941,787)	405,000	-	(536,944)
775,320	864,428	8,831	(2,885)	2,094,448
695,444	3,117,688	52,340	160,480	11,498,217
\$ 1,470,764	\$ 3,982,116	\$ 61,171	\$ 157,595	\$ 13,592,665

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2017

	Digital Preservation County and District	District Clerk Record Preservation	Court Guardianship	Court Reporter
<u>REVENUES:</u>				
Fees	\$ 78,027	\$ 88,135	\$ 24,659	\$ 123,709
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	722	317	-	-
Contract Reimbursements	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<u>TOTAL REVENUES</u>	<u>78,749</u>	<u>88,452</u>	<u>24,659</u>	<u>123,709</u>
<u>EXPENDITURES:</u>				
General Administration	-	-	-	-
Judicial	-	59,429	19,326	133,619
Legal Services	-	-	-	-
Elections	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Public Transportation	-	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>-</u>	<u>59,429</u>	<u>19,326</u>	<u>133,619</u>
Excess (Deficiency) Revenues Over Expenditures	78,749	29,023	5,333	(9,910)
<u>OTHER FINANCING SOURCES/ (USES):</u>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	78,749	29,023	5,333	(9,910)
Fund Balances at Beginning of Year	109,994	130,546	132,964	11,548
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 188,743</u>	<u>\$ 159,569</u>	<u>\$ 138,297</u>	<u>\$ 1,638</u>

Courthouse Security	Court Technology County and District	Justice Court Building Security	Justice Court Technology	Juvenile Case Manager	Bond Supervision	Memo Totals to Page 119
\$ 293,222	\$ 16,725	\$ 36,388	\$ 144,942	\$ 158,284	\$ 397,905	\$ 1,361,996
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	5,300	6,339
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
293,222	16,725	36,388	144,942	158,284	403,205	1,368,335
-	-	-	-	-	-	-
-	8,471	-	41,112	296,064	-	558,021
-	-	-	-	-	-	-
-	-	-	-	-	-	-
383,032	-	-	-	-	487,757	870,789
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
383,032	8,471	-	41,112	296,064	487,757	1,428,810
(89,810)	8,254	36,388	103,830	(137,780)	(84,552)	(60,475)
80,000	-	-	-	-	-	80,000
-	-	-	-	-	-	-
80,000	-	-	-	-	-	80,000
(9,810)	8,254	36,388	103,830	(137,780)	(84,552)	19,525
17,180	21,067	118,501	483,359	470,997	491,435	1,987,591
\$ 7,370	\$ 29,321	\$ 154,889	\$ 587,189	\$ 333,217	\$ 406,883	\$ 2,007,116

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2017

	Adult Probation Basic Supervision	Adult Probation Community Corrections	Adult Probation Mental Impairments
<u>REVENUES:</u>			
Fees	\$ 75,658	\$ -	\$ -
Intergovernmental	1,201,026	610,724	88,194
Charges for Services	1,859,081	-	-
Investment Earnings	33,042	-	-
Contract Reimbursements	-	-	-
Fines and Forfeitures	-	-	-
Miscellaneous	1,684	-	-
<u>TOTAL REVENUES</u>	<u>3,170,491</u>	<u>610,724</u>	<u>88,194</u>
<u>EXPENDITURES:</u>			
General Administration	-	-	-
Judicial	-	-	-
Legal Services	-	-	-
Elections	-	-	-
Public Safety	3,882,179	709,248	125,241
Health and Welfare	-	-	-
Culture and Recreation	-	-	-
Public Transportation	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>3,882,179</u>	<u>709,248</u>	<u>125,241</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(711,688)</u>	<u>(98,524)</u>	<u>(37,047)</u>
<u>OTHER FINANCING SOURCES/ (USES):</u>			
Transfers In	207,210	100,000	45,000
Transfers Out	(140,000)	(157,508)	(54,702)
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>67,210</u>	<u>(57,508)</u>	<u>(9,702)</u>
Net Change in Fund Balances	<u>(644,478)</u>	<u>(156,032)</u>	<u>(46,749)</u>
Fund Balances at Beginning of Year	<u>2,162,271</u>	<u>267,110</u>	<u>71,165</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 1,517,793</u>	<u>\$ 111,078</u>	<u>\$ 24,416</u>

Contract Elections Services	HAVA Grant Fund	Federal ARRA Grant	Memo Totals to Page 119
\$ -	\$ -	\$ -	\$ 75,658
586,856	7,166	41,664	2,535,630
-	-	-	1,859,081
24,887	-	-	57,929
-	-	-	-
-	-	-	-
-	-	-	1,684
611,743	7,166	41,664	4,529,982
-	-	-	-
-	-	-	-
-	-	-	-
559,249	-	-	559,249
-	-	-	4,716,668
-	-	-	-
-	-	-	-
-	-	-	-
559,249	-	-	5,275,917
52,494	7,166	41,664	(745,935)
-	-	-	352,210
-	-	-	(352,210)
-	-	-	-
52,494	7,166	41,664	(745,935)
311,408	262,685	7,367	3,082,006
\$ 363,902	\$ 269,851	\$ 49,031	\$ 2,336,071

MONTGOMERY COUNTY, TEXAS
Attorney Administration Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-3

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Charges for Service	\$ 15,625	\$ 15,625	\$ 11,367	\$ (4,258)
Investment Earnings	-	-	43	43
Total Revenues	15,625	15,625	11,410	(4,215)
<u>EXPENDITURES:</u>				
General Administration:				
Salaries	40,826	40,826	32,494	8,332
Employee Benefits	19,337	19,337	15,666	3,671
Supplies	100	207	207	-
Contract Services	525	418	-	418
Total Expenditures	60,788	60,788	48,367	12,421
Excess (Deficiency) Revenues Over Expenditures	(45,163)	(45,163)	(36,957)	8,206
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	-	-	37,000	37,000
TOTAL OTHER FINANCING SOURCES	-	-	37,000	37,000
Net Change in Fund Balance	(45,163)	(45,163)	43	45,206
Fund Balance at Beginning of Year	1,407	1,407	1,407	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (43,756)</u>	<u>\$ (43,756)</u>	<u>\$ 1,450</u>	<u>\$ 45,206</u>

MONTGOMERY COUNTY, TEXAS

Forfeitures Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-4

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Investment Earnings	\$ -	\$ 2,000	\$ 8,953	\$ 6,953
Fines and Forfeitures	814,488	1,738,776	1,657,087	(81,689)
Total Revenues	<u>814,488</u>	<u>1,740,776</u>	<u>1,666,040</u>	<u>(74,736)</u>
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	33,301	34,160	34,160	-
Employee Benefits	6,635	9,914	9,760	154
Supplies	359,972	1,027,068	306,642	720,426
Contract Services	162,580	281,333	69,310	212,023
Capital Outlay	252,000	389,211	175,131	214,080
Total Expenditures	<u>814,488</u>	<u>1,741,686</u>	<u>595,003</u>	<u>1,146,683</u>
Net Change in Fund Balance	-	(910)	1,071,037	1,071,947
Fund Balance at Beginning of Year	<u>470,438</u>	<u>470,438</u>	<u>470,438</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 470,438</u>	<u>\$ 469,528</u>	<u>\$1,541,475</u>	<u>\$ 1,071,947</u>

MONTGOMERY COUNTY, TEXAS**FEMA Disaster Grants Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget (GAAP Basis) and Actual Year Ended September 30, 2017**

C-5

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Intergovernmental:				
Federal Grants	\$ -	\$2,232,043	\$2,301,979	\$ 69,936
State Grants	-	(35,168)	71,696	\$ 106,864
Total Revenues	-	2,196,875	2,373,675	176,800
<u>EXPENDITURES:</u>				
Health and Welfare:				
Salaries	-	1,708,666	1,707,915	751
Employee Benefits	-	606,963	606,531	432
Supplies	-	127,151	120,014	7,137
Contract Services	-	295,502	295,501	1
Total Expenditures	-	2,738,282	2,729,961	8,321
Net Change in Fund Balance	-	(541,407)	(356,286)	185,121
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	30,273	241,136	210,863
TOTAL OTHER FINANCING SOURCES	-	30,273	241,136	210,863
Net Change in Fund Balance	-	(511,134)	(115,150)	395,984
Fund Balance at Beginning of Year	222,014	222,014	222,014	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$222,014</u>	<u>\$ (289,120)</u>	<u>\$ 106,864</u>	<u>\$ 395,984</u>

MONTGOMERY COUNTY, TEXAS

Jury Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-6

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees			\$ 69,274	\$ 69,274
Intergovernmental:				
Federal Grants	-	21,250	-	(21,250)
State Grants	380,000	414,983	585,082	170,099
Charges for Services	285,000	285,000	362,557	77,557
Investment Earnings	200	200	755	555
Contract Reimbursements	634,190	645,013	622,070	(22,943)
Fines and Forfeitures	600,000	600,000	643,879	43,879
Total Revenues	1,899,390	1,966,446	2,283,617	317,171
<u>EXPENDITURES:</u>				
Judicial:				
Salaries	3,198,359	3,174,720	3,174,717	3
Employee Benefits	1,168,340	1,120,722	1,120,722	-
Supplies	65,267	87,724	67,886	19,838
Contract Services	8,308,388	8,587,975	8,290,035	297,940
Capital Outlay	31,218	51,699	8,604	43,095
Total Expenditures	12,771,572	13,022,840	12,661,964	360,876
Excess (Deficiency) Revenues Over Expenditures	(10,872,182)	(11,056,394)	(10,378,347)	678,047
<u>OTHER FINANCING SOURCES/(USES):</u>				
Transfers In		-	10,800,000	10,800,000
Transfers Out		(7,500)	(7,500)	-
TOTAL OTHER FINANCING SOURCES /(USES)	-	(7,500)	10,792,500	10,800,000
Net Change in Fund Balance	(10,872,182)	(11,063,894)	414,153	11,478,047
Fund Balance at Beginning of Year	1,452,427	1,452,427	1,452,427	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (9,419,755)</u>	<u>\$ (9,611,467)</u>	<u>\$ 1,866,580</u>	<u>\$ 11,478,047</u>

MONTGOMERY COUNTY, TEXAS

Sheriff Commissary Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-7

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Charges for Services	\$ 760,360	\$ 964,240	\$ 684,620	\$ (279,620)
Investment Earnings	-	-	8,656	8,656
Total Revenues	<u>760,360</u>	<u>964,240</u>	<u>693,276</u>	<u>(270,964)</u>
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	-	137,500	99,056	38,444
Employee Benefits	-	66,379	43,662	22,717
Supplies	483,000	483,000	279,814	203,186
Contract Services	112,360	112,360	51,696	60,664
Capital Outlay	165,000	165,000	68,800	96,200
Total Expenditures	<u>760,360</u>	<u>964,239</u>	<u>543,028</u>	<u>421,211</u>
Net Change in Fund Balance	-	1	150,248	150,247
Fund Balance at Beginning of Year	<u>916,021</u>	<u>916,021</u>	<u>916,021</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 916,021</u>	<u>\$ 916,022</u>	<u>\$1,066,269</u>	<u>\$ 150,247</u>

MONTGOMERY COUNTY, TEXAS

Memorial Library Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-8

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Intergovernmental:				
State Grants	\$ -	\$ 6,000	\$ 6,000	\$ -
Miscellaneous	-	108,359	108,359	-
Total Revenues	-	114,359	114,359	-
<u>EXPENDITURES:</u>				
Culture and Recreation:				
Supplies	-	51,396	35,709	15,687
Contract Services	-	46,093	3,306	42,787
Capital Outlay	-	140,209	94,897	45,312
Total Expenditures	-	237,698	133,912	103,786
Net Change in Fund Balance	-	(123,339)	(19,553)	103,786
Fund Balance at Beginning of Year	137,147	137,147	137,147	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 137,147</u>	<u>\$ 13,808</u>	<u>\$ 117,594</u>	<u>\$ 103,786</u>

MONTGOMERY COUNTY, TEXAS**Community Development Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget (GAAP Basis) and Actual Year Ended September 30, 2017**

C-9

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Intergovernmental:				
Federal Grants	\$ 2,968,176	\$ 3,142,604	\$ 2,551,701	\$ (590,903)
Miscellaneous	-	30,584	30,584	-
Total Revenues	<u>2,968,176</u>	<u>3,173,188</u>	<u>2,582,285</u>	<u>(590,903)</u>
<u>EXPENDITURES:</u>				
Health and Welfare:				
Salaries	371,265	445,992	418,148	27,844
Employee Benefits	130,074	151,910	141,000	10,910
Supplies	10,250	4,982	2,321	2,661
Contract Services	2,453,087	5,245,643	1,765,143	3,480,500
Capital Outlay	500	458,298	259,500	198,798
Total Expenditures	<u>2,965,176</u>	<u>6,306,825</u>	<u>2,586,112</u>	<u>3,720,713</u>
Net Change in Fund Balance	-	(3,133,637)	(3,827)	3,129,810
Fund Balance at Beginning of Year	<u>23,101</u>	<u>23,101</u>	<u>23,101</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 23,101</u>	<u>\$(3,110,536)</u>	<u>\$ 19,274</u>	<u>\$ 3,129,810</u>

MONTGOMERY COUNTY, TEXAS

Law Library Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-10

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ 200,000	\$ 200,547	\$ 283,839	\$ 83,292
Investment Earnings	-	-	2,671	2,671
Miscellaneous	-	-	10,649	10,649
Total Revenues	<u>200,000</u>	<u>200,547</u>	<u>297,159</u>	<u>96,612</u>
<u>EXPENDITURES:</u>				
Legal Services:				
Salaries	124,540	125,087	125,087	-
Employee Benefits	47,424	47,424	47,074	350
Supplies	17,500	17,390	10,311	7,079
Contract Services	50,059	51,467	31,141	20,326
Capital Outlay	62,507	62,764	60,275	2,489
Total Expenditures	<u>302,030</u>	<u>304,132</u>	<u>273,888</u>	<u>30,244</u>
(Deficiency) Revenues Over Expenditures	<u>(102,030)</u>	<u>(103,585)</u>	<u>23,271</u>	<u>126,856</u>
<u>OTHER FINANCING (USES):</u>				
Transfers Out	<u>-</u>	<u>(157)</u>	<u>(157)</u>	<u>-</u>
TOTAL OTHER FINANCING USES	<u>-</u>	<u>(157)</u>	<u>(157)</u>	<u>-</u>
Net Change in Fund Balance	(102,030)	(103,742)	23,114	126,856
Fund Balance at Beginning of Year	<u>342,335</u>	<u>342,335</u>	<u>342,335</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 240,305</u>	<u>\$ 238,593</u>	<u>\$ 365,449</u>	<u>\$ 126,856</u>

MONTGOMERY COUNTY, TEXAS

Juvenile Probation Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-11

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Intergovernmental:				
Federal Grants	\$ -	\$ -	\$ 4,105	\$ 4,105
State Grants	-	2,552,008	2,629,552	77,544
Charges for Services	-	-	9,530	9,530
Investment Earnings	-	-	7,395	7,395
Total Revenues	-	2,552,008	2,650,582	98,574
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	-	2,268,159	1,021,031	1,247,128
Benefits	-	991,642	438,987	552,655
Supplies	-	129,850	65,491	64,359
Contract Services	-	1,604,087	765,422	838,665
Capital Outlay	-	978,597	29,147	949,450
Total Expenditures	-	5,972,335	2,320,078	3,652,257
Net Change in Fund Balance	-	(3,420,327)	330,504	3,750,831
Fund Balance at Beginning of Year	1,984,597	1,984,597	1,984,597	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 1,984,597</u>	<u>\$ (1,435,730)</u>	<u>\$ 2,315,101</u>	<u>\$ 3,750,831</u>

MONTGOMERY COUNTY, TEXAS
Records Management and Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-12

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 502,926	\$ 502,926	\$ 637,925	\$ 134,999
Investment Earnings	-	-	17,229	17,229
Total Revenues	502,926	502,926	655,154	152,228
<u>EXPENDITURES:</u>				
General Administration:				
Salaries	276,540	276,540	223,408	53,132
Employee Benefits	111,316	111,316	90,582	20,734
Supplies	12,400	12,400	6,389	6,011
Contract Services	102,670	442,670	93,215	349,455
Total Expenditures	502,926	842,926	413,594	429,332
Net Change in Fund Balance	-	(340,000)	241,560	581,560
Fund Balance at Beginning of Year	4,938,424	4,938,424	4,938,424	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$4,938,424</u>	<u>\$4,598,424</u>	<u>\$5,179,984</u>	<u>\$ 581,560</u>

MONTGOMERY COUNTY, TEXAS

Pre-Trial Diversion Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-13

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ 215,457	\$ 215,457	\$ 22,300	\$ (193,157)
Total Revenues	<u>215,457</u>	<u>215,457</u>	<u>22,300</u>	<u>(193,157)</u>
<u>EXPENDITURES:</u>				
General Administration:				
Salaries	138,838	138,838	129,586	9,252
Employee Benefits	39,068	39,068	36,629	2,439
Supplies	24,794	24,794	-	24,794
Contract Services	10,969	10,969	2,509	8,460
Capital Outlay	1,788	1,788	-	1,788
Total Expenditures	<u>215,457</u>	<u>215,457</u>	<u>168,724</u>	<u>46,733</u>
Net Change in Fund Balance	-	-	(146,424)	(146,424)
Fund Balance at Beginning of Year	<u>206,909</u>	<u>206,909</u>	<u>206,909</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 206,909</u>	<u>\$ 206,909</u>	<u>\$ 60,485</u>	<u>\$ (146,424)</u>

MONTGOMERY COUNTY, TEXAS

Airport Grants Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-14

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Intergovernmental:				
Federal Grants	\$ -	\$ 7,078,590	\$ 1,029,507	\$ (6,049,083)
State Grants	-	-	45,516	45,516
Miscellaneous	-	633,800	-	(633,800)
Total Revenues	-	7,712,390	1,075,023	(6,637,367)
<u>EXPENDITURES:</u>				
Public Transportation:				
Capital Outlay	50,000	8,292,067	299,703	7,992,364
Total Expenditures	50,000	8,292,067	299,703	7,992,364
Net Change in Fund Balance	(50,000)	(579,677)	775,320	1,354,997
Fund Balance at Beginning of Year	695,444	695,444	695,444	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 645,444</u>	<u>\$ 115,767</u>	<u>\$ 1,470,764</u>	<u>\$ 1,354,997</u>

MONTGOMERY COUNTY, TEXAS**Mental Health Facility Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget (GAAP Basis) and Actual Year Ended September 30, 2017**

C-15

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Contract Reimbursement	\$ 15,417,450	\$ 15,417,450	\$15,222,614	\$ (194,836)
Total Revenues	<u>15,417,450</u>	<u>15,417,450</u>	<u>15,222,614</u>	<u>(194,836)</u>
<u>EXPENDITURES:</u>				
Health and Welfare:				
Contract Services	13,471,936	13,393,230	13,337,693	55,537
Capital Outlay - Building	-	78,706	78,706	-
Total Expenditures	<u>13,471,936</u>	<u>13,471,936</u>	<u>13,416,399</u>	<u>55,537</u>
Excess Revenues Over Expenditures	<u>1,945,514</u>	<u>1,945,514</u>	<u>1,806,215</u>	<u>(139,299)</u>
<u>OTHER FINANCING (USES):</u>				
Transfers out	-	-	(941,787)	(941,787)
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>-</u>	<u>(941,787)</u>	<u>(941,787)</u>
Net Change in Fund Balance	1,945,514	1,945,514	864,428	(1,081,086)
Fund Balance at Beginning of Year	<u>3,117,688</u>	<u>3,117,688</u>	<u>3,117,688</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,063,202</u>	<u>\$ 5,063,202</u>	<u>\$ 3,982,116</u>	<u>\$ (1,081,086)</u>

MONTGOMERY COUNTY, TEXAS
Records Management County Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-16

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 150,000	\$ 159,575	\$ 162,578	\$ 3,003
Total Revenues	150,000	159,575	162,578	3,003
<u>EXPENDITURES:</u>				
General Administration:				
Salaries	392,614	399,229	363,184	36,045
Employee Benefits	188,241	189,559	168,754	20,805
Supplies	14,353	17,987	9,524	8,463
Contract Services	30,137	30,284	17,285	12,999
Capital Outlay	2,700	2,700	-	2,700
Total Expenditures	628,045	639,759	558,747	81,012
Excess (Deficiency) Revenues Over Expenditures	(478,045)	(480,184)	(396,169)	84,015
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	-	1,212	405,000	403,788
TOTAL OTHER FINANCING SOURCES	-	1,212	405,000	403,788
Net Change in Fund Balance	(478,045)	(478,972)	8,831	487,803
Fund Balance at Beginning of Year	52,340	52,340	52,340	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (425,705)</u>	<u>\$ (426,632)</u>	<u>\$ 61,171</u>	<u>\$ 487,803</u>

MONTGOMERY COUNTY, TEXAS
Records Management District Clerk Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-17

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 50,000	\$ 50,000	\$ 588	\$ (49,412)
Investment Earnings	-	-	44,180	44,180
Total Revenues	50,000	50,000	44,768	(5,232)
<u>EXPENDITURES:</u>				
General Administration:				
Contract Services	50,000	50,000	47,653	2,347
Total Expenditures	50,000	50,000	47,653	2,347
Net Change in Fund Balance	-	-	(2,885)	(2,885)
Fund Balance at Beginning of Year	160,480	160,480	160,480	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 160,480</u>	<u>\$ 160,480</u>	<u>\$ 157,595</u>	<u>\$ (2,885)</u>

MONTGOMERY COUNTY, TEXAS
Digital Preservation County and District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-18

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ -	\$ -	\$ 78,027	\$ 78,027
Investment Earnings	-	-	722	722
Total Revenues	-	-	78,749	78,749
Net Change in Fund Balance	-	-	78,749	78,749
Fund Balance at Beginning of Year	109,994	109,994	109,994	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 109,994</u>	<u>\$ 109,994</u>	<u>\$ 188,743</u>	<u>\$ 78,749</u>

MONTGOMERY COUNTY, TEXAS
District Clerk Record Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-19

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 60,000	\$ 60,000	\$ 88,135	\$ 28,135
Investment Earnings	-	-	317	317
Total Revenues	60,000	60,000	88,452	28,452
<u>EXPENDITURES:</u>				
Judicial:				
Contract Services	60,000	60,000	59,429	571
Total Expenditures	60,000	60,000	59,429	571
Net Change in Fund Balance	-	-	29,023	29,023
Fund Balance at Beginning of Year	130,546	130,546	130,546	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 130,546</u>	<u>\$ 130,546</u>	<u>\$ 159,569</u>	<u>\$ 29,023</u>

MONTGOMERY COUNTY, TEXAS
Court Guardianship Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-20

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ 16,000	\$ 19,326	\$ 24,659	\$ 5,333
Total Revenues	<u>16,000</u>	<u>19,326</u>	<u>24,659</u>	<u>5,333</u>
<u>EXPENDITURES:</u>				
Judicial:				
Contract Services	<u>16,000</u>	<u>19,326</u>	<u>19,326</u>	<u>-</u>
Total Expenditures	<u>16,000</u>	<u>19,326</u>	<u>19,326</u>	<u>-</u>
Net Change in Fund Balance	-	-	5,333	5,333
Fund Balance at Beginning of Year	<u>132,964</u>	<u>132,964</u>	<u>132,964</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 132,964</u>	<u>\$ 132,964</u>	<u>\$ 138,297</u>	<u>\$ 5,333</u>

MONTGOMERY COUNTY, TEXAS

Court Reporter Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-21

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ 40,000	\$ 56,722	\$ 123,709	\$ 66,987
Total Revenues	<u>40,000</u>	<u>56,722</u>	<u>123,709</u>	<u>66,987</u>
<u>EXPENDITURES:</u>				
Judicial:				
Supplies	25,416	17,975	11,668	6,307
Contract Services	<u>116,607</u>	<u>140,771</u>	<u>121,951</u>	<u>18,820</u>
Total Expenditures	<u>142,023</u>	<u>158,746</u>	<u>133,619</u>	<u>25,127</u>
Net Change in Fund Balance	(102,023)	(102,024)	(9,910)	92,114
Fund Balance at Beginning of Year	<u>11,548</u>	<u>11,548</u>	<u>11,548</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (90,475)</u>	<u>\$ (90,476)</u>	<u>\$ 1,638</u>	<u>\$ 92,114</u>

MONTGOMERY COUNTY, TEXAS
Courthouse Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-22

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 265,000	\$ 265,000	\$ 293,222	\$ 28,222
Total Revenues	265,000	265,000	293,222	28,222
<u>EXPENDITURES:</u>				
Public Safety:				
Supplies	-	1,152	1,152	-
Contract Services	475,000	476,251	381,880	94,371
Total Expenditures	475,000	477,403	383,032	94,371
(Deficiency) Revenues Over Expenditures	(210,000)	(212,403)	(89,810)	122,593
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	-	1,152	80,000	78,848
TOTAL OTHER FINANCING SOURCES	-	1,152	80,000	78,848
Net Change in Fund Balance	(210,000)	(211,251)	(9,810)	201,441
Fund Balance at Beginning of Year	17,180	17,180	17,180	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (192,820)</u>	<u>\$ (194,071)</u>	<u>\$ 7,370</u>	<u>\$ 201,441</u>

MONTGOMERY COUNTY, TEXAS
Court Technology County and District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-23

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 8,200	\$ 12,096	\$ 16,725	\$ 4,629
Total Revenues	8,200	12,096	16,725	4,629
<u>EXPENDITURES:</u>				
Judicial:				
Supplies	-	11,740	4,744	6,996
Contract Services	8,200	8,637	3,727	4,910
Total Expenditures	8,200	20,377	8,471	11,906
Net Change in Fund Balance	-	(8,281)	8,254	16,535
Fund Balance at Beginning of Year	21,067	21,067	21,067	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 21,067</u>	<u>\$ 12,786</u>	<u>\$ 29,321</u>	<u>\$ 16,535</u>

MONTGOMERY COUNTY, TEXAS
Justice Court Building Security
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-24

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ -	\$ -	\$ 36,388	\$ 36,388
Total Revenues	<u>-</u>	<u>-</u>	<u>36,388</u>	<u>36,388</u>
Net Change in Fund Balance	-	-	36,388	36,388
Fund Balance at Beginning of Year	<u>118,501</u>	<u>118,501</u>	<u>118,501</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u><u>\$ 118,501</u></u>	<u><u>\$ 118,501</u></u>	<u><u>\$ 154,889</u></u>	<u><u>\$ 36,388</u></u>

MONTGOMERY COUNTY, TEXAS
Justice Court Technology Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-25

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 21,828	\$ 48,061	\$ 144,942	\$ 96,881
Total Revenues	21,828	48,061	144,942	96,881
<u>EXPENDITURES:</u>				
Judicial:				
Supplies	20,000	41,814	31,440	10,374
Contract Services	1,828	11,147	9,672	1,475
Total Expenditures	21,828	52,961	41,112	11,849
Net Change in Fund Balance	-	(4,900)	103,830	108,730
Fund Balance at Beginning of Year	483,359	483,359	483,359	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 483,359</u>	<u>\$ 478,459</u>	<u>\$ 587,189</u>	<u>\$ 108,730</u>

MONTGOMERY COUNTY, TEXAS
Juvenile Case Manager Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-26

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 296,272	\$ 297,026	\$ 158,284	\$ (138,742)
Total Revenues	<u>296,272</u>	<u>297,026</u>	<u>158,284</u>	<u>(138,742)</u>
<u>EXPENDITURES:</u>				
Judicial:				
Salaries	200,340	200,780	200,577	203
Employee Benefits	95,932	95,932	95,173	759
Contract Services	-	314	314	-
Total Expenditures	<u>296,272</u>	<u>297,026</u>	<u>296,064</u>	<u>962</u>
Net Change in Fund Balance	-	-	(137,780)	(137,780)
Fund Balance at Beginning of Year	<u>470,997</u>	<u>470,997</u>	<u>470,997</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 470,997</u>	<u>\$ 470,997</u>	<u>\$ 333,217</u>	<u>\$ (137,780)</u>

MONTGOMERY COUNTY, TEXAS

Bond Supervision Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-27

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ -	\$ 420,000	\$ 397,905	\$ (22,095)
Investment Earnings	-	2,500	5,300	2,800
Total Revenues	-	422,500	403,205	(19,295)
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	-	312,770	301,333	11,437
Employee Benefits	-	126,009	121,048	4,961
Supplies	-	352	352	-
Contract Services	-	71,648	65,024	6,624
Capital Outlay	-	50	-	50
Total Expenditures	-	510,829	487,757	23,072
Net Change in Fund Balance	-	(88,329)	(84,552)	3,777
Fund Balance at Beginning of Year	491,435	491,435	491,435	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 491,435</u>	<u>\$ 403,106</u>	<u>\$ 406,883</u>	<u>\$ 3,777</u>

MONTGOMERY COUNTY, TEXAS
Adult Probation - Basic Supervision Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-28

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ -	\$ 1,925,000	\$ 75,658	\$ (1,849,342)
Intergovernmental:				
State Grants	-	1,166,722	1,201,026	34,304
Charges for Services	-	415,000	1,859,081	1,444,081
Investment Earnings	-	40,000	33,042	(6,958)
Miscellaneous	-	1,593	1,684	91
Total Revenues	-	3,548,315	3,170,491	(377,824)
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	-	5,470,667	2,766,986	2,703,681
Employee Benefits	-	1,165,359	577,515	587,844
Supplies	-	1,232,540	109,245	1,123,295
Contract Services	-	931,660	428,433	503,227
Capital Outlay	-	1,088,565	-	1,088,565
Total Expenditures	-	9,888,791	3,882,179	6,006,612
Excess Revenues				
Over Expenditures	-	(6,340,476)	(711,688)	5,628,788
<u>OTHER FINANCING SOURCES/(USES):</u>				
Transfers In	-	1,553	207,210	205,657
Transfers Out	-	(99,881)	(140,000)	40,119
TOTAL OTHER FINANCING SOURCES/(USES)	-	(98,328)	67,210	245,776
Net Change in Fund Balance	-	(6,438,804)	(644,478)	(5,794,326)
Fund Balance at Beginning of Year	2,162,271	2,162,271	2,162,271	-
<u>FUND BALANCE AT END OF YEAR</u>	\$ 2,162,271	\$ (4,276,533)	\$ 1,517,793	\$ (5,794,326)

MONTGOMERY COUNTY, TEXAS
Adult Probation - Community Corrections Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-29

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
State Grants	\$ -	\$ 615,439	\$ 610,724	\$ (4,715)
Total Revenues	-	615,439	610,724	(4,715)
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	-	1,112,075	584,239	527,836
Employee Benefits	-	220,714	113,414	107,300
Supplies	-	6,500	-	6,500
Contract Services	-	28,231	11,595	16,636
Total Expenditures	-	1,367,520	709,248	658,272
Excess Revenues Over Expenditures	-	(752,081)	(98,524)	653,557
<u>OTHER FINANCING SOURCES/(USES):</u>				
Transfers In	-	57,822	100,000	42,178
Transfers Out	-	-	(157,508)	(157,508)
TOTAL OTHER FINANCING SOURCES/(USES)	-	57,822	(57,508)	(115,330)
Net Change in Fund Balance	-	(694,259)	(156,032)	538,227
Fund Balance at Beginning of Year	267,110	267,110	267,110	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 267,110</u>	<u>\$ (427,149)</u>	<u>\$ 111,078</u>	<u>\$ 538,227</u>

MONTGOMERY COUNTY, TEXAS
Adult Probation - Mental Impairments Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-30

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
State Grants	\$ -	\$ 136,194	\$ 88,194	\$ (48,000)
Total Revenues	-	136,194	88,194	(48,000)
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	-	242,431	101,560	140,871
Employee Benefits	-	46,566	20,190	26,376
Contract Services	-	5,924	3,491	2,433
Total Expenditures	-	294,921	125,241	169,680
Excess Revenues Over Expenditures	-	(158,727)	(37,047)	121,680
<u>OTHER FINANCING SOURCES/(USES):</u>				
Transfers In	-	42,411	45,000	2,589
Transfers Out	-	-	(54,702)	(54,702)
TOTAL OTHER FINANCING SOURCES/(USES)	-	42,411	(9,702)	(52,113)
Net Change in Fund Balance	-	(116,316)	(46,749)	69,567
Fund Balance at Beginning of Year	71,165	71,165	71,165	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 71,165</u>	<u>\$ (45,151)</u>	<u>\$ 24,416</u>	<u>\$ 69,567</u>

MONTGOMERY COUNTY, TEXAS**Contract Elections Service Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget (GAAP Basis) and Actual Year Ended September 30, 2017**

C-31

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Intergovernmental:				
Other	\$ -	\$ 559,249	\$ 586,856	\$ 27,607
Investment Earnings	-	-	24,887	24,887
Total Revenues	<u>-</u>	<u>559,249</u>	<u>611,743</u>	<u>52,494</u>
<u>EXPENDITURES:</u>				
Elections:				
Salaries	-	333,036	333,036	-
Employee Benefits	-	56,839	56,839	-
Supplies	-	53,838	53,838	-
Contract Services	-	115,536	115,536	-
Total Expenditures	<u>-</u>	<u>559,249</u>	<u>559,249</u>	<u>-</u>
Net Change in Fund Balance	-	-	52,494	52,494
Fund Balance at Beginning of Year	<u>311,408</u>	<u>311,408</u>	<u>311,408</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 311,408</u>	<u>\$ 311,408</u>	<u>\$ 363,902</u>	<u>\$ 52,494</u>

MONTGOMERY COUNTY, TEXAS

HAVA Grant Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2017

C-32

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Intergovernmental:				
Other	\$ -	\$ -	\$ 7,166	\$ 7,166
Total Revenues	-	-	7,166	7,166
Net Change in Fund Balance	-	-	7,166	7,166
Fund Balance at Beginning of Year	262,685	262,685	262,685	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 262,685</u>	<u>\$ 262,685</u>	<u>\$ 269,851</u>	<u>\$ 7,166</u>

MONTGOMERY COUNTY, TEXAS**Federal ARRA Grant Fund****Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget (GAAP Basis) and Actual Year Ended September 30, 2017**

C-33

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Intergovernmental:				
Federal Grants	\$ -	\$ -	\$ 41,664	\$ 41,664
Total Revenues	-	-	41,664	41,664
<u>EXPENDITURES:</u>				
Public Transportation:				
Capital Outlay	-	500,000	-	500,000
Total Expenditures	-	500,000	-	500,000
Net Change in Fund Balance	-	(500,000)	41,664	541,664
Fund Balance at Beginning of Year	7,367	7,367	7,367	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 7,367</u>	<u>\$ (492,633)</u>	<u>\$ 49,031</u>	<u>\$ 541,664</u>

NONMAJOR CAPITAL PROJECT FUNDS

Certificates of Obligation Series 2006 – to account for improvements to several county buildings and the County park system. Funding is provided by the issuance of \$26.3 million in certificates of obligation.

Certificates of Obligation Series 2008 – to account for improvements to several county buildings, the purchase of land and the construction of a new administration building. The certificates will also account for the remodel of an existing building to house the future employee medical clinic. The issuance of approximately \$14 million in certificates of obligation will provide the funding.

Certificates of Obligation Series 2012 – to account for the remodel of an existing building to house the future Montgomery County Forensic Center. Other projects include airport improvements as well as various building remodels.

Certificates of Obligation Series 2012A – to account for various road improvements to county owned roads and the construction and renovation of runway and taxiway improvements at the Lone Star Executive Airport. The County issued \$13,350,000 in certificates of obligation for these projects.

Revenue Toll Bonds Series 2010 – to account for County’s issuance of \$31,390,000 in bonds that are being used to finance improvements to four specific state-owned roads as well as direct connectors to two additional roads of the state highway system. The County has entered into a “pass-through toll agreement” with the State of Texas for improvements by the County to roads owned by the State.

Jail Project 13-14 – to account for a portion of funds generated by the sale of the Joe Corley Facility. The Commissioner’s intent is to use the funds for improvements to the existing jail facility or to build a new facility.

Pass Through Toll Projects - to account for specific road improvement projects associated with a Pass Through Toll Agreement between the County and Texas Department of Transportation.

Local Capital Projects – to account for various county-wide projects, including Sheriff’s office remodel and fleet operations as well as a Medical Examiner’s office.

Road Bonds Series 2016 – to account for the County’s issuance of \$60,000,000 in bonds that are being used to finance road improvements throughout the County.

MONTGOMERY COUNTY, TEXAS
Nonmajor Capital Project Funds
Combining Balance Sheet
September 30, 2017

	Certificates of Obligation Series 2006	Certificates of Obligation Series 2008	Certificates of Obligation Series 2012	Certificates of Obligation Series 2012A
<u>ASSETS:</u>				
Cash	\$ -	\$ -	\$ 1,254	\$ 824
Investments	-	-	3,343,575	550,168
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,344,829</u>	<u>\$ 550,992</u>
<u>LIABILITIES AND FUND BALANCES:</u>				
<u>LIABILITIES:</u>				
Accounts Payable	\$ -	\$ -	\$ 54,715	\$ -
Retainage Payable	-	-	-	-
Due to Other Funds	-	-	633,800	-
Total Liabilities	-	-	688,515	-
<u>FUND BALANCES:</u>				
Restricted	-	-	2,656,314	550,992
Committed	-	-	-	-
Total Fund Balances	-	-	2,656,314	550,992
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,344,829</u>	<u>\$ 550,992</u>

Revenue Toll Bonds Series 2010	Jail Project 13-14	Pass Through Toll Projects	Local Capital Projects	Road Bonds 2016	Totals
\$ 5,187,233	\$ -	\$ -	\$ -	\$ 405,715	\$ 5,595,026
-	-	-	-	32,103,055	35,996,798
-	16,253,271	-	4,790,845	-	21,044,116
-	-	20,000,000	-	-	20,000,000
<u>\$ 5,187,233</u>	<u>\$ 16,253,271</u>	<u>\$20,000,000</u>	<u>\$ 4,790,845</u>	<u>\$32,508,770</u>	<u>\$ 82,635,940</u>
\$ -	\$ -	\$ -	\$ 50,045	\$ 2,639,382	\$ 2,744,142
-	-	-	-	263,678	263,678
-	-	9,326,047	-	4,832,546	14,792,393
<u>-</u>	<u>-</u>	<u>9,326,047</u>	<u>50,045</u>	<u>7,735,606</u>	<u>17,800,213</u>
5,187,233	-	10,673,953	-	24,773,164	43,841,656
-	16,253,271	-	4,740,800	-	20,994,071
<u>5,187,233</u>	<u>16,253,271</u>	<u>10,673,953</u>	<u>4,740,800</u>	<u>24,773,164</u>	<u>64,835,727</u>
<u>\$ 5,187,233</u>	<u>\$ 16,253,271</u>	<u>\$20,000,000</u>	<u>\$ 4,790,845</u>	<u>\$32,508,770</u>	<u>\$ 82,635,940</u>

MONTGOMERY COUNTY, TEXAS
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2017

	Certificates of Obligation Series 2006	Certificates of Obligation Series 2008	Certificates of Obligation Series 2012	Certificates of Obligation Series 2012A
<u>REVENUES:</u>				
Investment Earnings	\$ 127	\$ 704	\$ 23,048	\$ 6,252
Miscellaneous	-	-	-	-
<u>TOTAL REVENUES</u>	<u>127</u>	<u>704</u>	<u>23,048</u>	<u>6,252</u>
<u>EXPENDITURES:</u>				
Supplies	1,835	-	-	-
Professional Services	-	-	625,047	-
Capital Outlay	-	-	695,843	5,224
<u>TOTAL EXPENDITURES</u>	<u>1,835</u>	<u>-</u>	<u>1,320,890</u>	<u>5,224</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(1,708)</u>	<u>704</u>	<u>(1,297,842)</u>	<u>1,028</u>
<u>OTHER FINANCING SOURCES/(USES):</u>				
Transfers In	-	-	-	-
Transfers Out	(19,318)	(161,252)	-	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>(19,318)</u>	<u>(161,252)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(21,026)	(160,548)	(1,297,842)	1,028
Fund Balances at Beginning of Year	<u>21,026</u>	<u>160,548</u>	<u>3,954,156</u>	<u>549,964</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,656,314</u>	<u>\$ 550,992</u>

Revenue Toll Bonds Series 2010	Jail Project 2013-2014	Pass Through Toll Projects	Local Capital Projects	Road Bonds 2016	Totals
\$ 20,746	\$ -	\$ -	\$ -	\$ 470,441	\$ 521,318
-	42,964	-	-	-	42,964
20,746	42,964	-	-	470,441	564,282
-	-	-	88,897	-	90,732
-	-	-	34,193	-	659,240
-	-	-	1,040,057	18,640,037	20,381,161
-	-	-	1,163,147	18,640,037	21,131,133
20,746	42,964	-	(1,163,147)	(18,169,596)	(20,566,851)
-	754,666	-	1,815,190	-	2,569,856
-	-	-	-	-	(180,570)
-	754,666	-	1,815,190	-	2,389,286
20,746	797,630	-	652,043	(18,169,596)	(18,177,565)
5,166,487	15,455,641	10,673,953	4,088,757	42,942,760	83,013,292
<u>\$ 5,187,233</u>	<u>\$ 16,253,271</u>	<u>\$10,673,953</u>	<u>\$ 4,740,800</u>	<u>\$ 24,773,164</u>	<u>\$ 64,835,727</u>



DEBT SERVICE FUND

Montgomery County Debt Service Fund – to account for the receipt and disbursement of funds to retire debt resulting from the issuance of general obligation bonds and certificates of obligation. Financing is provided by a specific annual property tax levy, and the investment interest earned thereon.



MONTGOMERY COUNTY, TEXAS
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Debt Service Fund
Budget (GAAP Basis) and Actual Year Ended September 30, 2017

E-1

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Taxes	\$ 39,729,964	\$ 39,729,964	\$ 40,158,218	\$ 428,254
Intergovernmental	14,255,484	14,255,484	16,514,318	2,258,834
Contract Reimbursements	-	298,307	439,706	141,399
Total Revenues	53,985,448	54,283,755	57,112,242	2,828,487
<u>EXPENDITURES:</u>				
Debt Service:				
Miscellaneous	13,952,484	13,952,484	-	13,952,484
Principal Retirement	22,490,000	27,260,000	27,260,000	-
Interest and Fiscal Charges	18,979,188	20,396,274	19,787,766	608,508
Issuance Costs	-	214,303	214,303	-
Payment to Refunded Bond Escrow Agent for Cash Defeasance	-	31,789,234	31,789,234	-
Total Expenditures	55,421,672	93,612,295	79,051,303	14,560,992
Excess (Deficiency) Revenues Over Expenditures	(1,436,224)	(39,328,540)	(21,939,061)	17,389,479
<u>OTHER FINANCING SOURCES/(USES):</u>				
Transfers In	-	-	1,122,357	1,122,357
Transfers Out	-	(7,500)	-	7,500
Issuance of Refunding Bonds	-	47,775,000	47,775,000	-
Premium on Refunding Bonds	-	3,703,219	3,984,085	280,866
Payment to Refunded Bonds Escrow Agent	-	(51,269,830)	(51,269,830)	-
TOTAL OTHER FINANCING SOURCES /(USES)	-	200,889	1,611,612	1,410,723
Net Change in Fund Balance	(1,436,224)	(39,127,651)	(20,327,449)	18,800,202
Fund Balance at Beginning of Year	48,577,323	48,577,323	48,577,323	-
<u>FUND BALANCE AT END OF YEAR</u>	\$ 47,141,099	\$ 9,449,672	\$ 28,249,874	\$ 18,800,202



INTERNAL SERVICE FUNDS

Self-Insurance Medical Fund - to account for the health benefits provided to County employees, retirees, and their dependents. Contributions to the fund are made as charges to the department for all full-time employees and contributions from employees and retirees.

Self-Insurance Workers' Compensation Fund - to account for employer contributions set aside to cover claims from an on-the-job injury sustained by a County employee.

Self-Insurance Accident and Liability Fund - to account for the receipt of insurance premiums from other funds as well as expenses for claims of the County's accident and liability program.

Wellness Clinic Fund - to account for the operations of the County's Wellness Clinic, funded through employee co-pays and County funding.

MONTGOMERY COUNTY, TEXAS
Combining Statement of Net Position
Internal Service Funds
September 30, 2017

F-1

	Self-Insurance Medical	Self-Insurance Workers' Compensation	Self-Insurance Accident and Liability	Wellness Clinic	Total
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$ 281,070	\$ 107,892	\$ -	\$ -	\$ 388,962
Accounts	818,463	449	902,003	-	1,720,915
Due from other funds	19,433,396	4,579,545	696,354	45,588	24,754,883
Due from other governments	44,570	55,672	-	-	100,242
Total Current Assets	20,577,499	4,743,558	1,598,357	45,588	26,965,002
Capital Assets (net of accumulated depreciation):					
Buildings	-	-	-	795,990	795,990
Improvements	-	-	-	479	479
Equipment	-	17,341	-	35,612	52,953
Total Capital Assets	-	17,341	-	832,081	849,422
Total Assets	20,577,499	4,760,899	1,598,357	877,669	27,814,424
LIABILITIES:					
Current Liabilities:					
Accounts Payable	413,660	-	16,178	87	429,925
Claims Payable	5,213,837	500,000	-	-	5,713,837
Total Current Liabilities	5,627,497	500,000	16,178	87	6,143,762
Noncurrent Liabilities					
Claims Payable	-	1,110,050	-	-	1,110,050
Total Noncurrent Liabilities	-	1,110,050	-	-	1,110,050
Total Liabilities	5,627,497	1,610,050	16,178	87	7,253,812
NET POSITION:					
Net Investment in Capital Assets	-	17,341	-	832,081	849,422
Unrestricted	14,950,002	3,133,508	1,582,179	45,501	19,711,190
Total Net Position	\$ 14,950,002	\$ 3,150,849	\$ 1,582,179	\$ 877,582	\$ 20,560,612

MONTGOMERY COUNTY, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
September 30, 2017

F-2

	Self-Insurance Medical	Self-Insurance Workers' Compensation	Self-Insurance Accident and Liability	Wellness Clinic	Total
OPERATING REVENUES:					
Charges for Services	\$ 30,498,512	\$ 1,343,438	\$ 1,579,649	\$ 1,137,001	\$ 34,558,600
Miscellaneous	-	-	1,069,399	-	1,069,399
Total Operating Revenues	<u>30,498,512</u>	<u>1,343,438</u>	<u>2,649,048</u>	<u>1,137,001</u>	<u>35,627,999</u>
OPERATING EXPENSES:					
Supplies	-	-	-	14,668	14,668
Services	33,832,228	1,372,414	1,268,474	1,122,334	37,595,450
Depreciation	-	4,335	-	36,902	41,237
Total Operating Expenses	<u>33,832,228</u>	<u>1,376,749</u>	<u>1,268,474</u>	<u>1,173,904</u>	<u>37,651,355</u>
Operating Income/(Loss)	(3,333,716)	(33,311)	1,380,574	(36,903)	(2,023,356)
Transfer Out	-	-	(436,990)	-	(436,990)
Change in Net Position	(3,333,716)	(33,311)	943,584	(36,903)	(2,460,346)
Total Net Position - beginning	<u>18,283,718</u>	<u>3,184,160</u>	<u>638,595</u>	<u>914,485</u>	<u>23,020,958</u>
Total Net Position - ending	<u>\$ 14,950,002</u>	<u>\$ 3,150,849</u>	<u>\$ 1,582,179</u>	<u>\$ 877,582</u>	<u>\$ 20,560,612</u>

MONTGOMERY COUNTY, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
September 30, 2017

F-3

	Self-Insurance Medical	Self-Insurance Workers' Compensation	Self-Insurance Accident and Liability	Wellness Clinic	Total
Cash flows from operating activities:					
Receipts from customers	\$ 33,297,930	\$ 1,192,121	\$ 639,150	\$ 1,137,001	\$ 36,266,202
Receipts from others	-	-	1,069,399	-	1,069,399
Benefits paid	(32,972,290)	(1,109,530)	(1,271,559)	(1,137,001)	(36,490,380)
Net cash provided by operating activities	325,640	82,591	436,990	-	845,221
Cash flows from noncapital financing activities:					
Intergovernmental contributions	(44,570)	(32,490)	-	-	(77,060)
Transfers to other funds	-	-	(436,990)	-	(436,990)
Net cash used in noncapital financing activities	(44,570)	(32,490)	(436,990)	-	(514,050)
Net increase in cash and cash equivalents	281,070	50,101	-	-	331,171
Cash and cash equivalents - October 1, 2016	-	57,791	-	-	57,791
Cash and cash equivalents - September 30, 2017	\$ 281,070	\$ 107,892	\$ -	\$ -	\$ 388,962
Reconciliation of operating income (loss) to net cash provided (used) in operating activities:					
Operating income (loss)	\$ (3,333,716)	\$ (33,311)	\$ 1,380,574	\$ (36,903)	\$ (2,023,356)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
(Increase) decrease in due from other funds	2,892,080	(174,156)	(53,609)	(19)	2,664,296
Depreciation expense	-	4,336	-	36,902	41,238
(Increase) decrease in accounts receivable	(92,662)	-	-	20	(92,642)
(Increase) decrease in intergovernmental receivable	-	22,839	(886,890)	-	(864,051)
Increase (decrease) in accounts payable	(737,739)	262,883	(3,085)	-	(477,941)
Increase (decrease) in claims payable	1,597,677	-	-	-	1,597,677
Total adjustments	3,659,356	115,902	(943,584)	36,903	2,868,577
Net cash provided by operating activities	\$ 325,640	\$ 82,591	\$ 436,990	\$ -	\$ 845,221

AGENCY FUND

County Officials Fund - to account for the collection of fees and court ordered payments collected by various elected county officials and distribution of those funds on their behalf.

MONTGOMERY COUNTY, TEXAS
Agency Funds
Combining Statement of Assets and Liabilities
September 30, 2017

G-1

	<u>County Officials</u>
<u>ASSETS:</u>	
Cash	\$ 19,879,459
Accounts Receivable	2,819,535
<u>TOTAL ASSETS</u>	<u>\$ 22,698,994</u>
 <u>LIABILITIES:</u>	
Due to Others	\$ 22,698,994
<u>TOTAL LIABILITIES</u>	<u>\$ 22,698,994</u>

MONTGOMERY COUNTY, TEXAS
Agency Funds
Statement of Changes in Assets and Liabilities
Year Ended September 30, 2017

G-2

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
<u>COUNTY OFFICIALS:</u>				
Assets:				
Cash	\$ 10,824,771	\$ 3,234,260,700	\$ 3,225,206,012	\$ 19,879,459
Accounts Receivable	7,855,860	2,807,356	7,843,681	2,819,535
TOTAL ASSETS	\$ 18,680,631	\$ 3,237,068,056	\$ 3,233,049,693	\$ 22,698,994
Liabilities:				
Due to Others	18,680,631	3,237,068,056	3,233,049,693	22,698,994
TOTAL LIABILITIES	\$ 18,680,631	\$ 3,237,068,056	\$ 3,233,049,693	\$ 22,698,994



**CAPITAL ASSETS
USED IN THE OPERATION
OF
GOVERNMENTAL FUNDS**



MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Activities
Schedule by Source
September 30, 2017

H-1

GOVERNMENTAL ACTIVITIES CAPITAL ASSETS:

Land	\$ 90,389,114
Buildings	214,929,285
Improvements Other than Buildings	23,746,112
Equipment	115,251,070
Infrastructure	1,400,448,322
Construction in Progress	37,343

<u>TOTAL GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u>	<u>\$ 1,844,801,246</u>
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INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS

BY SOURCE:

General Fund	\$ 340,409,722
Special Revenue Funds	1,503,184,000
Capital Project Funds	37,343
Internal Service Funds	1,170,181

<u>TOTAL GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u>	<u>\$ 1,844,801,246</u>
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In prior years this schedule only included capital assets in the operation of Governmental Funds. For the 2017 report, Internal Service Funds assets are included in these figures.

MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Activities
Schedule by Function and Activity
September 30, 2017

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Page 1 of 2

Function and Activity	Total	Land	Buildings	Improvements Other than Buildings	Equipment	Infrastructure
<u>GENERAL ADMINISTRATION:</u>						
County Judge	\$ 2,903	\$ -	\$ -	\$ -	\$ 2,903	\$ -
Human Resources	3,152	-	-	-	3,152	-
Risk Management	1,298,286	-	951,264	2,394	344,628	-
County Clerk	471,031	-	-	-	471,031	-
Collections	4,157	-	-	-	4,157	-
Veterans' Service	1,367	-	-	-	1,367	-
Purchasing Agent	48,314	-	-	-	48,314	-
Information Technology	14,341,563	-	86,900	1,061,450	13,193,213	-
County Buildings	96,085,138	-	95,396,935	651,713	-	36,490
County Land	6,614,985	6,495,071	-	119,914	-	-
<u>TOTAL GENERAL ADM</u>	<u>118,870,896</u>	<u>6,495,071</u>	<u>96,435,099</u>	<u>1,835,471</u>	<u>14,068,765</u>	<u>36,490</u>
<u>FINANCIAL ADMINISTRATION:</u>						
County Auditor	46,077	-	-	-	46,077	-
County Treasurer	19,520	-	-	-	19,520	-
Tax Assessor/Collector	124,013	7,500	-	-	116,513	-
<u>TOTAL FINANCIAL ADM</u>	<u>189,610</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>182,110</u>	<u>-</u>
<u>CONSERVATION:</u>						
Extension Agents	932,917	1,682	815,958	104,908	10,369	-
Recycling Stations	219,830	-	61,318	53,477	105,035	-
<u>TOTAL CONSERVATION</u>	<u>1,152,747</u>	<u>1,682</u>	<u>877,276</u>	<u>158,385</u>	<u>115,404</u>	<u>-</u>
<u>ELECTIONS:</u>						
Elections Administrator	4,010,755	3,000	493,239	70,469	3,444,047	-
<u>TOTAL ELECTIONS ADM</u>	<u>4,010,755</u>	<u>3,000</u>	<u>493,239</u>	<u>70,469</u>	<u>3,444,047</u>	<u>-</u>
<u>FACILITIES:</u>						
Custodial Services	757,767	30,715	174,371	6,155	546,526	-
Building Maintenance	1,321,009	-	171,407	32,787	1,116,815	-
Parks	29,191,960	9,565,525	4,390,386	15,236,049	-	-
Jail	6,482,454	-	5,778,404	16,697	687,353	-
Civic Center	17,373,336	88,216	15,240,827	1,577,779	466,514	-
<u>TOTAL FACILITIES</u>	<u>55,126,526</u>	<u>9,684,456</u>	<u>25,755,395</u>	<u>16,869,467</u>	<u>2,817,208</u>	<u>-</u>
<u>HEALTH AND WELFARE:</u>						
Public Health	8,266,502	159,705	6,844,959	231,247	1,030,591	-
Mental Health Treatment	32,158,874	2,631,689	27,957,064	1,114,493	455,628	-
Community Development	11,601,588	563,626	10,614,528	-	423,434	-
<u>TOTAL HEALTH/WELFARE</u>	<u>52,026,964</u>	<u>3,355,020</u>	<u>45,416,551</u>	<u>1,345,740</u>	<u>1,909,653</u>	<u>-</u>

MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Activities
Schedule by Function and Activity
September 30, 2017

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Page 2 of 2

Function and Activity	Total	Land	Buildings	Improvements Other than Buildings	Equipment	Infrastructure
<u>JUDICIAL:</u>						
Courts	349,721	-	-	923	348,798	-
District Attorney	447,409	-	-	-	447,409	-
District Clerk	161,820	-	7,129	-	154,691	-
Justice of Peace	3,076,746	-	2,946,779	4,930	125,037	-
<u>TOTAL JUDICIAL</u>	4,035,696	-	2,953,908	5,853	1,075,935	-
<u>LEGAL SERVICES:</u>						
County Attorney	2,450	-	-	-	2,450	-
Law Library	750,037	-	-	-	750,037	-
<u>TOTAL LEGAL SERVICES</u>	752,487	-	-	-	752,487	-
<u>PUBLIC SAFETY:</u>						
Emergency Management	17,376,731	-	629,431	424,941	16,322,359	-
Fire Marshal	474,601	-	-	-	474,601	-
Constables	5,029,894	22,813	462,577	37,990	4,506,514	-
Sheriff	53,350,884	2,085,845	9,274,037	769,857	41,221,145	-
District Attorney Forfeitures	465,577	-	14,838	13,839	436,900	-
County Attorney Forfeitures	7,171	-	-	-	7,171	-
Juvenile Probation	1,980,239	-	1,467,231	-	513,008	-
Adult Probation	17,626	-	13,151	-	4,475	-
<u>TOTAL PUBLIC SAFETY</u>	78,702,723	2,108,658	11,861,265	1,246,627	63,486,173	-
<u>PUBLIC TRANSPORTATION:</u>						
Engineer	28,368	-	-	-	28,368	-
Commissioners' Operations	1,454,331,765	63,407,971	7,186,581	1,412,665	21,307,546	1,361,017,002
Airport	49,833,261	1,688,128	7,185,614	750,741	813,948	39,394,830
<u>TOTAL PUBLIC TRANSPORTATION</u>	1,504,193,394	65,096,099	14,372,195	2,163,406	22,149,862	1,400,411,832
<u>CULTURE AND RECREATION:</u>						
Memorial Library	25,702,103	3,637,628	16,764,357	50,693	5,249,425	-
<u>TOTAL CULTURE/REC</u>	25,702,103	3,637,628	16,764,357	50,693	5,249,425	-
<u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u>	1,844,763,903	\$ 90,389,114	\$ 214,929,285	\$ 23,746,112	\$ 115,251,070	\$ 1,400,448,322
Construction In Progress	37,343					
<u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u>	\$ 1,844,801,246					

MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Activities
Schedule of Changes by Function and Activity
Year Ended September 30, 2017

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Page 1 of 2

Function and Activity	Govtl Funds Capital Assets October 1, 2016	Additions	Deletions	Govtl Funds Capital Assets September 30, 2017
<u>GENERAL ADMINISTRATION:</u>				
County Judge	\$ 2,903	\$ -	\$ -	\$ 2,903
Human Resources	4,271	-	1,119	3,152
Risk Management	1,206,483	98,498	6,695	1,298,286
County Clerk	485,073	-	14,042	471,031
Collections	6,493	-	2,336	4,157
Veterans' Service	1,367	-	-	1,367
Purchasing Agent	48,314	1,881,661	1,881,661	48,314
Information Technology	12,832,868	1,600,935	92,240	14,341,563
County Buildings	96,085,138	-	-	96,085,138
County Land	6,611,741	3,244	-	6,614,985
<u>TOTAL GENERAL ADM</u>	<u>117,284,651</u>	<u>3,584,338</u>	<u>1,998,093</u>	<u>118,870,896</u>
<u>FINANCIAL ADMINISTRATION:</u>				
County Auditor	42,439	3,638	-	46,077
County Treasurer	19,520	-	-	19,520
Tax Assessor/Collector	118,651	57,544	52,182	124,013
<u>TOTAL FINANCIAL ADM</u>	<u>180,610</u>	<u>61,182</u>	<u>52,182</u>	<u>189,610</u>
<u>CONSERVATION:</u>				
Extension Agents	877,115	56,890	1,088	932,917
Recycling Stations	192,833	26,997	-	219,830
<u>TOTAL CONSERVATION</u>	<u>1,069,948</u>	<u>83,887</u>	<u>1,088</u>	<u>1,152,747</u>
<u>ELECTIONS:</u>				
Elections Administrator	4,001,434	10,419	1,098	4,010,755
<u>TOTAL ELECTIONS</u>	<u>4,001,434</u>	<u>10,419</u>	<u>1,098</u>	<u>4,010,755</u>
<u>FACILITIES:</u>				
Custodial Services	858,642	35,128	136,003	757,767
Building Maintenance	1,261,461	91,525	31,977	1,321,009
Parks	29,191,960	-	-	29,191,960
Jail	6,482,454	-	-	6,482,454
Civic Center	17,172,012	239,046	37,722	17,373,336
<u>TOTAL FACILITIES</u>	<u>54,966,529</u>	<u>365,699</u>	<u>205,702</u>	<u>55,126,526</u>
<u>HEALTH AND WELFARE:</u>				
Public Health	7,115,316	1,192,586	41,400	8,266,502
Mental Health Facility	32,080,168	78,706	-	32,158,874
Community Development	11,607,364	-	5,776	11,601,588
<u>TOTAL HEALTH & WELFARE</u>	<u>50,802,848</u>	<u>1,271,292</u>	<u>47,176</u>	<u>52,026,964</u>

MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Activities
Schedule of Changes by Function and Activity
Year Ended September 30, 2017

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Page 2 of 2

Function and Activity	Govtl Funds Capital Assets October 1, 2016	Additions	Deletions	Govtl Funds Capital Assets September 30, 2017
<u>JUDICIAL:</u>				
Courts	454,913	1,095	106,287	349,721
District Attorney	366,362	81,047	-	447,409
District Clerk	171,234	-	9,414	161,820
Justice of Peace	3,082,208	-	5,462	3,076,746
<u>TOTAL JUDICIAL</u>	<u>4,074,717</u>	<u>82,142</u>	<u>121,163</u>	<u>4,035,696</u>
<u>LEGAL SERVICES:</u>				
County Attorney	2,450	-	-	2,450
Law Library	786,550	60,275	96,788	750,037
<u>TOTAL LEGAL SERVICES</u>	<u>789,000</u>	<u>60,275</u>	<u>96,788</u>	<u>752,487</u>
<u>PUBLIC SAFETY:</u>				
Emergency Management	16,753,064	766,165	142,498	17,376,731
Fire Marshal	427,691	51,375	4,465	474,601
Constables	4,989,781	981,994	941,881	5,029,894
Sheriff	45,334,067	9,100,098	1,083,281	53,350,884
District Attorney Forfeitures	396,526	74,551	5,500	465,577
County Attorney Forfeitures	7,171	-	-	7,171
Juvenile Probation	1,951,092	29,147	-	1,980,239
Adult Probation	17,626	-	-	17,626
<u>TOTAL PUBLIC SAFETY</u>	<u>69,877,018</u>	<u>11,003,330</u>	<u>2,177,625</u>	<u>78,702,723</u>
<u>PUBLIC TRANSPORTATION:</u>				
Engineer	28,368	-	-	28,368
Commissioners' Operations	1,388,131,459	72,947,315	6,747,009	1,454,331,765
Airport	49,066,330	1,037,829	270,898	49,833,261
<u>TOTAL PUBLIC TRANS</u>	<u>1,437,226,157</u>	<u>73,985,144</u>	<u>7,017,907</u>	<u>1,504,193,394</u>
<u>CULTURE & RECREATION:</u>				
Memorial Library	26,064,768	500,788	863,453	25,702,103
<u>TOTAL CULTURE/REC</u>	<u>26,064,768</u>	<u>500,788</u>	<u>863,453</u>	<u>25,702,103</u>
Construction In Progress	594,008	1,607,286	2,163,951	37,343
<u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u>	<u>\$ 1,766,931,688</u>	<u>\$ 92,615,782</u>	<u>\$ 14,746,226</u>	<u>\$ 1,844,801,246</u>



STATISTICAL SECTION

(unaudited)

This part of Montgomery County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and additional supplementary information says about the County's overall financial health.

Contents

Table

Financial Trends - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over	I, II, III, IV
Revenue Capacity - These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	V, VI, VII, VIII
Debt Capacity - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	IX, X, XI, XII, XIII
Economic and Demographic Indicators - These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.	XIV, XV
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides.	XVI, XVII, XVIII

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. Schedules presenting government-wide information include information beginning in that year.

MONTGOMERY COUNTY, TEXAS**Net Position by Component****Last Ten Fiscal Years**

(accrual basis of accounting)

	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 399,738,541	\$ 377,016,683	\$ 353,407,141	\$ 380,478,332
Restricted	7,656,130	8,311,363	8,839,721	9,360,962
Unrestricted	(61,641,311)	(45,241,159)	(32,066,403)	(75,320,823)
Total Governmental activities net position	<u>345,753,360</u>	<u>340,086,887</u>	<u>330,180,459</u>	<u>314,518,471</u>
Business -type activities				
Net investment in capital assets	-	-	-	-
Restricted	-	-	-	-
Unrestricted	-	-	-	-
Total business-type activities net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Primary government				
Net investment in capital assets	399,738,541	377,016,683	353,407,141	380,478,332
Restricted	7,656,130	8,311,363	8,839,721	9,360,962
Unrestricted	(61,641,311)	(45,241,159)	(32,066,403)	(75,320,823)
Total primary government net position	<u>\$ 345,753,360</u>	<u>\$ 340,086,887</u>	<u>\$ 330,180,459</u>	<u>\$ 314,518,471</u>

Note: Accounting standards require that net position be reported in 3 components in the financial statements:

Net Investment in Capital Assets; Restricted; and Unrestricted. Net position is considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted.

TABLE I

2012	2013	2014	2015	2016	2017
\$ 319,059,222	\$ 364,555,659	\$ 266,597,783	\$ 314,750,807	\$ 386,697,807	\$ 452,183,891
26,137,977	61,986,405	71,863,955	54,197,228	63,131,106	73,859,730
(36,634,612)	(37,107,523)	59,772,088	90,395,375	70,203,109	41,952,110
308,562,587	389,434,541	398,233,826	459,343,410	520,032,022	567,995,731
-	-	-	45,949,353	60,315,827	62,599,944
-	-	-	-	-	-
-	-	-	(1,064,882)	(4,635,780)	(5,928,310)
-	-	-	44,884,471	55,680,047	56,671,634
319,059,222	364,555,659	266,597,783	360,700,160	447,013,634	514,783,835
26,137,977	61,986,405	71,863,955	54,197,228	63,131,106	73,859,730
(36,634,612)	(37,107,523)	59,772,088	89,330,493	65,567,329	36,023,800
\$ 308,562,587	\$ 389,434,541	\$ 398,233,826	\$ 504,227,881	\$ 575,712,069	\$ 624,667,365

MONTGOMERY COUNTY, TEXAS

**Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	2008	2009	2010	2011
Expenses				
<i>Governmental Activities:</i>				
General Administration	\$ 16,822,168	\$ 22,046,369	\$ 15,339,911	\$ 56,850,436
Judicial	15,894,641	22,794,440	24,893,295	25,751,781
Legal	2,445,787	2,678,359	2,824,360	2,893,028
Elections	1,947,963	1,694,067	1,827,247	1,723,583
Financial Administration	5,088,713	5,917,962	6,358,514	6,111,643
Public Facilities	19,887,748	41,255,267	43,618,780	50,133,665
Public Safety	51,558,472	55,941,218	62,650,758	62,564,836
Health and Welfare	16,301,079	29,039,919	9,085,174	14,924,434
Culture and Recreation	8,697,389	9,981,330	7,456,924	9,061,639
Conservation	825,476	341,910	986,843	982,337
Public Transportation	76,212,732	95,536,899	111,627,910	80,597,409
Miscellaneous	1,070,696	1,156,114	1,683,887	659,499
Debt Service	15,998,167	21,121,081	22,946,953	24,566,713
Total Governmental Activities Expenses	232,751,031	309,504,935	311,300,556	336,821,003
<i>Business-type activities:</i>				
Toll Road	-	-	-	-
Total Business-type activities expenses	-	-	-	-
Total Expenses	232,751,031	309,504,935	311,300,556	336,821,003
Program Revenues				
<i>Governmental Activities:</i>				
Fees, Fines, Forfeitures and Charges for Services				
General Administration	5,797,753	5,402,968	5,948,735	39,240,521
Judicial	8,712,572	10,475,877	12,702,190	8,713,071
Legal	483,018	501,896	518,257	503,400
Elections	2,081	1,131	103,831	177
Financial Administration	2,101,194	2,268,952	2,244,114	2,553,434
Public Facilities	4,548,064	24,717,702	21,800,561	19,812,950
Public Safety	14,255,517	15,388,348	19,139,564	17,542,034
Health and Welfare	1,495,403	1,478,897	1,735,047	10,628,153
Culture and Recreation	294,045	323,520	316,855	309,966
Conservation	-	-	-	-
Public Transportation	7,714,365	8,442,985	9,118,839	9,219,220
Operating Grants and Contributions	15,376,235	29,439,925	11,446,490	12,781,928
Capital Grants and Contributions	60,429,833	55,848,681	56,300,073	24,936,363
Total Governmental Activities Program Revenue	121,210,080	154,290,882	141,374,556	146,241,217
<i>Business-type activities:</i>				
Toll Road	-	-	-	-
Total business-type activities revenues	-	-	-	-
Total Revenues	121,210,080	154,290,882	141,374,556	146,241,217
Net (Expense)/Revenue				
Governmental Activities	(111,540,951)	(155,214,053)	(169,926,000)	(190,579,786)
Business-type Activities	-	-	-	-
Net (Expense)	(111,540,951)	(155,214,053)	(169,926,000)	(190,579,786)
General Revenues and Other Changes in Net Position				
<i>Governmental Activities:</i>				
Taxes				
Property Taxes	131,600,844	145,696,133	156,397,865	161,327,007
Other Taxes	1,610,605	1,719,903	1,824,262	1,785,343
Unrestricted Grants and Contributions	-	-	-	8,364,557
Investment Earnings	5,680,817	1,667,591	790,693	540,642
Miscellaneous	1,435,277	463,953	1,006,752	2,900,249
Transfers	-	-	-	-
Total Governmental Activities	140,327,543	149,547,580	160,019,572	174,917,798
<i>Business-type activities:</i>				
Transfers	-	-	-	-
Total business-type activities	-	-	-	-
Total Primary Government	140,327,543	149,547,580	160,019,572	174,917,798
Change in Net Position				
Governmental Activities	28,786,592	(5,666,473)	(9,906,428)	(15,661,988)
Business-type Activities	-	-	-	-
Change in Net Position	\$ 28,786,592	\$ (5,666,473)	\$ (9,906,428)	\$ (15,661,988)

TABLE II

2012	2013	2014	2015	2016	2017
\$ 54,732,939	\$ 49,084,269	\$ 52,627,252	\$ 57,411,391	\$ 57,650,555	\$ 65,159,730
27,800,678	29,981,281	32,077,111	32,772,811	34,705,287	37,787,341
3,254,126	3,170,292	3,548,986	3,456,782	4,074,382	4,038,642
2,249,037	2,081,998	2,438,670	2,025,750	2,431,498	2,142,405
6,334,740	6,748,425	6,813,820	6,885,418	7,545,414	8,001,174
49,812,586	57,821,137	66,496,215	63,860,067	72,057,612	71,243,441
66,364,576	65,088,893	69,458,813	70,860,690	110,534,947	83,664,853
28,582,176	22,722,536	25,315,219	25,349,849	27,909,010	30,656,288
9,607,386	10,121,267	10,285,291	9,949,881	10,445,137	11,037,207
1,003,159	1,170,933	748,622	1,279,756	1,480,246	1,704,745
65,221,658	76,521,763	89,687,467	74,721,871	80,106,170	81,958,847
-	-	-	-	-	-
23,989,607	29,179,720	17,797,503	18,147,345	18,137,058	19,419,455
338,952,668	353,692,514	377,294,969	366,721,611	427,077,316	416,814,128
-	-	-	4,572,677	1,506,873	1,307,118
-	-	-	4,572,677	1,506,873	1,307,118
338,952,668	353,692,514	377,294,969	371,294,288	428,584,189	418,121,246
37,812,374	38,371,600	36,601,588	48,745,095	41,420,399	41,240,937
2,973,713	7,504,357	8,945,991	13,933,298	14,825,718	9,131,103
499,509	484,413	484,963	437,628	541,310	555,769
453	182	317	198	144,118	7,327
2,943,952	3,700,987	4,525,655	5,073,087	5,154,306	5,385,447
23,655,878	30,568,848	34,120,105	28,945,676	34,745,935	32,057,716
17,403,723	14,140,176	15,900,947	4,418,006	21,269,829	21,919,270
16,718,253	16,494,475	17,947,526	17,606,018	16,628,893	16,300,319
287,967	287,822	309,567	339,773	156,840	303,209
-	228,653	216,727	169,779	172,656	143,524
10,489,702	7,538,461	10,634,088	10,721,201	11,921,478	9,451,945
9,526,211	8,669,861	10,302,710	9,562,198	13,138,023	14,153,836
27,209,719	92,305,028	60,564,053	94,908,316	89,527,655	58,853,193
149,521,454	220,294,871	200,554,237	234,860,273	249,647,160	209,503,595
-	-	-	49,795,550	12,302,449	2,298,705
-	-	-	49,795,550	12,302,449	2,298,705
149,521,454	220,294,871	200,554,237	284,655,823	261,949,609	211,802,300
(189,431,214)	(133,397,643)	(176,740,732)	(131,861,338)	(177,430,156)	(207,310,533)
-	-	-	45,222,873	10,795,576	991,587
(189,431,214)	(133,397,643)	(176,740,732)	(86,638,465)	(166,634,580)	(206,318,946)
167,297,778	175,901,469	186,842,153	203,539,676	229,719,148	248,120,144
1,674,934	1,970,594	2,456,460	2,804,782	2,757,791	2,788,410
12,855,843	-	-	-	-	-
382,170	459,052	669,309	529,535	2,179,522	3,977,715
1,264,605	30,938,482	844,937	589,453	539,171	387,973
-	-	-	338,402	-	-
183,475,330	209,269,597	190,812,859	207,801,848	235,195,632	255,274,242
-	-	-	(338,402)	-	-
-	-	-	(338,402)	-	-
183,475,330	209,269,597	190,812,859	207,463,446	235,195,632	255,274,242
(5,955,884)	75,871,954	14,072,127	75,940,510	57,765,476	47,963,709
-	-	-	44,884,471	10,795,576	991,587
\$ (5,955,884)	\$ 75,871,954	\$ 14,072,127	\$ 120,824,981	\$ 68,561,052	\$ 48,955,296

MONTGOMERY COUNTY, TEXAS**Governmental Fund Balances****Last Ten Fiscal Years**

(modified accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011 ⁽¹⁾
General Fund				
Reserved for:				
Prepaid items	\$ 226,088	\$ 1,209,368	\$ 614,103	\$ -
Unreserved	25,621,544	33,804,639	43,326,405	-
Restricted	-	-	-	-
Committed	-	-	-	134,855
Assigned	-	-	-	19,571,942
Unassigned	-	-	-	29,647,002
Total General Fund	<u>\$ 25,847,632</u>	<u>\$ 35,014,007</u>	<u>\$ 43,940,508</u>	<u>\$ 49,353,799</u>
All Other Governmental Funds				
Reserved for:				
Prepaid items	\$ 769,559	\$ 1,533	\$ 42,762	\$ -
Capital projects	109,016,095	91,075,383	35,255,056	-
Inventory	67,641	85,034	91,503	-
Debt service	4,561,190	12,206,656	10,761,379	-
Unreserved, reported in:				
Special revenue funds	21,832,516	26,929,735	32,894,308	-
Debt service funds	-	-	-	-
Nonspendable	-	-	-	172,593
Restricted	-	-	-	76,922,025
Committed	-	-	-	19,740
Assigned	-	-	-	7,421,107
Total All Other Governmental Funds	<u>\$ 136,247,001</u>	<u>\$ 130,298,341</u>	<u>\$ 79,045,008</u>	<u>\$ 84,535,465</u>

⁽¹⁾ Beginning in 2011, the County's fund balances are stated in accordance with the requirements of GASB Statement 54.

TABLE III

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
11,217	2,010,097	1,442,838	3,425,360	3,119,811	2,855,149
91,718	5,909,899	2,292,056	10,793,467	16,794,364	29,242,336
32,806,254	36,450,842	44,517,198	42,441,944	50,680,646	59,173,918
30,241,977	35,336,437	39,722,291	40,938,206	40,619,824	44,683,463
<u>\$ 63,151,166</u>	<u>\$ 79,707,275</u>	<u>\$ 87,974,383</u>	<u>\$ 97,598,977</u>	<u>\$ 111,214,645</u>	<u>\$ 135,954,866</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
363,698	2,654,365	1,533,898	192,207	106,290	813,310
80,798,663	97,079,589	77,236,101	74,035,446	133,836,974	164,046,153
16,848	25,354,566	16,133,816	10,299,674	23,988,996	25,603,027
10,801,627	11,718,578	14,409,545	23,422,966	9,731,586	8,956,249
<u>\$ 91,980,836</u>	<u>\$ 136,807,098</u>	<u>\$ 109,313,360</u>	<u>\$ 107,950,293</u>	<u>\$ 167,663,846</u>	<u>\$ 199,418,739</u>

MONTGOMERY COUNTY, TEXAS
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

	2008	2009	2010	2011
Revenues				
Taxes	\$ 132,652,213	\$ 147,492,907	\$ 157,541,607	\$ 162,716,956
Licenses and Permits	7,813,929	8,116,936	7,552,220	7,498,169
Fees	14,702,564	14,027,489	14,925,021	16,404,832
Intergovernmental	25,176,883	34,078,838	19,798,654	32,110,368
Charges for Services	1,927,909	2,094,454	2,168,606	1,633,673
Investment Earnings	5,898,574	1,312,224	790,282	540,616
Contract Reimbursements	11,138,260	12,126,654	16,506,829	24,213,859
Inmate Housing	3,566,886	23,895,939	21,085,088	18,958,951
Fines and Forfeitures	2,026,564	3,192,219	3,047,555	3,662,448
Miscellaneous	3,802,795	2,741,345	3,568,946	5,055,183
Total Revenues	208,706,577	249,079,005	246,984,808	272,795,055
Expenditures				
General Administration	13,532,419	17,048,371	15,758,058	26,145,340
Judicial	18,504,705	21,795,715	23,657,153	25,547,447
Legal Services	2,397,829	2,550,211	2,716,217	2,982,862
Elections	1,606,046	1,258,713	1,410,441	1,344,669
Financial Administration	5,251,827	5,624,961	5,877,896	5,983,660
Public Facilities	25,448,843	44,144,809	43,995,733	42,038,981
Public Safety	64,484,699	55,809,351	61,405,346	65,088,924
Health and Welfare	17,851,636	30,236,637	12,520,365	23,540,364
Culture and Recreation	7,314,312	8,008,564	8,393,594	8,480,049
Conservation	803,808	845,288	899,649	960,483
Public Transportation	18,991,837	20,469,397	25,913,518	33,746,483
Miscellaneous	1,070,696	1,156,114	1,683,887	659,499
Capital Projects	93,906,202	71,212,681	91,100,968	26,806,719
Debt Service:				
Principal Retirement	4,598,741	6,557,918	7,916,895	11,304,861
Interest and Fiscal Charges	16,024,292	18,713,749	20,511,045	23,757,714
Issuance Costs	1,443,423	1,265,496	1,336,839	329,498
Payment to Refunded Bonds Escrow Agent	-	-	-	-
Total Expenditures	293,231,315	306,697,975	325,097,604	298,717,553
Excess/(Deficiency) Revenues over (under) Expenditures	(84,524,738)	(57,618,970)	(78,112,796)	(25,922,498)
Other Financing Sources/(Uses)				
Transfers In	21,663,686	24,812,746	27,012,983	20,909,835
Transfers Out	(21,663,686)	(24,812,746)	(27,012,983)	(20,909,835)
Grant Funds Not Reimbursed	-	-	-	-
Capital Lease Financing	16,599,021	1,133,148	3,125,403	1,197,802
Issuance of General Obligation Debt	-	-	-	-
Issuance of Refunding Bonds	9,855,000	-	43,380,000	-
Payment to Refunded Bonds Escrow Agent	(10,211,444)	-	(44,643,876)	-
Sale of Capital Asset	-	-	-	-
Issuance of Other Bonds	79,885,000	56,190,000	1,167,562	31,390,000
Discounts/Premiums on Debt Issuance	1,868,429	3,513,538	32,756,874	4,238,443
Total Other Financing Sources/(Uses)	97,996,006	60,836,686	35,785,963	36,826,245
Net Change in Fund Balances	\$ 13,471,268	\$ 3,217,716	\$ (42,326,833)	\$ 10,903,747
Debt Service as a percentage of noncapital expenditures	11.1%	11.3%	13.4%	13.1%

TABLE IV

2012	2013	2014	2015	2016	2017
\$ 169,042,135	\$ 178,176,320	\$ 189,037,048	\$ 206,377,981	\$ 231,994,520	\$ 248,079,254
7,340,620	7,933,209	8,559,827	8,175,139	9,029,910	9,095,653
17,013,807	19,145,966	18,355,114	18,446,593	20,616,445	19,492,864
31,530,494	47,182,714	33,269,063	38,700,051	35,983,483	36,524,346
1,975,389	2,892,355	4,968,141	4,088,981	6,715,271	5,983,326
382,173	459,053	669,336	529,538	2,179,437	3,977,718
30,930,076	28,960,527	28,370,644	36,963,546	30,184,415	30,249,586
22,670,575	29,373,490	32,383,821	27,265,236	32,712,111	29,992,842
4,247,571	4,392,610	4,792,027	4,458,853	3,920,461	4,110,711
4,354,033	5,557,556	1,920,078	3,512,456	5,419,640	2,285,873
289,486,873	324,073,800	322,325,099	348,518,374	378,755,693	389,792,173
24,829,831	22,145,663	26,136,632	29,982,617	24,481,407	24,239,114
26,939,088	28,623,495	30,585,284	32,286,937	33,444,158	35,387,322
3,136,043	2,963,853	3,332,642	3,388,347	3,892,560	3,735,549
2,156,915	1,887,236	2,512,216	1,888,438	2,241,412	1,876,697
5,997,385	6,237,056	6,346,867	6,806,814	7,067,579	7,218,354
46,681,717	55,409,376	63,531,573	59,634,179	66,801,231	65,622,460
63,136,032	62,574,123	66,190,543	72,849,381	81,417,910	84,951,030
27,684,389	22,365,117	23,979,722	25,246,552	27,300,562	29,583,589
8,621,870	8,800,215	8,967,110	9,182,400	9,432,186	9,606,214
910,093	1,074,697	1,065,899	1,219,373	1,426,722	1,887,050
25,354,154	34,898,188	42,400,671	44,760,403	51,782,691	40,502,071
-	-	-	-	-	-
8,809,026	18,177,561	27,503,608	-	20,246,230	32,157,497
16,970,899	20,185,150	19,460,000	20,115,000	21,360,000	27,260,000
23,245,469	23,025,209	17,618,628	18,941,447	18,743,285	19,787,766
382,183	590,333	435,540	-	448,473	429,966
-	-	-	-	-	31,789,234
284,855,094	308,957,272	340,066,935	326,301,888	370,086,406	416,033,913
4,631,779	15,116,528	(17,741,836)	22,216,486	8,669,287	(26,241,740)
27,961,981	98,091,394	23,737,039	25,524,507	29,359,836	18,440,387
(27,961,981)	(98,091,394)	(23,737,039)	(25,611,105)	(29,359,836)	(18,003,397)
-	-	-	-	(6,862)	-
830,702	218,758	949,101	622,106	595,566	758,256
-	-	-	-	51,662,323	73,725,000
30,885,000	15,880,000	101,760,000	-	60,402,677	47,775,000
(35,739,475)	(60,594,395)	(118,083,208)	-	(73,331,090)	(51,269,830)
-	65,000,000	-	-	-	-
14,925,000	13,350,000	-	-	-	-
5,709,732	4,353,152	13,889,313	-	22,414,184	11,311,438
16,610,959	38,207,515	(1,484,794)	535,508	61,736,798	82,736,854
\$ 21,242,738	\$ 53,324,043	\$ (19,226,630)	\$ 22,751,994	\$ 70,406,085	\$ 56,495,114
14.8%	14.8%	11.9%	12.0%	11.6%	21.2%



MONTGOMERY COUNTY, TEXAS
Taxable Assessed Value and Actual Value of Property ^{(1) (2)}
Last Ten Fiscal Years

TABLE V

Fiscal Year	Residential Property	Commercial Property	Other Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate ⁽³⁾
2008	20,050,557	3,347,344	3,421,027	3,085,402	(3,153,108)	26,751,222	0.4888
2009	23,181,793	3,725,463	3,662,668	3,374,666	(3,609,764)	30,334,826	0.4838
2010	24,780,448	4,130,865	3,545,480	3,673,289	(3,467,731)	32,662,351	0.4838
2011	25,470,544	4,313,292	3,635,389	3,557,689	(3,114,294)	33,862,620	0.4838
2012	26,546,279	4,406,788	3,637,096	3,710,767	(3,199,844)	35,101,086	0.4838
2013	27,633,521	4,749,812	3,644,710	3,767,339	(3,089,011)	36,706,371	0.4838
2014	29,215,860	5,529,356	3,600,829	4,345,886	(3,324,961)	39,366,970	0.4838
2015	33,047,928	6,419,044	3,779,489	4,693,637	(4,285,836)	43,654,262	0.4767
2016	37,876,334	7,401,355	3,906,748	5,133,399	(5,002,526)	49,315,310	0.4767
2017	41,742,803	8,271,324	4,637,123	5,060,465	(5,308,718)	54,402,997	0.4667

(1) Amounts expressed in thousands.

(2) Property in the County is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value.

(3) Tax rates are per \$100 of assessed value.

Source: Montgomery Central Appraisal District

MONTGOMERY COUNTY, TEXAS
Property Tax Rates⁽¹⁾ - Direct and Overlapping Governments
Last Ten Fiscal Years

	2008	2009	2010	2011
<u>MONTGOMERY COUNTY, TEXAS:</u>				
General Fund	\$ 0.3630	\$ 0.3647	\$ 0.3576	\$ 0.3582
Special Revenue Funds	0.0478	0.0464	0.0464	0.0458
Debt Service Fund	0.0780	0.0727	0.0798	0.0798
Total Montgomery County, Texas	0.4888	0.4838	0.4838	0.4838
<u>OVERLAPPING GOVERNMENTS:</u>				
Special Districts:				
Chateau Woods M.U.D.	0.1847	0.1793	0.2016	0.2223
Clover Creek M.U.D.	1.2500	1.2500	1.2500	1.2500
Conroe M.U.D. #1	0.6000	0.6000	0.6000	0.6000
Corinthian Point M.U.D.	0.6066	0.5587	0.5487	0.5738
East Montgomery County M.U.D. #3	0.9500	0.9500	0.9500	0.9500
East Montgomery County M.U.D. #4	1.3500	1.3500	-	No Tax
East Plantation U.D.	0.7600	0.0729	0.7090	0.7090
Far Hills U.D.	0.4700	0.4700	0.4700	0.4700
Grand Oaks M.U.D.	1.3500	1.3500	1.3500	1.3500
Harris County M.U.D. #386	-	-	-	-
Kings Manor M.U.D.	0.8800	0.8600	0.8600	0.8600
Lake Conroe Hills M.U.D.	0.5000	0.5000	0.5000	0.5000
Lazy River I.D.	0.5623	0.5544	0.5547	0.5599
Hendricks - Defined Area	-	-	-	-
Lone Star Community College	0.1144	0.1101	0.1101	0.1176
Montgomery County D.D. #6	0.2666	0.2641	0.2641	0.2641
Montgomery County D.D. #10	0.4580	0.4470	0.4470	0.4470
Montgomery County F.W.S.D. #6	0.3945	0.3945	0.3945	0.2941
Montgomery County Hospital Dist	0.0777	0.0760	0.0755	0.7540
Montgomery County M.U.D. #1	-	-	-	-
Montgomery County M.U.D. #6	0.1100	0.1100	0.1000	0.0950
Montgomery County M.U.D. #7	0.2000	0.1750	0.1750	0.1750
Montgomery County M.U.D. #8	0.2118	0.2179	0.2332	0.2494
Montgomery County M.U.D. #9	0.6000	0.6000	0.6000	0.6000
Montgomery County M.U.D. #15	1.2937	1.2450	1.2400	1.2400
Montgomery County M.U.D. #16	1.2300	1.2100	1.3000	1.3000
Montgomery County M.U.D. #18	0.4900	0.4500	0.4400	0.4400
Montgomery County M.U.D. #19	0.3243	0.3243	0.3243	0.3243
Montgomery County M.U.D. #24	1.4000	1.2800	1.2800	1.3800
Montgomery County M.U.D. #36	0.1200	0.1100	0.1000	0.0550
Montgomery County M.U.D. #39	0.4700	0.4400	0.4300	0.4300
Montgomery County M.U.D. #40	0.2100	0.1900	0.1800	0.1700
Montgomery County M.U.D. #42	1.2500	1.2400	1.2400	1.2300
Montgomery County M.U.D. #46	0.3800	0.3100	0.2850	0.2750
Montgomery County M.U.D. #47	0.2800	0.2600	0.2500	0.2500
Montgomery County M.U.D. #56	1.2500	1.2500	1.0000	1.0000

TABLE VI

Page 1 of 4

2012	2013	2014	2015	2016	2017
\$ 0.3629	\$ 0.3715	\$ 0.3657	\$ 0.3544	\$ 0.3547	\$ 0.3419
0.0464	0.0464	0.0464	0.0464	0.0486	0.0486
0.0745	0.0659	0.0717	0.0759	0.0734	0.0762
0.4838	0.4838	0.4838	0.4767	0.4767	0.4667
0.2317	0.2486	0.2592	0.2616	0.2498	0.2473
1.2500	1.2500	1.2500	0.7800	1.2500	1.2100
0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
0.5393	0.5393	0.5393	0.4791	0.4355	0.4029
0.9500	0.9500	0.9500	0.6700	0.9500	0.9500
No Tax	No Tax	No Tax	No Tax	1.2500	1.2500
0.7090	0.7090	0.7090	0.6700	0.6300	0.5000
0.4820	0.4820	-	0.4740	0.6500	0.6500
1.3500	1.3500	1.3500	1.3200	1.3200	1.0500
0.9900	0.9400	0.7200	0.5000	0.5000	0.4650
0.8600	0.8300	0.8100	0.7900	0.7400	0.7100
0.5000	0.5000	0.5000	0.4750	0.4650	0.4550
0.5342	0.5627	0.5662	0.5564	0.5213	0.4731
-	-	0.5000	0.9850	0.9850	-
0.1210	0.1198	0.1160	0.1081	0.1079	0.1078
0.2100	0.2100	0.2050	0.1925	0.1700	0.1700
0.4470	0.4500	0.4500	0.4400	0.4400	0.4400
0.2820	0.3385	0.3462	0.3770	0.3800	0.3000
0.0745	0.0729	0.7270	0.0725	0.0710	0.0665
-	-	-	-	-	0.0900
0.0875	0.0800	0.0750	0.0750	0.0750	0.0750
0.1675	0.1675	0.1645	0.1645	0.1645	0.1645
0.2651	0.2651	0.2651	0.2651	0.2651	0.2651
0.6000	0.6000	0.6000	0.4555	0.4182	0.4059
1.2400	1.2400	1.2400	1.1970	1.0375	0.9369
1.3000	1.2600	1.2000	1.0300	0.9300	0.9179
0.4300	0.3800	0.3800	0.3600	0.3600	0.3400
0.3243	0.3243	0.3000	0.2800	0.2500	0.2250
1.1800	1.1800	1.2800	1.2800	1.1954	1.1500
0.0400	0.0350	0.0350	0.0550	-	0.0350
0.4200	0.4200	0.4150	0.4150	0.4000	0.3650
0.1600	0.1500	0.1400	0.1300	0.0900	-
1.1800	1.1500	1.2500	1.2500	1.1700	1.1400
0.2650	0.2550	0.2400	0.2300	0.2250	0.2125
0.2450	0.2450	0.2450	0.2450	0.2450	0.2450
1.0000	1.0000	1.0000	0.9964	0.8600	0.8300

MONTGOMERY COUNTY, TEXAS
Property Tax Rates⁽¹⁾ - Direct and Overlapping Governments
Last Ten Fiscal Years

	2008	2009	2010	2011
Special Districts (continued):				
Montgomery County M.U.D. #60	0.2900	0.2650	0.2400	0.2400
Montgomery County M.U.D. #67	0.3300	0.3200	0.3200	0.3200
Montgomery County M.U.D. #83	No Tax	1.2500	1.2500	1.2000
Montgomery County M.U.D. #84	No Tax	1.2500	1.2500	1.2500
Montgomery County M.U.D. #88	1.3900	1.3900	1.3900	1.3900
Montgomery County M.U.D. #89	1.3700	1.3000	1.2500	1.1800
Montgomery County M.U.D. #90	0.6000	0.6000	0.6000	0.6000
Montgomery County M.U.D. #92	0.6000	0.6000	0.6000	0.6000
Montgomery County M.U.D. #94	1.2100	1.2000	1.1600	1.1600
Montgomery County M.U.D. #95	No Tax	No Tax	No Tax	No Tax
Montgomery County M.U.D. #96	-	-	-	-
Montgomery County M.U.D. #98	No Tax	1.2300	1.2300	1.2300
Montgomery County M.U.D. #99	1.0400	1.0400	1.0400	1.0400
Montgomery County M.U.D. #105	-	-	-	-
Montgomery County M.U.D. #107	0.6000	0.6000	0.7000	0.7000
Montgomery County M.U.D. #112	No Tax	1.1000	1.1000	1.1000
Montgomery County M.U. D #113	-	1.1000	1.1000	1.1900
Montgomery County M.U.D. #115	1.3500	1.3500	1.3500	1.3500
Montgomery County M.U.D. #119	-	1.4500	1.4500	1.4500
Montgomery County M.U.D. #123	-	-	-	-
Montgomery County M.U.D. #126	-	-	-	-
Montgomery County M.U.D. #127	-	-	-	-
Montgomery County U.D. #2	0.5700	0.5700	0.5700	0.5700
Montgomery County U.D. #3	0.4516	0.4516	0.4412	0.4554
Montgomery County U.D. #4	0.5200	0.5002	0.4952	0.4895
Montgomery County W.C.I.D. #1	0.7750	0.7750	0.7750	0.7750
New Caney M.U.D.	0.5862	0.5862	0.6200	0.7100
New Caney M.U.D. Valley Ranch	-	-	-	-
Point Aquarius M.U.D.	0.7463	0.7275	0.7015	0.7032
Porter M.U.D.	0.5150	0.5150	0.5150	0.5150
Rayford Road M.U.D.	0.6420	0.6020	0.5920	0.5920
River Plantation M.U.D.	0.3156	0.3112	0.3101	0.3101
Roman Forest Cons. M.U.D.	0.3708	0.3183	0.3000	0.2900
Roman Forest P.U.D. #3	1.2500	1.2500	1.2500	1.2500
Roman Forest P.U.D. #4	1.1500	1.1500	1.1500	1.1500
South Montgomery County M.U.D.	0.2200	0.2200	0.2200	0.2266
Spring Creek U.D.	1.0000	1.0000	1.0000	1.0000
Stanley Lake M.U.D.	0.5000	0.4900	0.5200	0.5200
Texas National M.U.D.	0.9190	0.9040	1.0959	1.0959
Valley Ranch M.U.D. #1	1.4000	1.4000	1.4000	1.4000
Wood Trace M.U.D. #1	0.7500	0.7500	0.7500	0.7500
Woodlands Metro-Center M.U.D.	0.2100	0.1900	0.1900	0.1900
Woodlands M.U.D. #2	0.2400	0.1900	0.2300	0.1900
Woodlands R.U.D. #1	0.4800	0.4738	0.4491	0.4300
Woodridge M.U.D.	-	-	-	-
Emergency Service District #1	0.1000	0.1000	0.0975	0.0974
Emergency Service District #2	0.1000	0.1000	0.0940	0.1000

TABLE VI
Page 2 of 4

2012	2013	2014	2015	2016	2017
0.2375	0.2275	0.2175	0.1975	0.1850	0.1650
0.3125	0.3125	0.3025	0.2800	0.2575	0.2375
1.1300	1.0500	0.9800	0.9000	0.8200	0.7700
1.2500	1.2500	1.2000	1.0200	0.9500	0.9000
1.3900	1.3900	1.3900	1.3900	1.3900	1.3900
1.1100	1.0900	1.0600	1.0600	0.9500	0.8864
0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
1.1300	1.1000	1.0100	0.9300	0.8400	0.7700
1.3500	1.3500	1.3500	1.3500	1.3000	1.3000
-	-	-	-	-	1.4800
1.2250	1.2250	1.2250	1.2100	1.1650	1.1350
1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
-	-	-	-	-	1.3500
0.7000	0.7000	0.0700	0.7000	0.7000	0.7000
1.1000	1.1000	1.1000	1.1000	1.0257	1.0207
1.1900	0.7500	0.7100	1.1200	1.0200	0.9200
1.3500	1.3500	1.3500	1.3500	1.3500	1.3500
1.4500	1.4500	1.4500	1.4500	1.3700	1.3700
1.2500	-	-	-	-	-
-	-	-	-	-	0.9000
-	-	-	1.3500	1.3500	1.3500
0.5700	0.5700	0.5700	0.5700	0.5000	0.4900
0.4515	0.4515	0.4515	0.0900	0.0900	0.0900
0.4895	0.4100	0.4100	0.0800	0.0800	0.0775
0.8100	0.8100	0.8100	0.8100	0.7600	0.7600
0.7100	0.7100	0.7100	0.3797	0.6797	0.6797
-	-	-	0.7800	0.7800	-
0.7032	0.7032	0.7032	0.6631	0.6000	0.5800
0.5150	0.5150	0.5150	0.5150	0.4800	0.4800
0.6220	0.6100	0.6000	0.5800	0.5500	0.5300
0.3200	0.3200	0.3200	0.3200	0.3200	0.3200
0.2700	0.2000	0.2200	0.2100	0.2035	0.1850
1.2500	-	-	-	-	1.2088
1.1500	1.1540	1.1540	1.1657	1.1720	1.1748
0.2266	0.2266	0.2258	0.2175	0.1733	0.1660
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5100	0.5000	0.5200	0.5300	0.5300	0.5300
1.0959	1.0823	1.1330	1.1330	1.1300	1.1330
1.4000	1.4000	1.4000	1.4000	1.2000	1.1500
0.7500	0.7500	0.7500	1.5000	1.5000	1.3500
0.1750	0.1750	0.1650	0.1650	0.1550	0.1250
0.1700	0.1500	0.1300	0.1100	0.1000	-
0.4266	0.4063	0.3600	0.3800	0.3200	0.2600
-	-	1.5000	1.3000	0.1000	1.2700
0.9640	0.0964	0.0964	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

MONTGOMERY COUNTY, TEXAS
Property Tax Rates⁽¹⁾ - Direct and Overlapping Governments
Last Ten Fiscal Years

	2008	2009	2010	2011
Special Districts (continued):				
Emergency Service District #3	0.1000	0.1000	0.0972	0.1000
Emergency Service District #4	0.1000	0.0984	0.1000	0.1000
Emergency Service District #5	0.1000	0.1000	0.0982	0.0935
Emergency Service District #6	0.1000	0.1000	0.0988	0.1000
Emergency Service District #7	0.1000	0.1000	0.1000	0.1000
Emergency Service District #8	0.0736	0.0722	0.0762	0.1000
Emergency Service District #9	0.0948	0.0974	0.1000	0.1000
Emergency Service District #10	0.1000	0.1000	0.0950	0.1000
Emergency Service District #11	0.1000	0.1000	0.1000	0.1000
Emergency Service District #12	0.0908	0.0999	0.1000	0.1000
Emergency Service District #14	0.1000	0.0100	0.1000	0.1000
Total Special Districts	44.6022	50.3512	49.7103	50.0391
Cities:				
Cleveland	-	-	-	-
Conroe	0.4250	0.4200	0.4200	0.4200
Magnolia	0.4914	0.4914	0.4914	0.4914
Montgomery	0.5423	0.4523	0.4450	0.4199
Oak Ridge North	0.7000	0.6431	0.6389	0.5996
Panorama Village	0.6694	0.6474	0.6517	0.6512
Patton Village	0.4851	0.4366	0.4091	0.3890
Roman Forest	0.4697	0.4750	0.4706	0.4707
Shenandoah Village	0.3470	0.3470	0.3282	0.3282
Splendora	0.2955	0.2984	0.2978	0.2968
Stagecoach	0.5675	0.5525	0.5400	0.5214
Willis	0.5431	0.5376	0.5808	0.5893
Woodbranch Village	0.3719	0.3537	0.3448	0.3373
Woodlands Township	-	-	0.3280	0.3274
Woodloch	0.5953	0.6257	0.5468	0.5199
Auburn Trail Defined Area	-	-	-	-
Auburn Trail II Defined Area	-	-	-	-
Houston (County Line City)	0.6438	0.6388	0.6388	0.6388
Total Cities	7.1470	6.9195	7.1319	7.0009
School Districts:				
Cleveland I.S.D.	1.3150	1.3150	1.3150	1.3150
Conroe I.S.D.	1.2400	1.2700	1.2850	1.2950
Humble I.S.D.	-	-	-	-
Magnolia I.S.D.	1.4200	1.4000	1.3800	1.3995

TABLE VI

Page 3 of 4

2012	2013	2014	2015	2016	2017
0.0998	0.0990	0.0954	0.0955	0.1000	0.0981
0.0986	0.0961	0.1000	0.0917	0.0808	0.1000
0.1000	0.1000	0.1000	0.1000	-	-
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.0998	0.0996	0.0967	0.1000	0.1000
0.1000	0.1000	0.0960	0.0946	0.0926	0.0906
0.0946	0.0917	0.0855	0.0814	0.1000	0.1000
0.0988	0.1000	0.1000	0.0980	0.0970	0.1000
0.1000	0.1000	0.1000	0.1000	-	-
0.0996	0.0996	0.1000	0.0983	0.1000	0.1000
0.1000	0.1000	0.0951	0.0885	0.1000	0.1000
53.2208	48.9162	49.9980	50.9709	49.8633	52.3285
0.6850	0.7800	0.7800	0.7800	0.7800	0.7700
0.4200	0.4200	0.4200	0.4200	0.4200	0.4175
0.4814	0.4786	0.4786	0.4629	0.4629	0.4629
0.4155	0.4155	0.4155	0.4155	0.4155	0.4155
0.5996	0.5744	0.5244	0.4822	0.4598	0.4509
0.6698	0.6844	0.6741	0.6591	0.6743	0.6604
0.3779	0.3779	0.3818	0.3818	0.3459	0.2606
0.4721	0.4819	0.4819	0.4819	0.4945	0.4945
0.3237	0.3137	0.2664	0.2404	0.2399	0.2295
0.2797	0.2797	0.2720	0.2473	0.2473	0.2616
0.5044	0.5000	0.5429	0.5353	0.5207	0.5000
0.5669	0.5208	0.5363	0.6077	0.5961	0.5953
0.3514	0.3544	0.3496	0.3597	0.3597	0.3785
0.3250	0.3173	0.2940	0.2500	0.2300	0.2300
1.0000	0.5000	0.4971	0.8125	0.6566	0.5782
-	0.9850	0.5750	0.6190	0.7110	-
-	-	0.5750	0.6190	0.7110	-
0.6388	0.6388	0.6388	0.6311	-	0.5864
8.1112	8.6224	8.7034	9.0054	8.3252	7.2918
1.3150	1.3150	1.3150	1.3150	1.3150	1.3800
1.2950	1.2900	1.2850	1.2800	1.2800	1.2800
1.5200	1.5200	1.5200	1.5200	1.5200	1.5200
1.3995	1.3995	1.3995	1.3895	1.3795	1.3795

MONTGOMERY COUNTY, TEXAS
Property Tax Rates⁽¹⁾ - Direct and Overlapping Governments
Last Ten Fiscal Years

	2008	2009	2010	2011
School Districts (continued):				
Montgomery I.S.D.	1.3500	1.3500	1.3400	1.3400
New Caney I.S.D.	1.4150	1.4400	1.4800	1.5400
Richards I.S.D.	1.0400	1.0400	1.0400	1.0400
Splendora I.S.D.	1.3173	1.5100	1.3200	1.3599
Tomball I.S.D.	1.2750	1.3600	1.3600	1.3600
Willis I.S.D.	1.3060	1.3700	1.3700	1.3700
Total School Districts	11.6783	12.0550	11.8900	12.0194
<u>TOTAL PROPERTY TAX RATES -</u>				
<u>DIRECT AND OVERLAPPING</u>				
<u>GOVERNMENTS</u>	<u>\$63.9163</u>	<u>\$69.8095</u>	<u>\$69.2160</u>	<u>\$69.5432</u>

⁽¹⁾ Per \$100 of assessed valuation.

NOTE: The County's property tax rate may only be changed in a public hearing.

Sources: Montgomery Central Appraisal District, Harris County Appraisal District, Liberty County Appraisal District, Tomball Independent School District.

TABLE VI

Page 4 of 4

2012	2013	2014	2015	2016	2017
1.3400	1.3400	1.3400	1.3400	1.3400	1.3700
1.5400	1.5400	1.6700	1.6700	1.6700	1.6700
1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
1.3300	1.3600	1.3155	1.3155	1.3155	1.6000
1.3600	1.3155	1.3600	1.3600	1.3600	1.3400
1.3700	1.3700	1.3900	1.3900	1.3900	1.3900
13.5095	13.4900	13.6350	13.6400	13.6350	13.9695
<u>\$75.3252</u>	<u>\$71.5123</u>	<u>\$72.8202</u>	<u>\$71.6623</u>	<u>\$72.8202</u>	<u>\$74.0565</u>

MONTGOMERY COUNTY, TEXAS
Principal Taxpayers
Current Year and Nine Years Ago

TABLE VII

<u>2017 Taxpayer</u>	<u>Type of Business</u>	<u>2017 Assessed Valuation ⁽¹⁾</u>	<u>Percentage of Total Assessed Valuation ⁽²⁾</u>
Anadarko Realty Co	Oil & Gas Industrial	\$ 387,528,750	0.71 %
Entergy Texas Inc.	Electric Utility	355,678,690	0.65
Wal-Mart Real Estate Bus Trust	Retail	253,675,319	0.47
Mckesson Corporation	Healthcare Solutions	152,938,350	0.28
Kingwood Medical Plaza Ltd	Medical	137,298,086	0.25
The Woodlands Mall Associates	Retail	110,787,296	0.20
Woodlands Land Development LP	Land Development	125,136,020	0.23
IMI Market Street LLC	Retail	89,596,510	0.16
CLPF Waterway Plaza LLC	Retail	77,479,560	0.14
Conroe Hospital Corporation	Medical	76,265,980	0.14
		<u>\$ 1,766,384,561</u>	<u>3.23 %</u>
<u>2008 Taxpayer</u>	<u>Type of Business</u>	<u>2008 Assessed Valuation ⁽¹⁾</u>	<u>Percentage of Total Assessed Valuation ⁽³⁾</u>
Wal-Mart Real Estate Bus Trust	Retail	\$ 198,577,178	0.62 %
Gulf States Utilities Company	Electric Utility	181,314,335	0.57
Woodlands Land Development	Land Development	126,191,731	0.39
Columbia Conroe Regional Medical Center/Kingwood Medical Plaza	Medical	120,493,084	0.38
Consolidated Communications of Texas	Communications	77,999,490	0.24
Huntsman Petrochemical Corp.	Industrial	63,440,790	0.20
The Woodlands Mall Association	Retail	62,029,770	0.19
Devon Energy Operating Company	Oil & Gas	58,871,620	0.18
South West Bell Telephone Co.	Telephone Utility	54,430,440	0.17
Inland American Lodging Woodlands Limited Partnership	Land Development	52,097,680	0.16
		<u>\$ 995,446,118</u>	<u>3.10 %</u>

(1) Source: Montgomery Central Appraisal District

(2) Net Assessed Valuation - 2017 \$54,402,996,328

(3) Net Assessed Valuation - 2008 \$31,999,223,241

MONTGOMERY COUNTY, TEXAS
Property Tax Levies and Collections ⁽¹⁾
Last Ten Fiscal Years

TABLE VIII

Fiscal Year	Collected in first period			Collections in subsequent periods ⁽²⁾	Total collections	
	Levy	Amount	Percentage		Amount	Percentage
2008	129,601,440	127,903,113	98.7 %	281,519	128,184,632	98.9 %
2009	144,971,851	142,781,596	98.5 %	515,095	143,296,691	98.8 %
2010	155,635,330	153,508,163	98.6 %	1,079,612	154,587,775	99.3 %
2011	160,613,960	158,449,175	98.7 %	2,089,350	160,538,525	100.0 %
2012	166,759,322	164,636,997	98.7 %	1,842,319	166,479,316	99.8 %
2013	175,204,298	173,007,132	98.7 %	1,538,150	174,545,282	99.6 %
2014	186,703,350	184,735,498	98.9 %	1,509,059	186,244,557	99.8 %
2015	203,940,719	201,321,741	98.7 %	1,018,111	202,339,852	99.2 %
2016	229,191,858	226,359,011	98.8 %	1,215,893	227,574,904	99.3 %
2017	247,075,115	243,625,647	98.6 %	-	243,625,647	98.6 %

⁽¹⁾ Taxes levied in any year which are collected from October 1 through June 30 are shown as current collections. Such amounts include collections of the current levy after February 1, which is the date taxes become legally delinquent. Source: Montgomery County Tax Assessor-Collector

⁽²⁾ Collections in subsequent periods reflect only those amounts collected in 2012, 2013, 2014, 2015, 2016, 2017, and 2018.

MONTGOMERY COUNTY, TEXAS
Ratios of Outstanding Debt by Type ⁽¹⁾
Last Ten Fiscal Years

TABLE IX

Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Obligation	Capital Leases Obligation	Net: Interest Premiums and Discounts	Total Long-Term Debt	Percent of Personal Income ⁽²⁾	Per Capita ⁽²⁾
2008	285,645,701	44,834,989	73,180,000	19,053,887	9,064,658	431,779,235	2.13 %	1,002.36
2009	337,600,000	43,758,601	71,685,000	17,409,156	12,051,322	482,504,079	2.44 %	1,108.18
2010	332,565,000	42,256,701	102,580,000	17,164,115	11,787,129	506,352,945	2.38 %	1,105.16
2011	270,030,000	128,266,840	99,190,000	15,336,959	15,233,295	528,057,094	2.31 %	1,142.62
2012	268,735,000	122,140,941	101,120,000	13,671,491	10,236,430	515,903,862	2.09 %	1,071.90
2013	261,590,000	75,075,000	109,930,000	11,209,724	12,589,534	470,394,258	1.77 %	956.79
2014	278,565,000	67,995,000	74,555,000	9,942,261	28,256,466	459,313,727	1.40 %	913.29
2015	269,415,000	60,585,000	71,000,000	7,694,658	26,085,333	434,779,991	1.35 %	837.81
2016	315,110,000	52,825,000	58,535,000	5,893,321	43,468,294	475,831,615	1.51 %	885.17
2017	376,370,000	16,420,000	50,750,000	3,777,887	46,503,251	493,821,138	N/A	876.80

⁽¹⁾ Details regarding the County's outstanding debt can be found in the notes to the financial statements.

⁽²⁾ See Table XIV for personal income and population data.

Personal income for 2017 is not available.

MONTGOMERY COUNTY, TEXAS
Ratios of Net General Bonded Debt Outstanding ⁽¹⁾
Last Ten Fiscal Years

TABLE X

Fiscal Year	General Bonded Debt Outstanding				Less: Amounts Available for Debt Service	Total	Percentage of Actual Value of Property ⁽²⁾	Per Capita ⁽³⁾
	General Obligation Bonds	Revenue Bonds ⁽⁴⁾	Certificates of Obligation	Total				
2008	285,396,527	44,834,989	73,180,000	403,411,516	4,561,190	398,850,326	1.49 %	925.92
2009	337,600,000	43,758,601	71,685,000	453,043,601	12,206,657	440,836,944	1.45 %	1,012.48
2010	332,565,000	42,256,701	102,580,000	477,401,701	10,761,379	466,640,322	1.43 %	1,018.49
2011	270,030,000	128,266,840	99,190,000	497,486,840	14,239,096	483,247,744	1.43 %	1,045.66
2012	268,735,000	122,140,941	101,120,000	491,995,941	15,950,460	476,045,481	1.36 %	989.09
2013	261,590,000	75,075,000	109,930,000	446,595,000	17,795,351	428,799,649	1.17 %	872.19
2014	278,565,000	67,995,000	74,555,000	421,115,000	20,906,476	400,208,524	1.02 %	795.77
2015	269,415,000	60,585,000	71,000,000	401,000,000	32,453,453	368,546,547	0.84 %	710.18
2016	315,110,000	52,825,000	58,535,000	426,470,000	28,249,874	398,220,126	0.81 %	740.79
2017	376,370,000	16,420,000	50,750,000	443,540,000	28,249,874	415,290,126	0.76 %	737.36

⁽¹⁾ Details regarding the County's outstanding debt can be found in the notes to the financial statements.

⁽²⁾ Taxable Assessed Valuation can be found in Table V.

⁽³⁾ Population data can be found in Table XIV.

⁽⁴⁾ The County began issuing revenue bonds in 2007.

MONTGOMERY COUNTY, TEXAS

Legal Debt Margin ⁽¹⁾

Last Ten Fiscal Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assessed value ⁽²⁾	\$ 23,665,820	\$ 26,960,161	\$ 32,662,351	\$ 33,862,620
Debt limit ⁽³⁾	5,916,455	6,740,041	8,165,588	8,465,655
Debt applicable to limit				
Total bonded debt	403,661	453,044	477,402	497,487
Less: Assets in Debt				
Service Funds available				
for payment of principal	<u>(4,561)</u>	<u>(12,207)</u>	<u>(10,761)</u>	<u>(14,239)</u>
Total debt applicable				
to limit	<u>399,100</u>	<u>440,837</u>	<u>466,640</u>	<u>483,248</u>
Legal debt margin	<u>\$ 5,517,355</u>	<u>\$ 6,299,204</u>	<u>\$ 7,698,947</u>	<u>\$ 7,982,407</u>
Total debt applicable				
to the limit as a				
percent of debt limit	6.75%	6.54%	5.71%	5.71%

⁽¹⁾ Amounts expressed in thousands.

⁽²⁾ Assessed valuation is equal to total valuation less personal property.

⁽³⁾ The County is authorized under Article III, Section 52 of the State Constitution to issue bonds payable from ad valorem taxes for the construction and maintenance of roads. There is no constitutional or statutory limit as to rate on bonds issued pursuant to such constitutional provision. However, the amount of bonds which may be issued is limited to 25% of the assessed valuation of real property in the County.

⁽⁴⁾ Beginning in 2014, total bonded debt includes total debt outstanding for both Montgomery County and Woodlands RUD #1.

TABLE XI

2012	2013	2014	2015	2016	2017
\$ 35,101,086	\$ 36,706,371	\$ 39,366,970	\$ 43,654,262	\$ 49,315,310	\$ 54,402,996
8,775,272	9,176,593	9,841,743	10,913,566	12,328,828	13,600,749
491,996	446,595	493,740	463,080	487,680	443,870 ⁽⁴⁾
(15,950)	(17,795)	(20,906)	(32,453)	(48,577)	(28,250)
476,046	428,800	472,834	430,627	439,103	415,620
<u>\$ 8,299,226</u>	<u>\$ 8,747,794</u>	<u>\$ 9,368,910</u>	<u>\$ 10,482,939</u>	<u>\$ 11,889,725</u>	<u>\$ 13,185,129</u>
5.42%	4.67%	4.80%	3.95%	3.56%	3.06%

MONTGOMERY COUNTY, TEXAS**Direct and Overlapping Debt****September 30, 2017****TABLE XII**

	Debt Outstanding	Percentage Applicable to Montgomery County ⁽¹⁾	Amount Applicable to Montgomery County
Montgomery County, Texas	\$ 493,821,138	100.00	\$ 493,821,138
TOTAL DIRECT DEBT	493,821,138		493,821,138
<u>OVERLAPPING GOVERNMENTS:</u>			
Special Districts:			
Clovercreek M.U.D.	770,000	100.00	770,000
Corinthian Point M.U.D. #2	1,390,000	100.00	1,390,000
East Montgomery Co M.U.D #3	12,860,000	100.00	12,860,000
East Plantation U.D.	1,920,000	100.00	1,920,000
Far Hills U.D.	8,820,000	100.00	8,820,000
Grand Oaks M.U.D.	2,945,000	100.00	2,945,000
Kings Manor M.U.D.	12,985,000	69.67	9,046,650
Lazy River I.D.	485,000	100.00	485,000
Lone Star College System	640,175,000	26.09	167,021,658
Conroe M.U.D. #1	4,815,000	100.00	4,815,000
Montgomery Co. D.D. #10	10,460,000	100.00	10,460,000
Montgomery Co. M.U.D. #7	615,000	100.00	615,000
Montgomery Co. M.U.D. #8	9,820,000	100.00	9,820,000
Montgomery Co. M.U.D. #9	12,105,000	100.00	12,105,000
Montgomery Co. M.U.D. #15	28,035,000	100.00	28,035,000
Montgomery Co. M.U.D. #18	15,600,000	100.00	15,600,000
Montgomery Co. M.U.D. #39	14,615,000	100.00	14,615,000
Montgomery Co. M.U.D. #42	885,000	100.00	885,000
Montgomery Co. M.U.D. #46	82,905,000	100.00	82,905,000
Montgomery Co. M.U.D. #47	20,590,000	100.00	20,590,000
Montgomery Co. M.U.D. #56	2,952,892	100.00	2,952,892
Montgomery Co. M.U.D. #60	14,630,000	100.00	14,630,000
Montgomery Co. M.U.D. #67	10,780,000	100.00	10,780,000
Montgomery Co. M.U.D. #83	14,975,000	100.00	14,975,000
Montgomery Co. M.U.D. #84	29,955,000	100.00	29,955,000
Montgomery Co. M.U.D. #88	9,825,000	100.00	9,825,000
Montgomery Co. M.U.D. #89	25,015,000	100.00	25,015,000
Montgomery Co. M.U.D. #90	8,085,000	100.00	8,085,000
Montgomery Co. M.U.D. #92	4,915,000	100.00	4,915,000

MONTGOMERY COUNTY, TEXAS**Direct and Overlapping Debt****September 30, 2017****TABLE XII**

	Debt	Percentage Applicable to	Amount Applicable
	Outstanding	Montgomery County ⁽¹⁾	to Montgomery County
Montgomery Co. M.U.D. #94	33,160,000	100.00	33,160,000
Montgomery Co. M.U.D. #95	20,190,000	100.00	20,190,000
Montgomery Co. M.U.D. #98	12,525,000	100.00	12,525,000
Special Districts:(Continued)			
Montgomery Co. M.U.D. #99	8,505,000	100.00	8,505,000
Montgomery Co. M.U.D. #105	6,700,000	100.00	6,700,000
Montgomery Co. M.U.D. #107	13,875,000	100.00	13,875,000
Montgomery Co. M.U.D. #112	45,415,000	100.00	45,415,000
Montgomery Co. M.U.D. #113	90,790,000	100.00	90,790,000
Montgomery Co. M.U.D. #115	45,780,000	100.00	45,780,000
Montgomery Co. M.U.D. #119	44,330,000	100.00	44,330,000
Montgomery Co. M.U.D. #126	3,060,000	100.00	3,060,000
Montgomery Co. M.U.D. #127	2,750,000	100.00	2,750,000
Montgomery Co. U.D. #2	6,935,000	100.00	6,935,000
Montgomery Co. U.D. #3	4,040,000	100.00	4,040,000
Montgomery Co. U.D. #4	11,860,000	100.00	11,860,000
Montgomery Co. W.C.I.D. #1	18,525,000	100.00	18,525,000
New Caney M.U.D.	25,173,524	100.00	25,173,524
Point Aquarius M.U.D.	10,845,000	100.00	10,845,000
Porter M.U.D.	26,775,000	100.00	26,775,000
Porter M.U.D. Auburn Trails Def #1	5,855,000	100.00	5,855,000
Porter M.U.D. Auburn Trails Def #2	4,185,000	100.00	4,185,000
Porter M.U.D. Hendricks Def	1,415,000	100.00	1,415,000
Rayford Road M.U.D.	19,900,000	100.00	19,900,000
Roman Forest Con. M.U.D.	585,000	100.00	585,000
Harris-Montgomery Co MUD #386	139,200,000	8.98	12,500,160
Spring Creek U.D.	52,115,000	100.00	52,115,000
Stanley Lake M.U.D.	19,645,000	100.00	19,645,000
Southern Montgomery County MUD	7,560,000	100.00	7,560,000
Texas National M.U.D.	2,205,000	100.00	2,205,000
Valley Ranch M.U.D. #1	15,405,000	100.00	15,405,000
Woodlands Metro-Center I.D.	10,420,000	100.00	10,420,000
Roman Forest P.U.D. #4	765,000	100.00	765,000
Wood Trace M.U.D. #1	7,250,000	100.00	7,250,000



MONTGOMERY COUNTY, TEXAS**Direct and Overlapping Debt****September 30, 2017****TABLE XII**

	Debt Outstanding	Percentage Applicable to Montgomery County ⁽¹⁾	Amount Applicable to Montgomery County
Woodlands R.U.D. #1	55,720,000	100.00	55,720,000
The Woodlands Township	36,630,000	88.33	32,355,279
Woodridge M.U.D.	8,195,000	100.00	8,195,000
Emergency Service District #4	584,840	100.00	584,840 ⁽²⁾
Total Special Districts	1,822,796,256		1,214,730,002
Cities:			
Cleveland	16,190,000	0.60	97,140
Conroe	163,825,000	100.00	163,825,000
Magnolia	9,945,000	100.00	9,945,000
Montgomery	9,295,000	100.00	9,295,000
Cities: (Continued)			
Oak Ridge North	6,900,000	100.00	6,900,000
Panorama Village	3,610,000	100.00	3,610,000
Shenandoah	20,595,000	100.00	20,595,000
Roman Forest	3,635,000	100.00	3,635,000
Willis	24,410,000	100.00	24,410,000
Woodbranch Village	1,593,000	100.00	1,593,000
Houston	2,731,150,000	0.24	6,554,760
Total Cities	2,991,148,000		250,459,900
School Districts			
Cleveland I.S.D.	67,856,765	1.53	1,038,209
Conroe I.S.D.	1,131,355,000	100.00	1,131,355,000
Magnolia I.S.D.	190,785,000	100.00	190,785,000
Montgomery I.S.D.	348,215,000	100.00	348,215,000
New Caney I.S.D.	409,703,762	98.39	403,107,531
Splendora I.S.D.	71,335,000	100.00	71,335,000
Tomball I.S.D.	387,175,000	7.01	27,140,968
Willis I.S.D.	153,472,769	98.09	150,541,439
Total School Districts	2,759,898,296		2,323,518,147
TOTAL OVERLAPPING DEBT	7,573,842,552		3,788,708,049
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 8,067,663,690</u>		<u>\$ 4,282,529,187</u>

⁽¹⁾ The percentage of overlapping debt applicable is computed by dividing the other entity's net taxable assessed property value by the net taxable assessed property value in all of Montgomery County

⁽²⁾ Amounts shown for the Emergency Service Districts represent total debt levy, not overlapping debt.

MONTGOMERY COUNTY, TEXAS
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Lease Revenue Bonds ⁽¹⁾					
		Less:	Net:	Debt Service		
Year	Lease	Operating	Available	Principal	Interest	Coverage
	Payments	Expenses	Revenue			
2008	\$ 2,396,229	\$ 2,027,434	\$ 368,795	\$ -	\$ 1,883,754	\$ -
2009	23,189,192	19,902,963	3,286,229	1,076,389	1,998,534	1.07
2010	19,587,421	17,633,106	1,954,315	1,501,900	1,941,581	0.57
2011	18,334,041	15,808,119	2,525,922	1,569,861	1,873,619	0.73
2012	20,997,947	18,372,582	2,625,365	1,640,899	1,802,582	0.76
2013	19,053,761	17,818,794	1,234,967	1,715,150	1,728,330	0.36
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-

NOTE: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Operating expenses do not include interest, depreciation or amortization expenses.

⁽¹⁾ The revenue bonds were issued in 2007 to finance the construction of an 1,100 bed facility. The County began lease purchasing the facility from the Jail Financing Corporation in fiscal year 2010. The bonds were backed from the lease payments that the County will make to the Jail Financing Corporation. During fiscal year 2013, the detention facility was sold to the operator, GEO Corrections, and utilized the proceeds of the sale to defease the debt.

⁽²⁾ The County has pledged pass-through tolling revenue to repay the debt service on selected bond issues.

TABLE XIII

Pass -Through Toll Revenue Bonds ⁽²⁾				
TXDOT Revenue	Debt Service		Coverage	
	Principal	Interest		
\$ -	\$ -	\$ -	\$ -	
-	-	-	-	
-	-	79,300	-	
7,883,095	-	1,077,755	7.31	
19,235,365	4,485,000	2,733,321	2.66	
25,969,528	6,785,000	3,589,583	2.50	
29,275,155	7,080,000	3,356,300	2.81	
35,248,559	7,410,000	3,025,850	3.38	
42,260,009	7,760,000	2,678,400	4.05	
49,268,909	36,405,000	10,696,550	1.05	

MONTGOMERY COUNTY, TEXAS
Demographic and Economic Statistics
Last Ten Fiscal Years

TABLE XIV

<u>Year</u>	<u>Population ⁽¹⁾</u>	<u>Personal Income ⁽²⁾⁽³⁾</u>	<u>Per Capita Personal Income ⁽³⁾</u>	<u>School Enrollment ⁽⁴⁾</u>	<u>School Average Daily Attendance ⁽⁴⁾</u>	<u>Unemployment Rate ⁽⁵⁾</u>
2008	430,763	20,259,024	47,030	95,156	88,627	4.7 %
2009	435,403	19,737,310	45,331	98,137	89,328	7.9 %
2010	458,171	21,298,765	46,486	92,490	86,689	7.4 %
2011	462,144	22,882,899	49,514	95,250	90,554	7.9 %
2012	481,298	24,638,680	51,192	96,912	91,276	5.7 %
2013	491,636	26,549,916	53,192	95,815	91,235	5.3 %
2014	502,920	32,773,154	65,166	98,887	92,983	4.7 %
2015	518,947	32,310,508	62,262	101,598	96,755	4.3 %
2016	537,559	31,553,145	58,697	120,488	114,955	4.3 %
2017	563,209	N/A	N/A	126,748	121,309	4.1 %

⁽¹⁾ Source: Greater Conroe Economic Development Council, U.S. Census Bureau

⁽²⁾ Amounts expressed in thousands.

⁽³⁾ Source: Texas Workforce Commission website

Information for fiscal years 2008 through 2016 from The Bureau of Economic Analysis website
Personal income information for 2017 is not available.

⁽⁴⁾ Source: Superintendent's Annual Report: Includes the nine independent school districts located in the County.

⁽⁵⁾ Source: The Work Source website

<http://www.wrksolutions.com/employer/lmi/unemploymentrates/LAUSHISTORY.pdf>

Information for fiscal year 2008 was obtained from the financial reports of the appropriate year.

MONTGOMERY COUNTY, TEXAS
Principal Employers
Current Year and Nine Years Ago

TABLE XV

2017 Employer ⁽¹⁾	Employees	Percentage of Total County Employment ⁽²⁾
Conroe Independent School District	7,054	2.83 %
Anadarko Petroleum	3,173	1.27
Memorial Hermann - The Woodlands	2,404	0.96
Montgomery County, Texas	2,271	0.91
New Caney Independent School District	1,852	0.74
Aon Hewitt	1,800	0.72
ExxonMobil	1,800	0.72
Magnolia Independent School District	1,608	0.64
CHI St. Luke's The Woodlands Hospital	1,600	0.64
Lone Star College System	1,029	0.41
	24,591	9.84 %

2008 Employer ⁽³⁾	Employees	Percentage of Total County Employment ⁽²⁾
Conroe Independent School District	5,670	2.88 %
Anadarko Petroleum	2,377	1.21
Montgomery County, Texas	1,743	0.88
Hewitt Associates	1,500	0.76
Magnolia Independent School District	1,462	0.74
New Caney Independent School District	1,288	0.65
Conroe Regional Medical Center	1,200	0.61
Memorial Hermann The Woodlands Hospital	1,200	0.61
Willis Independent School District	764	0.39
Hughes Christensen	745	0.38
	17,949	9.11 %

⁽¹⁾ Source: <http://socrates.cdr.state.tx.us/iSocrates/Employers/EmployerContacts2.asp>

Information has been derived from the South Montgomery County Economic Development Partnership and the SOCRATES database listed above since county-wide information is not available for 2017.

⁽²⁾ Total County Employment for 2008 and 2017:

197,077 and 249,459 respectively

Source: <http://www.wrksolutions.com>

⁽³⁾ <http://ritter.tea.state.tx.us>

<http://www.edpartnership.net>



MONTGOMERY COUNTY, TEXAS**County Employees by Function** ⁽¹⁾**Last Ten Fiscal Years****TABLE XVI**

<u>Function</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Administration	111	116	118	135	127	132	130	132	125	125
Judicial	213	231	265	269	278	289	291	297	296	304
Legal Services	28	30	29	30	32	32	33	32	33	34
Elections	9	10	10	11	11	11	11	12	15	15
Financial Administration	90	93	93	95	101	103	99	93	98	102
Public Facilities	348	357	372	388	405	404	398	415	416	420
Public Safety	565	612	611	628	655	662	679	714	742	762
Health and Welfare	57	57	71	77	77	48	46	47	48	89
Culture and Recreation	148	148	153	161	161	161	162	163	140	141
Conservation	13	17	18	20	21	21	10	19	10	20
Public Transportation	161	165	174	205	213	226	230	232	249	259
	<u>1,743</u>	<u>1,836</u>	<u>1,914</u>	<u>2,019</u>	<u>2,081</u>	<u>2,089</u>	<u>2,089</u>	<u>2,156</u>	<u>2,172</u>	<u>2,271</u>

⁽¹⁾ Information derived from the annual salary schedules adopted by Montgomery County Commissioners' Court.

MONTGOMERY COUNTY, TEXAS
Operating Indicators by Function
Last Ten Fiscal Years

<u>Function</u>	<u>2007</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government				
Construction permits issued ⁽¹⁾	3,699	2,455	2,598	2,440
Estimated value of construction ^{(1) (2)}	1,206,874	1,085,532	719,797	575,758
Health inspections performed ⁽³⁾	11,194	11,234	11,281	11,638
Birth certificates filed ⁽⁴⁾	5,343	5,674	5,419	5,283
Death certificates filed ⁽⁴⁾	1,994	2,017	2,087	2,214
Marriage license applications ⁽⁴⁾	2,324	2,432	2,160	2,351
Registered voters ⁽⁵⁾	237,299	239,246	249,620	244,080
Number of voting precincts ⁽⁵⁾	85	85	85	85
Public Safety - Sheriff				
Total arrests ⁽⁶⁾	19,676	18,229	19,402	20,802
Average number of inmates ⁽⁶⁾	1,025	881	964	1,026
Calls for service ⁽⁶⁾	265,255	285,098	259,486	286,719
Number of accidents investigated ⁽⁶⁾	3,588	1,621	1,485	1,122
Miles patrolled ⁽⁶⁾	2,582,405	3,224,282	2,615,320	2,717,733
Gallons of gas used ⁽⁶⁾	364,159	362,958	281,746	409,337
Culture and Recreation - Libraries (tentative)				
Number of items checked out ⁽⁷⁾	1,697,999	1,924,198	2,035,605	2,008,110
Number of libraries ⁽⁷⁾	7	7	7	7
Volumes in collection ⁽⁷⁾	580,378	655,756	652,426	670,068
Number of library visits ⁽⁷⁾	1,202,297	1,402,326	1,386,130	1,296,899
Library programs attendance ⁽⁷⁾	100,655	141,744	132,916	127,694

⁽¹⁾ Source: Montgomery County Engineer.

⁽²⁾ Dollar values are in thousands.

⁽³⁾ Source: Montgomery County Health Department.

⁽⁴⁾ Source: Montgomery County Clerk.

⁽⁵⁾ Source: Montgomery County Elections Administrator.

⁽⁶⁾ Source: Montgomery County Sheriff's Department.

⁽⁷⁾ Source: Montgomery County Memorial Library System Annual Report.

TABLE XVII

Fiscal Year					
2012	2013	2014	2015	2016	2017
2,905	4,336	4,947	4,754	4,052	4,381
1,054,912	1,344,371	2,019,423	1,381,849	1,414,524	1,386,391
14,214	14,968	15,623	17,274	16,552	16,197
5,213	5,325	5,392	6,602	5,766	6,996
2,235	2,384	2,638	2,820	2,874	3,643
2,399	2,630	2,795	4,505	2,927	2,869
260,253	265,424	274,536	289,000	308,597	315,946
86	86	89	89	90	90
22,057	22,758	24,679	22,523	21,483	22,473
965	1,033	1,152	1,058	999	933
312,405	333,548	346,749	317,501	411,796	355,936
951	1,356	2,385	4,184	4,937	5,931
3,867,763	5,906,651	5,747,155	5,876,771	4,063,212	4,232,396
444,854	465,391	468,806	490,073	368,033	368,412
1,963,074	1,996,503	2,018,491	2,055,189	2,066,886	2,192,792
7	7	7	7	7	7
683,803	691,892	686,870	665,009	694,536	711,777
1,286,333	1,184,833	1,108,782	1,107,085	1,105,760	1,075,000
101,789	118,959	124,738	130,780	134,163	169,467

MONTGOMERY COUNTY, TEXAS
Capital Asset and Infrastructure Statistics by Function
Last Ten Fiscal Years

<u>Function</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government				
Office Buildings/Courthouses ⁽¹⁾	34	35	39	42
Public Safety - Sheriff				
Sheriff's Vehicles ⁽²⁾	382	351	374	427
Academy Square Footage ⁽¹⁾	13,800	13,800	13,800	13,800
Public Transportation				
County Roads (miles) ⁽³⁾	2,525	2,589	2,636	2,640
Bridges ⁽³⁾	157	157	158	158
Public Facilities				
Park Acreage ⁽⁴⁾	1,748	1,974	1,870	2,072
Convention Center Square Footage ⁽⁵⁾	56,000	56,000	56,000	56,000
Community Centers ⁽²⁾	17	18	17	18
Culture and Recreation				
Total Library Square Footage ⁽⁶⁾	169,776	169,776	169,776	171,400

1) Montgomery County Risk Management Department. Includes the offices of the four County Commissioners.

2) Montgomery County Auditor's Office Capital Assets Listing.

3) Montgomery County Engineer.

4) Montgomery County Parks Divisions in the Commissioners' offices.

5) Montgomery County Civic Center Complex;

6) Montgomery County Memorial Library System Annual Report.

TABLE XVIII

2012	2013	2014	2015	2016	2017
43	43	38	44	49	49
460	463	467	505	512	555
13,800	13,800	13,800	13,800	13,800	13,800
2,656	2,685	2,703	2,704	2,751	2,771
158	159	159	160	160	160
2,956	2,061	2,061	2,089	2,089	2,089
56,000	56,000	56,000	56,000	56,000	56,000
17	17	17	17	17	17
171,400	171,400	171,400	171,400	173,800	173,800