

MONTGOMERY COUNTY TEXAS

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
September 30, 2015**

MONTGOMERY COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015

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 22, 2016

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, 2015, 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 Hereford, Lynch, Sellars & Kirkham P.C., 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, 2015 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, 2015 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, 2015 the estimated population was 518,947. Despite the turbulent economic times, the County's population has continued to grow, albeit at a slower rate, 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 Costco Wholesale in the County and Bluejack National, the first ever golf course in the country designed by Tiger Woods. 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 on 2,046 acres. Construction is expected to start in 2016.

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 bond offering that will raise \$280 million for a multitude of road projects throughout Montgomery County. The first bond offering, for \$53,140,000, was issued in January 2016 and will be used to begin some of the most critical projects around the County.

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.

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. Continued support by the Commissioners’ Court of various energy saving 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.

Financial Transparency – During the fiscal year, an initiative to make the County's financial transactions more transparent to the citizens was undertaken. In March 2015, the County launched a new web-based financial transparency platform. This application has enabled the County's citizens to access both historical and live financial data in a more user friendly fashion. The County strives to embrace technology advances that will allow for even more transparency.

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, 2014. This was the twenty-seventh 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

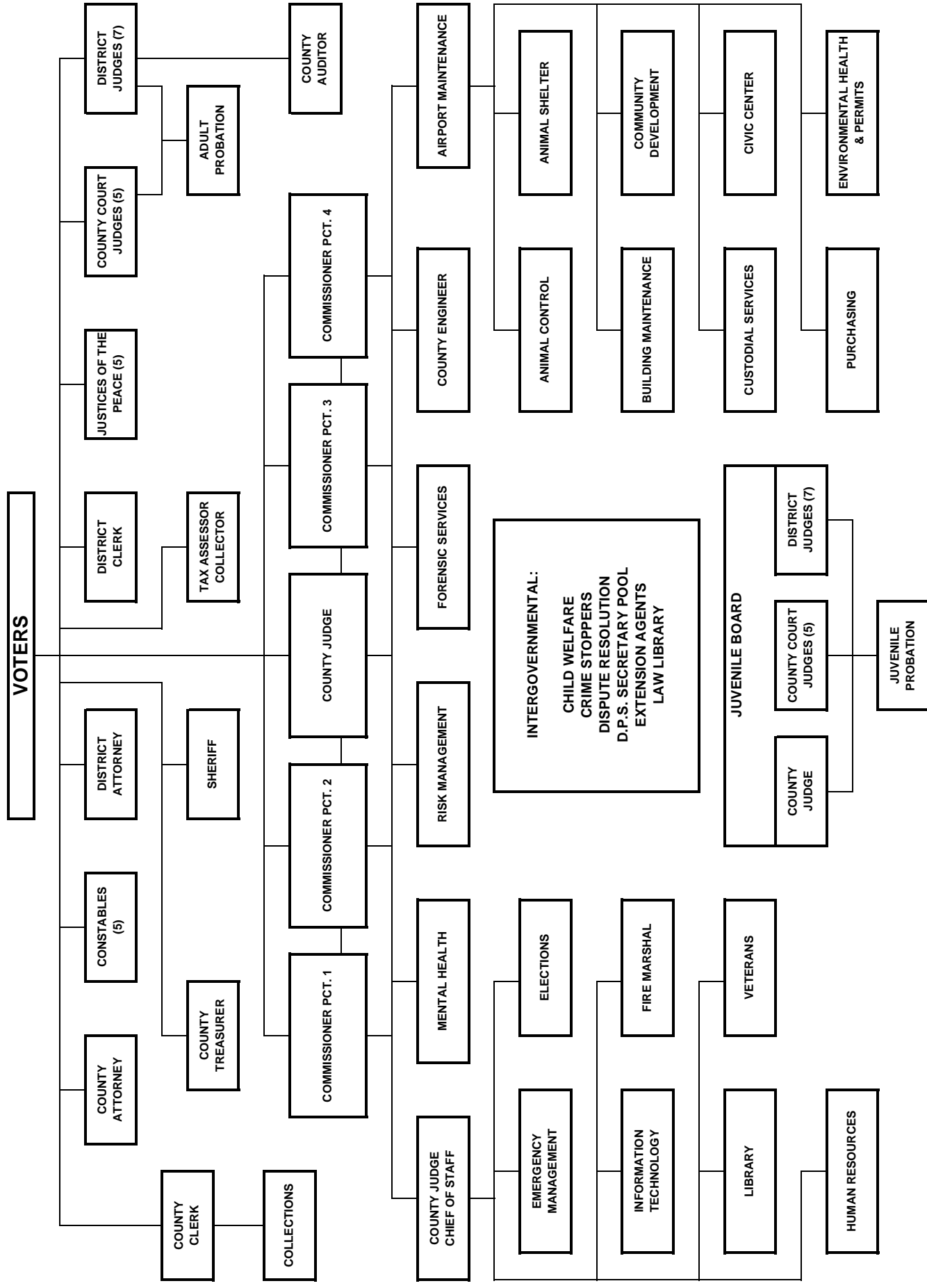
**Montgomery County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

MONTGOMERY COUNTY, TEXAS ORGANIZATION CHART



MONTGOMERY COUNTY, TEXAS
DIRECTORY OF OFFICIALS
SEPTEMBER 30, 2015

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:

Kelly Case
Lisa Michalk
Cara Wood
Kathleen Hamilton
K. Michael Mayes
Tracy Gilbert
Michael T. Seiler
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:

Tommy Gage
Donnie O. Chumley
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
Darlou Zenor

Tax Assessor-Collector
County Treasurer
County Auditor¹
Purchasing Agent¹

¹ Designates appointed official. All others are elected.



FINANCIAL SECTION

HLSK

Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants

A Professional Corporation

Conroe
1406 Wilson Rd., Suite 100
Conroe, Texas 77304
Tel 936-756-8127
Metro 936-441-1338
Fax 936-756-8132

Members of the
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Texas Society of Certified Public Accounts
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INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Commissioners' Court
Montgomery County, Texas
501 North Thompson, Suite 205
Conroe, Texas 77301

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, Texas (County) as of and for the year ended September 30, 2015, 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 auditors' 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, Texas as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Road and Bridge Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I.B., in 2015 the County adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

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 Information 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, 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 is the responsibility of management and was derived from and relates 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section 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 17, 2016 on our consideration of the 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 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 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.

Respectfully,

Hereford, Lynch, Sellars & Kirkham, P.C.

HEREFORD, LYNCH, SELLARS & KIRKHAM, P.C.
Certified Public Accountants

Conroe, Texas
March 17, 2016

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, 2015. 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 at the close of the fiscal year by \$504,227,881 (net position). Of this amount, \$54,197,228 is restricted for specific purposes. With the presentation of the investment in capital assets, unrestricted net position becomes \$89,330,493.
- The County's total net position increased by \$105,994,055. 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 \$45,949,353.
- At September 30, 2015, the County's governmental funds reported combined ending fund balances of \$205,549,270, an increase of \$4,716,154 from operations in comparison with the prior year. From the ending fund balances, \$197,207 is non-spendable, \$77,460,806 is restricted, \$21,093,141 is committed and \$65,864,910 is assigned. Approximately 19.9% of the ending balances, \$40,938,206 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, 2015, unassigned fund balance for the General Fund was \$40,938,206, or 20% of total General Fund expenditures.
- The County's total bonded debt decreased by \$20,115,000 (4.7%) during the current fiscal year. This decrease was brought about by regularly scheduled payments.
- As of fiscal year 2015, the County reported a net pension liability of \$24,229,025.
- As of fiscal year 2015, the County reported other post-employment benefit obligations (OPEB) of \$57,715,279.

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, 2015. 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 28-29 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 48 individual governmental funds during the fiscal year ended September 30, 2015. 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 Pass-Through Toll Projects, 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 30-39 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. 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 41-43 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 44 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 45-76 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 77 and 79.

Supplementary information is comprised of the General Fund final budget versus actual at the department level. This comparative data can be found on pages 81- 110 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 110-178 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 by \$504,227,881 at September 30, 2015, as shown in the table below. As part of the implementation of GASB Statement 68, the County must report a net pension liability on its balance sheet, resulting in a prior period adjustment of \$18,376,299.

Montgomery County, Texas Net Position - Governmental Activities

	Governmental Activities		Business-type activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Current and other assets	\$ 292,666,687	\$ 279,550,099	\$ (831,187)	\$ -	\$ 291,835,500	\$ 279,550,099
Capital assets	702,997,911	659,490,913	45,949,353	-	748,947,264	659,490,913
Total assets	995,664,598	939,041,012	45,118,166	-	1,040,782,764	939,041,012
Deferred outflow of resources	31,837,350	12,613,589	-	-	31,837,350	12,613,589
Long-term liabilities outstanding	534,344,203	522,595,520	-	-	534,344,203	522,595,520
Other liabilities	33,814,335	30,825,255	233,695	-	34,048,030	30,825,255
Total liabilities	568,158,538	553,420,775	233,695	-	568,392,233	553,420,775
Net assets:						
Net Investment in Capital Assets	314,750,807	266,597,783	45,949,353	-	360,700,160	266,597,783
Restricted	54,197,228	71,863,955	-	-	54,197,228	71,863,955
Unrestricted	90,395,375	59,772,088	(1,064,882)	-	89,330,493	59,772,088
Total net position	\$ 459,343,410	\$ 398,233,826	\$ 44,884,471	\$ -	\$ 504,227,881	\$ 398,233,826

The County's total assets of \$1,040,782,764 are largely comprised of investments of \$172,570,344, or 16.6%, and capital assets net of accumulated depreciation of \$748,947,264, or 71.9%. 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 \$534,344,203 comprises the largest portion of the County's total liabilities of \$568,158,538, at 94%. Of total long-term liabilities, \$37,480,950 is due within one year,

with the remainder of \$496,863,253 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 \$504,227,881 (net position) as of September 30, 2015. Roughly 10.8%, or \$54,197,228, 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, \$21,305,499 is restricted for capital projects and \$32,891,729 is restricted for debt service. The most significant portion (\$360,700,160) 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 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Revenues:						
<i>Program revenues:</i>						
Fees, fines, forfeitures, and charges for services	\$ 130,389,759	\$ 129,687,474	\$ 261,039	\$ -	\$ 130,650,798	\$ 129,687,474
<i>Operating grants and contributions:</i>						
Federal grants and contributions	3,374,151	3,947,572	-	-	3,374,151	3,947,572
State grants and contributions	4,472,923	4,180,455	-	-	4,472,923	4,180,455
Other grants and contributions	1,715,124	2,174,683	-	-	1,715,124	2,174,683
<i>Capital grants and contributions:</i>						
Federal grants and contributions	11,223,008	8,281,009	-	-	11,223,008	8,281,009
State grants and contributions	89,514	27,715	49,534,511	-	49,624,025	27,715
Other grants and contributions	83,595,794	52,255,329	-	-	83,595,794	52,255,329
<i>General revenues:</i>						
Property taxes	203,539,676	186,842,153	-	-	203,539,676	186,842,153
Other taxes	2,804,782	2,456,460	-	-	2,804,782	2,456,460
Other general revenues	1,118,988	1,514,246	-	-	1,118,988	1,514,246
Transfers	338,402	-	(338,402)	-	-	-
Total revenues	442,662,121	391,367,096	\$ 49,457,148	-	492,119,269	391,367,096
Expenses:						
General administration	57,411,391	52,627,252	-	-	57,411,391	52,627,252
Judicial	32,772,811	32,077,111	-	-	32,772,811	32,077,111
Legal services	3,456,782	3,548,986	-	-	3,456,782	3,548,986
Elections	2,025,750	2,438,670	-	-	2,025,750	2,438,670
Financial administration	6,885,418	6,813,820	-	-	6,885,418	6,813,820
Public facilities	63,860,067	66,496,215	-	-	63,860,067	66,496,215
Public safety	70,860,690	69,458,813	-	-	70,860,690	69,458,813
Health and welfare	25,349,849	25,315,219	-	-	25,349,849	25,315,219
Culture and recreation	9,949,881	10,285,291	-	-	9,949,881	10,285,291
Conservation	1,279,756	748,622	-	-	1,279,756	748,622
Public transportation	74,721,871	89,687,467	-	-	74,721,871	89,687,467
Debt service interest and fiscal charges	18,147,345	17,797,503	-	-	18,147,345	17,797,503
Toll Road	-	-	4,572,677	-	4,572,677	-
Total expenses	366,721,611	377,294,969	4,572,677	-	371,294,288	377,294,969
Change in net position	75,940,510	14,072,127	44,884,471	-	120,824,981	14,072,127
Net Position - beginning	398,233,826	389,434,541	-	-	398,233,826	389,434,541
Prior period adjustment	(14,830,926)	(5,272,842)	-	-	(14,830,926)	(5,272,842)
Net Position - Beginning, as restated	383,402,900	384,161,699	-	-	383,402,900	384,161,699
Net Position - Ending	\$ 459,343,410	\$ 398,233,826	\$ 44,884,471	\$ -	\$ 504,227,881	\$ 398,233,826

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 \$75,940,510 from the prior fiscal year, in addition to a prior period adjustment of \$14,830,926, attributing to the ending balance of \$459,343,410. Despite the requirement of GASB 68 to report a net pension liability of \$24,229,025, 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 \$442,662,121 is an increase from the prior year. Property tax revenue accounts for \$203,539,676, or 45.9%, and is an increase over last year of \$16,697,523. Montgomery County continues to see increased population and commercial development. These both contribute greatly to increase appraisal values and subsequent tax collections. An increase in infrastructure donations in 2016 from 2015 contributes to an increase of \$31,240,465 in other capital grants and contributions.

Program revenues of fees, fines, forfeitures, and charges for services comprise \$130,389,759, or 29.4%; and grants and contributions encompass \$104,470,514, or 23.6% of total revenues of governmental activities. This represents an increase in program revenues of \$51,295,025. The State reiterated its commitment to assist the County in funding key infrastructure projects by committing \$20,000,000 for the State Highway 242 flyover ramps. Federal Operating Grants and Contributions were \$3,374,151, a decrease of \$573,421, and Federal Capital Grants increased by \$2,941,999 in 2016 largely due to a grant from Texas Department of Transportation for the runway extension at the Lone Star Executive Airport.

Expenses for the year totaled \$366,721,611. The Public Transportation function accounted for \$74,721,871, or 20.4% of the total expenses in governmental activities. The decrease in spending in the public transportation function (\$14,965,596) is due to several large road construction projects being completed 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 Facilities function experienced a decrease in expenses of \$2,636,148 over last year to \$63,860,067. This is primarily due to the decrease of funding for the Joe Corley Facility Detention Facility Contract, which is operating at near capacity year-round.

The General Administration function expenses increased to \$57,411,391, an increase of \$4,784,139. This increase is primarily due to a one-time contribution to the County's retirement system of \$5,000,000.

Business-type Activities

For the County's business-type activities, the results for the current year were positive in that overall net position was \$44,884,471. In previous years, business-type activities were incorporated in the governmental activities column to highlight the fact that the operation depended more on taxes than on user fees. However, management has decided to separate the business-type activities beginning with the current year. Capital Grants and Contributions of \$49,534,511 comprised 99.5% of total revenues for business-type activities. This included a capital contribution for the SH 242 Direct Connectors. The Montgomery County Toll Road Authority (MCTRA) placed the SH242 Direct Connectors in service July 2015. As of September 30, 2015 MCTRA receipted \$261,039 in toll revenue.

The government's ending net position of \$504,227,881 represents an increase of \$105,994,055 from the prior year's net position, inclusive of the prior period adjustments discussed earlier. The County's change in net position is summarized by the following chart:

Montgomery County, Texas
Change in Net Position

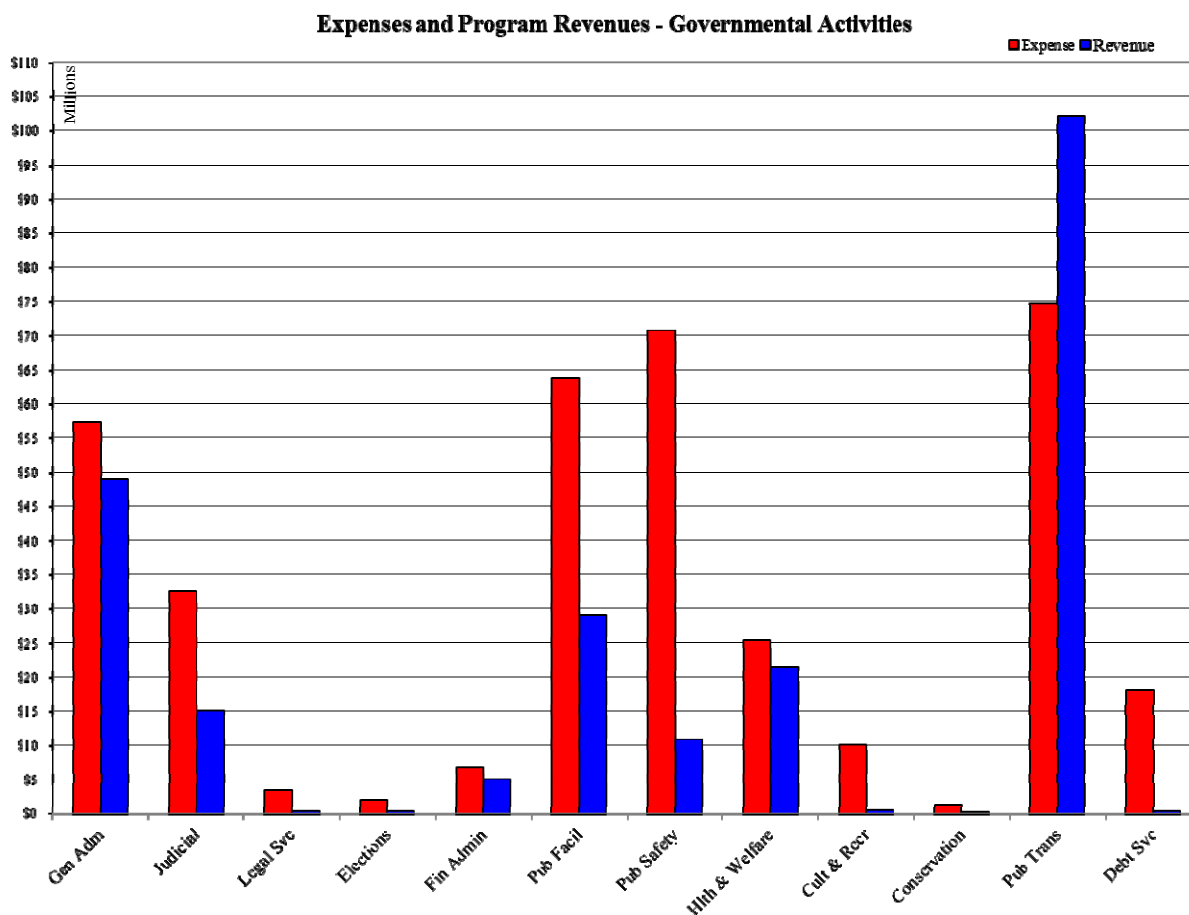
	<u>FY 2015</u>	<u>FY 2014</u>
<i>Governmental funds activity:</i>		
Total revenues	\$ 348,518,374	\$ 322,325,099
Total expenditures	<u>344,337,728</u>	<u>340,066,935</u>
Excess (Deficiency) of revenues over expenditures	4,180,646	(17,741,836)
Capital lease financing	622,106	949,101
Issuance of refunding bonds	-	101,760,000
Payment to refunded bond escrow agent	-	(118,083,208)
Premiums on obligations, net	-	13,889,313
Transfers	<u>(86,598)</u>	<u>-</u>
Net change in fund balance	4,716,154	(19,226,630)
<i>Government-wide activity:</i>		
Difference between current year's capital outlay expenditures and depreciation expense	(14,564,001)	(21,143,247)
Expenditures made in addition to the annual required contribution of the county's pension plan are not reported in the government-wide statements	-	449,278
Net effect of capital asset sales, donations, trade-ins, etc.	58,107,897	38,051,030
Revenues not reported in funds because they do not provide current-period financial resources	4,094,322	(438,140)
Internal Service Funds which are not reported in funds do not affect the current period	3,630,409	4,138,281
Enterprise Funds which are not reported in funds do not affect the current period	45,309,471	(425,000)
Long-term debt not reported in funds because it does not affect the current period	22,362,603	20,533,399
Expenses not reported in the funds because they do not use current-period financial resources	<u>(2,831,874)</u>	<u>(7,866,844)</u>
Total change in net position	<u>\$ 120,824,981</u>	<u>\$ 14,072,127</u>

This change in net position begins with the current year's differences between governmental revenues and expenditures (\$4,180,646), along with other financing sources and uses (\$535,508). 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 (\$43,543,896) 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 (\$1,262,448). 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 (\$22,362,603). During the fiscal year, the County paid off a substantial portion of its existing debt, through regularly scheduled payments. The implementation of GASB 68 required that the County report a net pension liability (\$24,229,025) 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 \$105,994,055. Moreover, the increase of \$12,175,082 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, 2015 for governmental activities.

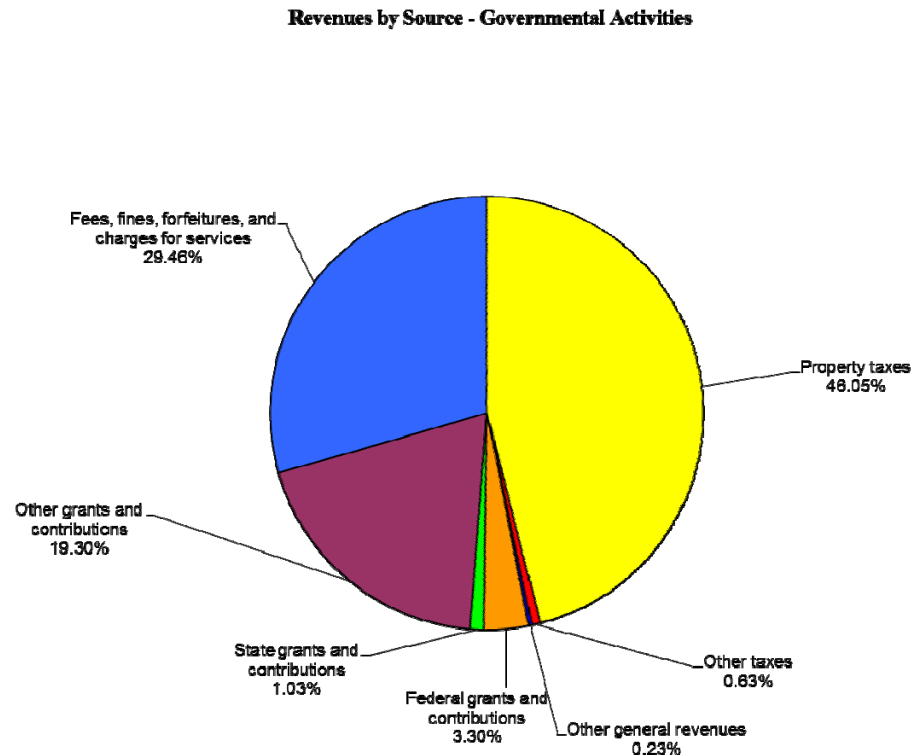


Key elements of the analysis of government-wide program revenues and expenses as they relate to each function reflect the following:

- Program revenues of \$234,860,273 are comprised in large part (43.6%) of public transportation's revenues of \$102,362,138 and general administration's revenues of \$48,745,095 (20.8%). The public facilities function comprises 12.3% of program revenues with \$28,969,322, health and welfare makes up 9.1% of program revenues with \$21,535,944, and judicial covers 6.4% of program revenues with \$15,098,703. The expenses of these functions account for 20.4%, 15.7%, 17.4%, 6.9%, and 8.9%, respectively. As expected, general revenues provided the required support and coverage in areas where expenses exceeded revenues.

- The public transportation function experienced a decrease in expenses of \$14,965,596 while also realizing an increase in revenues of \$33,851,497. The decrease 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 increase in revenues is due to an increase 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, 2015.



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, 2015, the County's governmental funds reported combined ending unassigned fund balances of \$40,938,206 that are available for spending at the County's discretion. The remainder of fund balances are categorized as non-spendable (\$197,207), restricted (\$77,460,806), committed (\$21,093,141) or assigned (\$65,864,910) to reflect the varying levels of liquidity.

Total assets and deferred outflows of resources in the General Fund amounted to \$208,893,757, accounting for 61.1% of total governmental fund assets and deferred outflows of resources. The total assets and deferred outflows of resources of other major funds, which include Road and Bridge Special Revenue Fund (\$29,393,549), the Debt Service Fund (\$33,352,893), and the Pass-Through Toll Projects (\$20,000,000). Together, all major funds account for \$291,640,199 (85.3%) of the County's \$341,732,299 in total assets and deferred outflows of resources.

The County's General Fund balance increased by \$6,079,221 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 \$10,042,174.
- 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 \$24,435,483 which is reported as \$2,545,940 restricted, \$31,949 as committed, and \$21,857,594 as assigned. The fund balance increased by \$6,095,861 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 \$32,453,453 in the Debt Service Fund is presented as fund balance restricted for debt service.

The entire fund balance of the Pass-Through Toll Projects, \$10,673,953 is classified as restricted and represents amounts that are for projects related to the Pass-Through Toll Agreement with the State of Texas.

GENERAL FUND BUDGETARY HIGHLIGHTS

The published budget of Montgomery County for fiscal 2015 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 \$199,000,983 and expenditures of \$189,711,592. The General Fund's final budget, as amended, contains revenues of \$221,077,293 and expenditures of \$218,238,190.

The following table presents the changes between the original adopted budget and the final budget for the General Fund as of September 30, 2015.

General Fund Budget Variances Year Ended September 30, 2015			
	Original Budget	Final Budget	Variance with Original Budget Positive (Negative)
Revenues:			
Taxes	\$ 151,820,400	\$ 151,820,400	\$ -
Licenses and Permits	1,780,519	1,780,519	-
Fees	12,345,500	12,503,780	158,280
Intergovernmental	1,118,539	6,521,796	5,403,257
Charges for Services	2,678,693	5,300,025	2,621,332
Interest	434,610	434,610	-
Contract Reimbursements	12,067,848	14,009,042	1,941,194
Inmate Housing	15,800,000	27,323,589	11,523,589
Fines and Forfeitures	40,000	40,000	-
Miscellaneous	914,874	1,343,532	428,658
Total Revenues	199,000,983	221,077,293	22,076,310
Expenditures:			
General Administration	29,340,959	29,772,570	(431,611)
Judicial	19,451,527	20,193,108	(741,581)
Legal Services	3,166,475	3,361,384	(194,909)
Elections	1,140,488	1,209,761	(69,273)
Financial Administration	7,056,574	7,270,290	(213,716)
Public Facilities	47,059,570	60,251,635	(13,192,065)
Public Safety	63,623,364	72,103,127	(8,479,763)
Health and Welfare	7,750,285	9,941,242	(2,190,957)
Culture and Recreation	9,089,323	9,443,207	(353,884)
Conservation	750,393	637,889	112,504
Public Transportation	566,279	3,958,342	(3,392,063)
Miscellaneous	716,355	95,635	620,720
Total Expenditures	189,711,592	218,238,190	(28,526,598)
Excess Revenues Over Expenditures	9,289,391	2,839,103	(6,450,288)
Other Financing Sources/(Uses):			
Transfers In	-	1,181,362	1,181,362
Transfers Out	-	(2,844,816)	(2,844,816)
Capital Lease Financing	-	527,585	-
Total Other Financing Sources/(Uses)	-	(1,135,869)	(1,135,869)
Net Change in Fund Balances	9,289,391	1,703,234	(7,586,157)
Fund Balance - Beginning	87,974,383	87,974,383	-
Fund Balance - Ending	\$ 97,263,774	\$ 89,677,617	\$ (7,586,157)

Final budgeted revenues were higher than originally planned by \$22,076,310. Intergovernmental revenue contained \$5,403,257 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 \$1,941,194 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 \$11,523,589 in the final budget over the original budget.

The originally unanticipated revenue partially offsets the expenditure differences of \$28,526,598 between the original budget and the final amended budget. The Public Transportation function had a final expenditure budget that is \$3,392,063 higher than the original budget. Contributing to this increase in budgeted expenditures are amounts allocated by the Commissioners' Court for the construction of a building to house an Aircraft Rescue/Fire Fighting (ARFF) vehicle located at the Conroe-North Houston Regional Airport (formerly the Lone Star Executive Airport) as well as the construction of a Federal Customs facility.

Funds that were originally scheduled in prior fiscal years were not included in the original budget for fiscal year 2015. 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 General Administration, Judicial, Legal, Elections, Financial Administration, and Culture and Recreation functions.

The Health and Welfare function experienced a \$2,190,957 increase from the original budget primarily due to a grant awarded to the County during fiscal year 2015 for the repair of vehicles owned by low income individuals that fail emissions testing.

A \$8,479,763 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 local agencies for law enforcement services. During the course of the fiscal year, additional interlocal 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 \$13,192,065 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 increase of expenditures in the final amended budget over the original budget that was not covered by the revenues' increase was reported as a decrease in the final amended budget net change in fund balances. This amount was a total variance of \$7,586,157.

The following table presents the differences between the final amended budget and actual expenditures for the General Fund as of September 30, 2015.

General Fund Budget Variances Year Ended September 30, 2015			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 151,820,400	\$ 153,691,740	\$ 1,871,340
Licenses and Permits	1,780,519	1,956,243	175,724
Fees	12,503,780	15,570,357	3,066,576
Intergovernmental	6,521,796	4,463,806	(2,057,990)
Charges for Services	5,300,025	3,038,151	(2,261,874)
Interest	434,610	455,263	20,653
Contract Reimbursements	14,009,042	12,926,249	(1,082,793)
Inmate Housing	27,323,589	27,265,236	(58,353)
Fines and Forfeitures	40,000	79,809	39,809
Miscellaneous	1,343,532	1,334,739	(8,793)
Total Revenues	221,077,293	220,781,593	(295,700)
Expenditures:			
General Administration	29,772,570	28,223,808	1,548,762
Judicial	20,193,108	19,687,565	505,543
Legal Services	3,361,384	3,111,730	249,654
Elections	1,209,761	1,020,934	188,827
Financial Administration	7,270,290	6,806,814	463,476
Public Facilities	60,251,635	59,233,513	1,018,122
Public Safety	72,103,127	67,600,160	4,502,967
Health and Welfare	9,941,242	8,071,954	1,869,288
Culture and Recreation	9,443,207	9,057,205	386,002
Conservation	637,889	614,280	23,609
Public Transportation	3,958,342	1,030,822	2,927,520
Miscellaneous	95,635	-	95,635
Total Expenditures	218,238,190	204,458,785	13,779,405
Excess Revenues Over Expenditures	2,839,103	16,322,808	13,483,705
Other Financing Sources/(Uses):			
Transfers In	1,181,362	12,833,839	11,652,477
Transfers Out	(2,844,816)	(23,605,011)	(20,760,195)
Capital Lease Financing	527,585	527,585	-
Total Other Financing Sources/(Uses)	(1,135,869)	(10,243,587)	(9,107,718)
Net Change in Fund Balances	1,703,234	6,079,221	4,375,987
Fund Balance - Beginning	87,974,383	87,974,383	-
Prior Period Adjustment		3,545,373	3,545,373
Fund Balance – Beginning, as restated		91,519,756	91,519,756
Fund Balance - Ending	\$ 89,677,617	\$ 97,598,977	\$ 7,921,360

Budgeted revenues exceeded actual revenues by \$295,700. Fee increases approved by the State Legislature and an increase in tax revenue charges for service revenues comprise a share of the increase (\$4,937,916) and serve to offset the shortfall in intergovernmental, charges for service and contract reimbursements.

Actual expenditures were \$13,779,405 lower than final budgeted expenditures. The General Administration function contributed \$1,548,762 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,

the Information Technology department has been tasked with implementation of a multi-million dollar system that involves all law enforcement agencies of the County. Funding for this project was budgeted in fiscal year 2015; however, this project was not yet fully implemented or paid at the end of 2015.

All departments in the Public Safety function of the General Fund expended less than was approved in the final amended budget by \$4,502,967. 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 left the department with excess salary and benefits funds as well as the supplies needed for those positions.

The Public Facilities function showed actual expenditures less than the final budget by \$1,018,122, primarily driven by decreased fuel costs and an increased turnover in detention officers in the County Jail.

The actual net change in fund balance was \$4,375,987 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 and the Memorial Library Special Revenue Fund received \$9,000,000 and \$8,500,000, respectively, more than shown in the final budget. In both of these funds, the emphasis is on providing a service. In the case of the Jury Special Revenue Fund, that service is in the form of a court system. The Memorial Library Special Revenue Fund's emphasis is on culture and recreation. These funds are not expected in any year to provide enough revenues to adequately fund their own services. Therefore, it is anticipated that the General Fund will service the expenditures of those funds 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 activities as of September 30, 2015 amounted to \$702,997,911 (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 \$1,353,341 consisted primarily of the completion of the Fire Truck Storage, the Justice of the Peace Precinct One office remodel and the HVAC reconstruction at the Convention Center.
- Vehicles and other various equipment items were acquired at a cost of \$5,673,727.
- 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 2015 amounted to \$9,625,556.
- 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 \$58,115,051.

¹ <http://www.census.gov>

- Expenditures of \$2,269,593 were incurred for construction that was in progress throughout the year. Projects that were capitalized from ongoing construction throughout the year, including the Commissioner Precinct 3 offices and barn totaled \$886,366.
- Increases in assets were offset by depreciation expense of \$47,044,087.

Montgomery County, Texas
Capital Assets (net of depreciation)
September 30, 2015
with Comparative Totals for September 30, 2014

	Value of Capital Asset Net of Accumulated Depreciation		Increase (Decrease)
	FY 2015	FY 2014	
Land	\$ 60,276,253	\$ 50,901,250	\$ 9,375,003
Buildings	138,838,661	142,455,182	(3,616,521)
Improvements	8,959,953	10,137,664	(1,177,711)
Equipment	30,591,047	26,576,587	4,014,460
Infrastructure	462,554,499	429,025,960	33,528,539
Construction in Progress	1,777,498	394,270	1,383,228
Total	<u>\$ 702,997,911</u>	<u>\$ 659,490,913</u>	<u>\$ 43,506,998</u>

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 a controlled access parking area for the courts, an HVAC reconstruction at the Convention Center and completion of the Fire Truck Storage Building. In addition, various construction projects and renovations are underway in the County and include, a Federal Customs building at the Conroe-North Houston Regional Airport (formerly known as the Lone Star Executive Airport) as well as the construction of new Sheriff's substation and a medical examiner's office. 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 58 of this report.

Long-Term Debt

At September 30, 2015, Montgomery County had total bonded debt outstanding of \$401,000,000. 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 by Moody's of "AA1".

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, \$269,415,000 corresponds to general obligation debt, \$60,585,000 is in the form of revenue bonds and \$71,000,000 represents certificates of obligation. Montgomery County's total bonded debt had a decrease of \$20,115,000 during 2015 through scheduled principal payments.

The following table represents the entire long-term debt of the County at September 30, 2015 on a comparative basis.

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

	<u>FY 2015</u>	<u>FY 2014</u>
General obligation bonds	\$ 269,415,000	\$ 278,565,000
Revenue bonds	60,585,000	67,995,000
Certificates of obligation	71,000,000	74,555,000
Capital Leases	7,694,658	9,942,261
Premiums, net of discounts	26,085,333	28,256,466
Compensated absences	13,019,590	11,985,253
Medical Obligation	3,622,386	3,698,834
Worker's Comp Obligation	977,932	1,055,988
Net Pension Liability	24,229,025	-
OPEB Liability	57,715,279	46,541,718
Total	<u>\$ 534,344,203</u>	<u>\$ 522,595,520</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 \$10,913,565,516, which is significantly in 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 60 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for the County is currently 4.3%², which is a slight increase from a rate of 4.2% a year ago. This compares favorably to the State's average unemployment rate of 4.4%³ and the national average rate of 5.1%⁴.
- The estimated debt service obligation increased by \$3,670,523 in fiscal year 2016 to \$51,059,523. This increase is due entirely to the County's efforts to reduce the reliance on the state's pass through toll reimbursements which are scheduled to end during fiscal year 2017.
- The County began budgeting for various capital improvements through the annual budget process rather than relying on the issuance of debt. Contained within the fiscal year 2016 budget is funding in the amount of \$13,295,000 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, 2016.

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, 2015**

EXHIBIT I

	Governmental Activities	Business -Type Activities	Total
ASSETS:			
Cash	\$ 58,038,620	\$ 121,665	\$ 58,160,285
Investments, at Fair Value	172,570,344	-	172,570,344
Cash, Restricted for Retainage	279,388	-	279,388
Receivables:			
Taxes (net)	5,862,645	-	5,862,645
Accounts (net)	24,304,496	70,755	24,375,251
Interest	35,704	-	35,704
Internal Balances	1,023,607	(1,023,607)	-
Due from Other Governments	30,359,676	-	30,359,676
Prepaid Items	192,207	-	192,207
Capital Assets, net of accumulated depreciation			
Land	60,276,253	-	60,276,253
Buildings	138,838,661	-	138,838,661
Improvements	8,959,953	-	8,959,953
Equipment	30,591,047	-	30,591,047
Infrastructure	462,554,499	45,949,353	508,503,852
Construction in Progress	1,777,498	-	1,777,498
Total Assets	<u>995,664,598</u>	<u>45,118,166</u>	<u>1,040,782,764</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows from Pensions	20,379,639	-	20,379,639
Deferred Charge on Refunding	11,457,711	-	11,457,711
Total Deferred Outflows of Resources	<u>31,837,350</u>	<u>-</u>	<u>31,837,350</u>
LIABILITIES:			
Accounts Payable	26,704,633	233,695	26,938,328
Retainage Payable	528,415	-	528,415
Accrued Interest Payable	1,554,158	-	1,554,158
Due to Other Governments	7,780	-	7,780
Unearned Revenue	5,019,349	-	5,019,349
Noncurrent Liabilities:			
Due within one year	37,480,950	-	37,480,950
Due in more than one year	496,863,253	-	496,863,253
Total Liabilities	<u>568,158,538</u>	<u>233,695</u>	<u>568,392,233</u>
NET POSITION:			
Net investment in capital assets	314,750,807	45,949,353	360,700,160
Restricted for:			
Capital Projects	21,305,499	-	21,305,499
Debt Service	32,891,729	-	32,891,729
Unrestricted	90,395,375	(1,064,882)	89,330,493
Total Net Position	<u>\$ 459,343,410</u>	<u>\$ 44,884,471</u>	<u>\$ 504,227,881</u>

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS

Statement of Activities

Year Ended September 30, 2015

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		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Current:							
General Administration	\$ 57,411,391	\$ 48,745,095	\$ -	\$ -	\$ (8,666,296)	\$ -	\$ (8,666,296)
Judicial	32,772,811	13,933,298	1,165,405	-	(17,674,108)	-	(17,674,108)
Legal Services	3,456,782	437,628	228	-	(3,018,926)	-	(3,018,926)
Elections	2,025,750	198	757,484	-	(1,268,068)	-	(1,268,068)
Financial Administration	6,885,418	5,073,087	-	-	(1,812,331)	-	(1,812,331)
Public Facilities	63,860,067	28,945,676	23,646	-	(34,890,745)	-	(34,890,745)
Public Safety	70,860,690	4,418,006	4,298,190	2,154,021	(59,990,473)	-	(59,990,473)
Health and Welfare	25,349,849	17,606,018	3,029,737	900,189	(3,813,905)	-	(3,813,905)
Culture and Recreation	9,949,881	339,773	105,943	-	(9,504,165)	-	(9,504,165)
Conservation	1,279,756	169,779	-	-	(1,109,977)	-	(1,109,977)
Public Transportation	74,721,871	10,721,201	181,565	91,459,372	27,640,267	-	27,640,267
Debt Service Interest and						-	
Fiscal Charges	18,147,345	-	-	394,734	(17,752,611)	-	(17,752,611)
Total Governmental Activities	<u>\$ 366,721,611</u>	<u>\$ 130,389,759</u>	<u>\$ 9,562,198</u>	<u>\$ 94,908,316</u>	<u>(131,861,338)</u>	<u>-</u>	<u>(131,861,338)</u>
Business-type activities:							
Toll Road	<u>\$ 4,572,677</u>	<u>\$ 261,039</u>	<u>\$ -</u>	<u>\$ 49,534,511</u>	<u>-</u>	<u>45,222,873</u>	<u>45,222,873</u>
Total business-type activities	<u>\$ 4,572,677</u>	<u>\$ 261,039</u>	<u>\$ -</u>	<u>\$ 49,534,511</u>	<u>-</u>	<u>45,222,873</u>	<u>45,222,873</u>
General Revenues:							
Property Taxes					203,539,676	-	203,539,676
Other Taxes					64,647	-	64,647
Mixed Beverage Taxes					2,031,517	-	2,031,517
Bingo Taxes					179,917	-	179,917
Vehicle Weight Tax					528,701	-	528,701
Unrestricted Investment Earnings					529,535	-	529,535
Gain on Sale of Capital Assets					589,453	-	589,453
Transfers					338,402	(338,402)	-
Total General Revenues					<u>207,801,848</u>	<u>(338,402)</u>	<u>207,463,446</u>
Change in Net Position					<u>75,940,510</u>	<u>44,884,471</u>	<u>120,824,981</u>
Net Position - Beginning					<u>398,233,826</u>	<u>-</u>	<u>398,233,826</u>
Prior Period Adjustment					<u>(14,830,926)</u>	<u>-</u>	<u>(14,830,926)</u>
Net Position - Beginning, as Restated					<u>383,402,900</u>	<u>-</u>	<u>383,402,900</u>
Net Position - Ending					<u>\$ 459,343,410</u>	<u>\$ 44,884,471</u>	<u>\$ 504,227,881</u>

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2015

EXHIBIT III

	<u>General</u>	<u>Road and Bridge</u>	<u>Debt Service</u>
<u>ASSETS:</u>			
Cash	\$ 51,941,861	\$ 375,235	\$ 233,428
Investments, at Fair Value	116,007,913	27,795,304	8,068,175
Cash, Restricted for Retainage	99,742	178,366	-
Receivables:			
Taxes (net)	4,357,720	570,871	934,054
Accounts (net)	541,474	114,436	-
Interest	35,704	-	-
Due from Other Funds	28,198,221	95,225	24,117,236
Due from Other Governments	7,711,122	264,112	-
Prepaid Items	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 208,893,757</u>	<u>\$ 29,393,549</u>	<u>\$ 33,352,893</u>
<u>LIABILITIES:</u>			
Accounts Payable	\$ 18,314,439	\$ 3,364,330	\$ -
Retainage Payable	99,742	178,366	-
Due to Other Funds	83,778,137	823,853	-
Due to Other Governments	7,780	-	-
Unearned Revenue	4,843,255	-	-
Total liabilities	<u>107,043,353</u>	<u>4,366,549</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Revenue: Property Taxes	4,251,427	591,517	899,440
Total Deferred inflows of resources	<u>4,251,427</u>	<u>591,517</u>	<u>899,440</u>
<u>FUND BALANCES:</u>			
Nonspendable	-	-	-
Restricted	3,425,360	2,545,940	32,453,453
Committed	10,793,467	31,949	-
Assigned	42,441,944	21,857,594	-
Unassigned	40,938,206	-	-
Total Fund Balances	<u>97,598,977</u>	<u>24,435,483</u>	<u>32,453,453</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	<u>\$ 208,893,757</u>	<u>\$ 29,393,549</u>	<u>\$ 33,352,893</u>

See accompanying notes to the financial statements.

Pass - Through Toll Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 4,803,933	\$ 57,354,457
-	20,698,952	172,570,344
-	1,280	279,388
-	-	5,862,645
-	38,307	694,217
-	-	35,704
-	22,002,463	74,413,145
20,000,000	2,354,958	30,330,192
-	192,207	192,207
<u>\$ 20,000,000</u>	<u>\$ 50,092,100</u>	<u>\$ 341,732,299</u>
\$ -	\$ 4,606,804	\$ 26,285,573
-	250,307	528,415
9,326,047	4,671,491	98,599,528
-	-	7,780
-	176,094	5,019,349
<u>9,326,047</u>	<u>9,704,696</u>	<u>130,440,645</u>
-	-	5,742,384
-	-	5,742,384
-	192,207	192,207
10,673,953	28,362,100	77,460,806
-	10,267,725	21,093,141
-	1,565,372	65,864,910
-	-	40,938,206
<u>10,673,953</u>	<u>40,387,404</u>	<u>205,549,270</u>
<u>\$ 20,000,000</u>	<u>\$ 50,092,100</u>	<u>\$ 341,732,299</u>



MONTGOMERY COUNTY, TEXAS
Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
September 30, 2015

Total fund balances - governmental funds (page 31) \$ 205,549,270

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	\$ 60,276,253	
Buildings	138,003,710	
Improvements	8,958,995	
Equipment	30,521,070	
Infrastructure	462,554,499	
Construction in Progress	1,777,498	
Total Capital Assets		702,092,025

Other long term assets that were not available to
pay for current-period expenditures were deferred in the
funds. These assets consist of fines and fees receivable, net
of allowance. 22,805,199

Property taxes earned that are not available to pay for
current-period expenditures are deferred in the funds. 5,742,384

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. 22,615,225

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	\$ (1,554,158)	
Bonds and capital leases payable, net	(434,779,991)	
OPEB Liability	(57,715,279)	
Deferred charge on refunding	11,457,711	
Deferred amounts for pensions	20,379,639	
Net Pension Liability	(24,229,025)	
Compensated absences	(13,019,590)	
Total future period liabilities		(499,460,693)
Net position of governmental activities		\$ 459,343,410

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, 2015

EXHIBIT IV

	General	Road and Bridge	Debt Service
<u>REVENUES:</u>			
Taxes	\$ 153,691,740	\$ 20,417,110	\$ 32,269,131
Licenses and Permits	1,956,243	6,218,896	
Fees	15,570,357	-	
Intergovernmental	4,463,806	183,227	16,804,438
Charges for Services	3,038,151	200,196	
Interest	455,263	28,078	19,403
Contract Reimbursements	12,926,249	8,419,333	
Inmate Housing	27,265,236	-	
Fines and Forfeitures	79,809	2,741,210	
Miscellaneous	1,334,739	1,620,394	-
<u>TOTAL REVENUES</u>	<u>220,781,593</u>	<u>39,828,444</u>	<u>49,092,972</u>
<u>EXPENDITURES:</u>			
Current:			
General Administration	28,223,808	-	-
Judicial	19,687,565	-	-
Legal Services	3,111,730	-	-
Elections	1,020,934	-	-
Financial Administration	6,806,814	-	-
Public Facilities	59,233,513	400,666	-
Public Safety	67,600,160	-	-
Health and Welfare	8,071,954	45,500	-
Culture and Recreation	9,057,205	-	-
Conservation	614,280	605,093	-
Public Transportation	1,030,822	33,869,273	-
Capital Projects	-	-	-
Debt Service:			
Principal Retirement	-	-	20,115,000
Interest and Fiscal Charges	-	-	18,941,447
<u>TOTAL EXPENDITURES</u>	<u>204,458,785</u>	<u>34,920,532</u>	<u>39,056,447</u>
Excess (Deficiency) Revenues Over Expenditures	<u>16,322,808</u>	<u>4,907,912</u>	<u>10,036,525</u>
<u>OTHER FINANCING SOURCES/(USES):</u>			
Transfers In	12,833,839	1,524,754	1,510,452
Transfers Out	(23,605,011)	(431,326)	-
Capital Lease Financing	527,585	94,521	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>(10,243,587)</u>	<u>1,187,949</u>	<u>1,510,452</u>
Net Change in Fund Balances	<u>6,079,221</u>	<u>6,095,861</u>	<u>11,546,977</u>
Fund Balances at Beginning of Year	87,974,383	18,339,622	20,906,476
Prior Period Adjustment	3,545,373	-	-
Fund Balances at Beginning of Year- as restated	<u>91,519,756</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 97,598,977</u>	<u>\$ 24,435,483</u>	<u>\$ 32,453,453</u>

See accompanying notes to the financial statements.

Pass-Through Toll Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 206,377,981
-	-	8,175,139
-	2,876,236	18,446,593
-	17,248,580	38,700,051
-	850,634	4,088,981
-	26,794	529,538
-	15,617,964	36,963,546
-	-	27,265,236
-	1,637,834	4,458,853
-	557,323	3,512,456
-	38,815,365	348,518,374
-	1,758,809	29,982,617
-	12,599,372	32,286,937
-	276,617	3,388,347
-	867,504	1,888,438
-	-	6,806,814
-	-	59,634,179
-	5,249,221	72,849,381
-	17,129,098	25,246,552
-	125,195	9,182,400
-	-	1,219,373
-	9,860,308	44,760,403
-	18,035,840	18,035,840
-	-	20,115,000
-	-	18,941,447
-	65,901,964	344,337,728
-	(27,086,599)	4,180,646
-	9,655,462	25,524,507
-	(1,574,768)	(25,611,105)
-	-	622,106
-	8,080,694	535,508
-	(19,005,905)	4,716,154
10,673,953	59,393,309	197,287,743
-	-	3,545,373
-	-	91,519,756
\$ 10,673,953	\$ 40,387,404	\$ 205,549,270



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, 2015

Amounts reported for governmental activities in the statement of activities (page 29) are different because:

Net change in fund balances - total governmental funds (page 35)	\$ 4,716,154
--	--------------

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.	(14,564,001)
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The net effect of various miscellaneous transactions involving capital assets.	58,107,897
--	------------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the	4,519,322
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The issuance of long-term debt (e.g., bonds, leases) provides 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.	22,362,603
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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.	3,630,409
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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	\$ (1,034,336)	
Bond interest owed but not yet paid	141,294	
Amortization of deferred amounts	1,015,255	
Net Pension Liability	8,219,474	
OPEB Obligation	(11,173,561)	
	(2,831,874)	

Change in net position of governmental activities	\$ 75,940,510
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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
Major Governmental Funds
Year Ended September 30, 2015

EXHIBIT V
Page 1 of 2

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Taxes	\$151,820,400	\$151,820,400	\$153,691,740	\$ 1,871,340
Licenses and Permits	1,780,519	1,780,519	1,956,243	175,724
Fees	12,345,500	12,503,780	15,570,357	3,066,577
Intergovernmental	1,118,539	6,521,796	4,463,806	(2,057,990)
Charges for Services	2,678,693	5,300,025	3,038,151	(2,261,874)
Interest	434,610	434,610	455,263	20,653
Contract Reimbursements	12,067,848	14,009,042	12,926,249	(1,082,793)
Inmate Housing	15,800,000	27,323,589	27,265,236	(58,353)
Fines and Forfeitures	40,000	40,000	79,809	39,809
Miscellaneous	914,874	1,343,532	1,334,739	(8,793)
<u>TOTAL REVENUES</u>	<u>199,000,983</u>	<u>221,077,293</u>	<u>220,781,593</u>	<u>(295,700)</u>
<u>EXPENDITURES:</u>				
Current:				
General Administration	29,340,959	29,772,570	28,223,808	1,548,762
Judicial	19,451,527	20,193,108	19,687,565	505,543
Legal Services	3,166,475	3,361,384	3,111,730	249,654
Elections	1,140,488	1,209,761	1,020,934	188,827
Financial Administration	7,056,574	7,270,290	6,806,814	463,476
Public Facilities	47,059,570	60,251,635	59,233,513	1,018,122
Public Safety	63,623,364	72,103,127	67,600,160	4,502,967
Health and Welfare	7,750,285	9,941,242	8,071,954	1,869,288
Culture and Recreation	9,089,323	9,443,207	9,057,205	386,002
Conservation	750,393	637,889	614,280	23,609
Public Transportation	566,279	3,958,342	1,030,822	2,927,520
Miscellaneous	716,355	95,635	-	95,635
<u>TOTAL EXPENDITURES</u>	<u>189,711,592</u>	<u>218,238,190</u>	<u>204,458,785</u>	<u>13,779,405</u>
Excess Revenues Over Expenditures	9,289,391	2,839,103	16,322,808	13,483,705
<u>OTHER FINANCING SOURCES/ (USES):</u>				
Transfers In	-	1,181,362	12,833,839	11,652,477
Transfers Out	-	(2,844,816)	(23,605,011)	(20,760,195)
Capital Lease Financing	-	527,585	527,585	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>-</u>	<u>(1,135,869)</u>	<u>(10,243,587)</u>	<u>(9,107,718)</u>
Net Change in Fund Balances	9,289,391	1,703,234	6,079,221	4,375,987
Fund Balances at Beginning of Year	87,974,383	87,974,383	87,974,383	-
Prior Period Adjustment	-	-	3,545,373	(3,545,373)
Fund Balances at Beginning of Year- as restated	87,974,383	87,974,383	91,519,756	(3,545,373)
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 97,263,774</u>	<u>\$ 89,677,617</u>	<u>\$ 97,598,977</u>	<u>\$ 830,614</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
Major Governmental Funds
Year Ended September 30, 2015

EXHIBIT V
Page 2 of 2

	Road and Bridge Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Taxes	\$ 20,205,220	\$20,205,220	\$ 20,417,110	\$ 211,890
Licenses and Permits	7,988,200	7,988,200	6,218,896	(1,769,304)
Intergovernmental	140,000	163,410	183,227	19,817
Charges for Services	-	198,237	200,196	1,959
Interest	11,000	11,000	28,078	17,078
Contract Reimbursements	-	8,419,333	8,419,333	-
Fines and Forfeitures	3,000,000	3,000,000	2,741,210	(258,790)
Miscellaneous	-	1,205,550	1,620,394	414,844
<u>TOTAL REVENUES</u>	<u>31,344,420</u>	<u>41,190,950</u>	<u>39,828,444</u>	<u>(1,362,506)</u>
<u>EXPENDITURES:</u>				
Current:				
Public Facilities	595,139	807,795	400,666	407,129
Health and Welfare	-	105,185	45,500	59,685
Conservation	639,344	802,170	605,093	197,077
Public Transportation	30,109,936	57,306,778	33,869,273	23,437,505
<u>TOTAL EXPENDITURES</u>	<u>31,344,419</u>	<u>59,021,928</u>	<u>34,920,532</u>	<u>24,101,396</u>
Excess (Deficiency) Revenues Over Expenditures	<u>1</u>	<u>(17,830,978)</u>	<u>4,907,912</u>	<u>22,738,890</u>
<u>OTHER FINANCING SOURCES/ (USES):</u>				
Transfers In	-	1,524,754	1,524,754	-
Transfers Out	-	(393,989)	(431,326)	(37,337)
Capital Lease Financing	-	94,521	94,521	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>-</u>	<u>1,225,286</u>	<u>1,187,949</u>	<u>(37,337)</u>
Net Change in Fund Balances	1	(16,605,692)	6,095,861	22,701,553
Fund Balances at Beginning of Year	18,339,622	18,339,622	18,339,622	-
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 18,339,623</u>	<u>\$ 1,733,930</u>	<u>\$24,435,483</u>	<u>\$ 22,701,553</u>

See accompanying notes to the financial statements.



MONTGOMERY COUNTY, TEXAS
Statement of Net Position
Proprietary Funds
Year Ended September 30, 2015

EXHIBIT VI

	<u>Enterprise Fund</u>	
	Toll Road Authority	Internal Service Funds
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 121,665	\$ 684,163
Accounts	70,755	805,081
Internal Balances	-	-
Due from other funds	-	31,416,885
Due from other governments	-	29,484
Total Current Assets	<u>192,420</u>	<u>32,935,613</u>
Capital Assets (net of accumulated depreciation):		
Buildings	-	834,951
Improvements	-	957
Equipment	-	69,977
Infrastructure	45,949,353	-
Total Capital Assets	<u>45,949,353</u>	<u>905,885</u>
Total Assets	<u>46,141,773</u>	<u>33,841,498</u>
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable	233,695	419,060
Claims Payable	-	4,600,318
Due to Other Funds	1,023,607	6,206,895
Total Current Liabilities	<u>1,257,302</u>	<u>11,226,273</u>
Total Liabilities	<u>1,257,302</u>	<u>11,226,273</u>
<u>NET POSITION:</u>		
Net Investment in Capital Assets	45,949,353	905,885
Unrestricted	(1,064,882)	21,709,340
Total Net Position	<u>\$ 44,884,471</u>	<u>\$ 22,615,225</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, 2015

EXHIBIT VII

	<u>Enterprise Fund</u>	
	Toll Road Authority	Internal Service Funds
<u>OPERATING REVENUES:</u>		
Charges for Service	\$ 261,039	\$ 31,592,877
Miscellaneous	-	94,040
Total Operating Revenues	<u>261,039</u>	<u>31,686,917</u>
<u>OPERATING EXPENSES</u>		
Supplies	-	19,966
Services	3,515,019	27,999,640
Depreciation	1,057,658	36,902
Total Operating Expenses	<u>4,572,677</u>	<u>28,056,508</u>
Operating Income	<u>(4,311,638)</u>	<u>3,630,409</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Intergovernmental	2,527,500	-
Income before capital contributions and transfers	<u>(1,784,138)</u>	<u>-</u>
Capital contributions	47,007,011	-
Transfers in	<u>86,598</u>	<u>-</u>
Change in Net Position	45,309,471	3,630,409
Total net position - beginning	<u>(425,000)</u>	<u>18,984,816</u>
Total net position - ending	<u><u>\$ 44,884,471</u></u>	<u><u>\$ 22,615,225</u></u>

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2015

EXHIBIT VIII

	<u>Enterprise Fund</u>	
	Toll Road Authority	Internal Service Funds
Cash flows from operating activities:		
Receipts from customers	\$ 190,284	\$ 27,192,131
Payments to vendors	(2,682,717)	-
Receipts from others	-	(3,277,416)
Benefits Paid	-	(23,360,733)
Net cash provided (used) by operating activities	<u>(2,492,433)</u>	<u>553,982</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	86,598	-
Intergovernmental contributions	2,527,500	-
Net cash used by noncapital financing activities	<u>2,614,098</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>121,665</u>	<u>553,982</u>
Cash and cash equivalents - October 1, 2014	<u>-</u>	<u>130,181</u>
Cash and cash equivalents - September 30, 2015	<u>\$ 121,665</u>	<u>\$ 684,163</u>
Reconciliation of operating income to net cash used in operating activities:		
Operating income (loss)	\$ (4,311,638)	\$ 3,630,409
Adjustments to reconcile operating income to net cash used by operating activities:		
(Increase) decrease in due from other funds	598,607	(2,494,110)
Depreciation expense	1,057,658	36,902
(Increase) decrease in accounts receivable	(70,755)	-
(Increase) decrease in intergovernmental receivable	-	(3,022)
Increase (decrease) in accounts payable	233,695	(616,197)
Total adjustments	<u>1,819,205</u>	<u>(3,076,427)</u>
Net cash provided (used) by operating activities	<u>\$ (2,492,433)</u>	<u>\$ 553,982</u>

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Assets and Liabilities
Fiduciary Funds
As of September 30, 2015

EXHIBIT IX

Agency Funds

ASSETS:

Cash
Investments, at Fair Value

\$ 20,023,596

1,378,820

TOTAL ASSETS

\$ 21,402,416

LIABILITIES:

Due to Others

\$ 21,402,416

TOTAL LIABILITIES

\$ 21,402,416

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2015

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.

In 1991, GASB issued Statement No. 14, *The Financial Reporting Entity*, which established standards for defining and reporting on the financial reporting entity. 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

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2015

not extend beyond making such appointments, disclosure is made in the form of the relation between the County and such organization.

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. 68, *Financial Reporting for Pensions*, will improve financial reporting by state and local governments for pensions.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, will improve financial reporting related to government combinations and disposals of government operations. Government combinations include a variety of transactions referred to mergers, acquisitions, and transfers of operations.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, will augment accounting and reporting by state and local governments that extend and receive nonexchange financial guarantees.

GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, amends GASB Statement No. 68 to require that, at transition, a government recognize a beginning outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

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

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2015

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. Receivables which are measurable but not collectible within 60 days after the end of the fiscal year are reported as unearned revenue. Property taxes levied prior to September 30, 2014 that were due October 1, 2014, have been assessed to finance the budget of the fiscal year ending September 30, 2015. In accordance with the modified accrual basis of accounting, the balances outstanding at September 30, 2015, and beyond the 60 days after year end have been reflected as a deferred inflow of resources and taxes receivable in the fund financial statements. 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.

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

MONTGOMERY COUNTY, TEXAS

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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. Managerial Funds are used to account for funds that no longer fulfill the qualifications to be considered special revenue funds as delineated in GASB Statement No. 54, but that management desires to see a separate presentation.

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.

The Pass-Through Toll Projects Capital Project Fund is used to account for funds received by Texas Department of Transportation (TXDOT) to pay for projects related to the Pass-Through Toll Program.

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*:

MONTGOMERY COUNTY, TEXAS

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

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.

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.

The County reports its investments as required by GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments with a maturity of less than a year at acquisition are reported at amortized cost. Investments in open-end mutual funds are reported at fair value, as determined by the funds' current share prices. This value also approximates cost. Additionally, the County's investments in the state's public funds investment pool are reported at fair value based on the value per share of the pool's underlying portfolio. Historically, the value per share in this public fund investment pool has approximated cost; therefore, the County's investments in this pool are reported at amortized cost.

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.

Reimbursements for services performed are recorded as receivables and revenues when they become eligible for accrual in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts.

Receivables are shown net of an allowance for uncollectable amounts.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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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.

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. 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 estimated fair market 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.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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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 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 only one type of item which qualifies for reporting in this category. Accordingly, the item, unavailable, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts 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 using the straight-line method. 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.

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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 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

MONTGOMERY COUNTY, TEXAS
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rebate due and remit the amount due at least every five years. There were no arbitrage rebate payments made during fiscal year 2015.

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.

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.

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a 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	\$ 32,443,184
Depreciation expense	(47,007,185)
	<hr/>
Net adjustment to decrease net changes in fund balances-	
total governmental funds to arrive at changes in net position	
of governmental activities	<hr/> <hr/> \$ (14,564,001)

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Notes to the Financial Statements
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“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.	\$ 348,035
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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.

57,759,862

Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$ 58,107,897
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58,107,897

“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 issuance costs, 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:

Capital lease financing	\$ (622,106)
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Adjustment to interest on refunding debt

Principal repayments:

General Obligation debt	9,150,000
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Revenue debt	7,410,000
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Certificates of Obligation debt	3,555,000
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Capital leases	2,869,709
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Net adjustment to decrease net changes in fund balances-total governmental	\$ 22,362,603
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22,362,603

“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	\$ (1,034,336)
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Accrued interest	141,294
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Amortization of charge on refunding bonds	(1,155,878)
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Amortization of bond discounts	(48,302)
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Amortization of bond premiums	2,219,435
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Increase of Pension Liability	8,219,474
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Increase of Other Post-Employment Benefits	(11,173,561)
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(11,173,561)

Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$ (2,831,874)
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(2,831,874)

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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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. In addition, management files notice of all line item transfers for public record.

For fiscal year 2015, 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 2015, budget amendments totaling \$85,677,100 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 2015, supplemental appropriations were approved in the amounts of \$25,462,555, \$12,426,770, and \$622,106 for grants received, intergovernmental contracts executed, and capital leases approved, respectively.

B) DEFICIT FUND EQUITY:

At September 30, 2015, the Capital Projects 2016 Capital Projects fund had a deficit fund balance of \$2,926,563. Initially, Commissioners’ Court intended to issue certificates of obligation to fund these projects. During 2016 budget hearings, however, Commissioners’ Court decided that the best course of action was to include the projects accounted for within this fund in the budget and defer the issuance of certificates of obligation.

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, 2015, the County's bank balance (collected funds) was \$80,273,537. 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:**

As of September 30, 2015, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (in years)</u>
Chase Business High Yield Savings	\$ 12,222,059	-
TexSTAR Investment Pool	3,608,356	0.11
State's Investment Pool (TEXPOOL)	1,114,140	0.11
TEXCLASS Investment Pool	31,338,322	0.20
Federal Home Loan Bank (FHLB)	17,999,137	-
Federal Farm Credit (FFCB)	9,731,239	-
Farmer MAC Discount (FAMC)	9,977,128	-
Lone Star Investment Pool	398,878	0.28
LOGIC	43,197,892	0.10
FICA Program	35,058,449	-
Money Market Mutual Fund (ICT)	1,445,282	0.12
Money Market Mutual Fund (BPIF)	4,621,969	0.10
Money Market Mutual Fund (AIM)	3,236,313	0.14
Total Investments	<u>\$173,949,164</u>	

The County invested idle funds in a) the Government Portfolio of Investors' Cash Trust, b) the Trust for Federal Securities - FedFund with BlackRock Provident Institutional Funds, c) the Short-Term Investments Trust (STIT) Government and Agency Portfolio with AIM Funds, and d) a Chase business high yield savings account.

These mutual funds share several characteristics that have a positive effect on the safety of the County's funds, including:

- SEC registration and regulation,
- A minimum AAAM rating by Standard and Poor's,
- Limitations on investments to direct obligations of the US Treasury, US agencies, and its instrumentalities, and repurchase agreements collateralized by same,
- An average weighted maturity that is less than 90 days (0.25 years), and
- A portfolio valuation of net position that is maintained at \$1 per share.

Additionally, funds were invested in the Texas Local Government Investment Pool (TexPool), TexSTAR Investment Pool, Lone Star Investment Pool, Local Government Investment Cooperative (LOGIC), and TEXCLASS Investment Pool. These external investment pools were created in conformity with certain acts in the Government Code of the Texas Civil Statutes. The financial operations of the pools are managed by third-party investment services and oversight is

MONTGOMERY COUNTY, TEXAS
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provided by separate advisory boards. Additional financial oversight for TexPool is provided by the Comptroller of Public Accounts of the State of Texas. Although these pools are not SEC-registered, they adhere to the same standards as money market mutual funds for limitations on its investments, the length of its average weighted maturity, and the valuation of its net position. The external investment pools seek to maintain a net position value of one dollar per share.

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%.

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 \$0.4767 per \$100, which means that the County has a tax margin of \$0.3233 per \$100, and could raise up to \$141,134,229 in additional taxes from the present assessed valuation of \$43,654,262,062 before the limit is reached.

The thirty years' property taxes receivable at September 30, 2015, as reported by the Tax Assessor-Collector are presented as follows:

MONTGOMERY COUNTY, TEXAS

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	Taxes Receivable	Less: Allowance for Uncollectables	Net Taxes Receivable
General Fund	\$4,446,653	\$ 88,933	\$4,357,720
Road & Bridge Fund	582,521	11,650	570,871
Debt Service Funds	953,116	19,062	934,054
Total Receivable	<u>\$5,982,290</u>	<u>\$119,645</u>	<u>\$5,862,645</u>

NOTE 6- DUE FROM OTHER GOVERNMENTS:

At September 30, 2015, the following amounts were recorded as due to the County:

	Federal	State	Local	Total
General Fund	\$ 4,755,844	\$ 751,670	\$2,203,608	\$ 7,711,122
Road & Bridge Fund	-	198,466	65,646	264,112
Special Revenue Funds	773,156	1,563,993	17,809	2,354,958
Pass-Through Toll Projects	-	20,000,000	-	20,000,000
Total Due from Governments	<u>\$ 5,529,000</u>	<u>\$22,514,129</u>	<u>\$2,287,063</u>	<u>\$ 30,330,192</u>

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

NOTE 7- CAPITAL ASSETS:

A) Governmental Activities:

Primary Government Governmental Activities	Beginning Balance	Additions ⁽¹⁾	Deletions ⁽¹⁾	Ending Balance
Land ⁽²⁾	\$ 50,901,250	\$ 9,465,753 ⁽²⁾	\$ (90,750)	\$ 60,276,253
Construction in Progress ⁽⁴⁾	394,720	2,334,983	(952,205)	1,777,498
Total Capital Assets not being depreciated	51,295,970	11,800,736	(1,042,955)	62,053,751
Buildings ⁽³⁾	200,917,316	1,846,054	(492,713)	202,270,657
Improvements ⁽³⁾	23,206,513	104,492	-	23,311,005
Equipment ⁽²⁾⁽³⁾	96,238,799	15,922,535 ⁽²⁾	(8,012,445)	104,148,889
Infrastructure	1,211,357,967	67,884,135	(6,894,459)	1,272,347,643
Total Capital Assets being depreciated	1,531,720,595	85,757,216	(14,414,191)	1,602,078,194
Less accumulated depreciation for:				
Buildings	(58,462,134)	(4,969,862)	-	(63,431,996)
Improvements	(13,068,849)	(1,282,203)	-	(14,351,052)
Equipment	(69,662,212)	(7,883,684)	3,988,054	(73,557,842)
Infrastructure	(782,332,007)	(32,908,338)	5,447,201	(809,793,144)
Total Depreciation	<u>(923,525,202)</u>	<u>(47,044,087)</u>	<u>9,435,255</u>	<u>(961,134,034)</u>
Total Capital Assets, net of Accumulated depreciation	<u>\$ 659,491,363</u>	<u>\$ 50,513,865</u>	<u>\$ (6,021,891)</u>	<u>\$ 702,997,911</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 \$33,490,503 and \$6,272,701 in land and equipment respectively.

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- (3) Internal service fund assets are included in these amounts.
(4) Beginning Balance should be 394,270. The difference has been adjusted in the Deletions column in order to correct the ending balance.

Depreciation Expense:

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

Governmental activities:

General Administration	\$ 2,679,455
Judicial	217,085
Legal Services	81,118
Elections	185,081
Financial Administration	10,972
Public Facilities	1,840,113
Public Safety	4,990,849
Health and Welfare	1,474,848
Culture and Recreation	908,723
Conservation	26,618
Public Transportation	34,592,323
Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets	<u>36,902</u>
Total depreciation expense-governmental activities	<u><u>\$47,044,087</u></u>

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	\$ -	\$ 47,007,011	\$ -	\$ 47,007,011
Total Capital Assets being depreciated	<u>-</u>	<u>47,007,011</u>	<u>-</u>	<u>47,007,011</u>
Less accumulated depreciation for:				
Infrastructure	-	(1,057,658)	-	(1,057,658)
Total Depreciation	<u>-</u>	<u>(1,057,658)</u>	<u>-</u>	<u>(1,057,658)</u>
Total Capital Assets, net of Accumulated depreciation	<u>\$ -</u>	<u>\$ 45,949,353</u>	<u>\$ -</u>	<u>\$ 45,949,353</u>

Over the last few fiscal years, infrastructure for the Toll Road Authority was paid out of road bond funds. During the current year, it was determined that the assets would belong to the Toll Road Authority and were, therefore, recorded as a capital contribution.

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	\$ 1,057,658
Total depreciation expense-governmental activities	<u><u>\$ 1,057,658</u></u>

MONTGOMERY COUNTY, TEXAS

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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, 2015:

<u>Project</u>	<u>Status</u>	<u>Commitment</u>	<u>Paid to Date</u>
Various Road Projects	Under construction	\$ 23,609,652	\$ 8,972,974
Building Remodels	Underway	21,615,280	5,354,091
Airport Improvements	Underway	10,184,282	7,036,259
Energy Renovation Projects	Underway	2,692,264	1,619,731
	Total	<u>\$ 58,101,478</u>	<u>\$ 22,983,055</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	\$ 487,206
Road and Bridge Fund	10,697
Other Non-Major	102,847
Internal Service Funds	1,315
Enterprise Fund	12,513,380
Total Encumbrances	<u>\$ 13,115,445</u>

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, 2015, the following amounts were due to other governments:

<u>Fund</u>	<u>Local</u>	<u>Total</u>
General	<u>\$7,780</u>	<u>\$7,780</u>

B) UNEARNED REVENUES:

The County reports unearned revenues in the governmental funds that consist of two categories: a) receivables for revenues that are not considered to be available to liquidate liabilities of the current period, and b) resources that have been received, but not yet earned.

At the end of September 2015, unearned revenues are presented on the following page:

<u>Fund</u>	<u>Unearned Fees</u>
General	\$4,843,255
Other Non-Major	176,094
Total	<u>\$5,019,349</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, other post-employment benefit liability, and arbitrage due the federal government. Principal and interest payments on the County's bonded

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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, 2015 is presented:

	Interest Rate (%)	Issue Date	Maturity Date	Bonds Outstanding
GENERAL OBLIGATION BONDS:				
Road Bonds Fixed Rate, Series 2006A	4.00-5.00	2006	2027	\$ 490,000
Road Bonds Fixed Rate, Series 2006B	4.75	2006	2028	20,195,000
Refunding Bonds, Series 2007	4.00-5.50	2007	2026	35,375,000
Road Bonds Fixed Rate, Series 2008A	3.50-5.25	2008	2030	3,900,000
Refunding Bonds, Series 2008	3.50-5.00	2008	2018	3,130,000
Road Bonds Fixed Rate, Series 2008B	5.12-5.25	2008	2032	34,705,000
Refunding Bonds, Series 2010	4.00-5.00	2010	2030	43,380,000
Refunding Bonds, Series 2012	2.00-5.00	2012	2026	26,965,000
Refunding Bonds, Series 2014	1.75-2.27	2014	2020	27,765,000
Refunding Bonds, Series 2014A	5.00	2014	2025	73,510,000
TOTAL GENERAL OBLIGATION BONDS				<u>\$269,415,000</u>
REVENUE BONDS:				
Pass-Through Toll Revenue and Limited Tax Bonds, Series 2009	3.00-5.00	2009	2032	24,765,000
Toll Revenue Bonds, Series 2010	3.00-5.00	2011	2021	19,940,000
Pass-Through Toll Revenue and Limited Tax Refunding Bonds, Series 2012	3.00-5.00	2012	2023	15,880,000
TOTAL REVENUE BONDS:				<u>\$60,585,000</u>
CERTIFICATES OF OBLIGATION:				
Series 2006	4.00-5.00	2006	2027	830,000
Series 2007	4.00-4.63	2008	2027	4,945,000
Series 2008	3.50-5.25	2008	2027	9,360,000
Series 2010	3.00-5.40	2010	2039	29,580,000
Series 2012	2.00-5.00	2012	2032	13,395,000
Series 2012A	2.00-5.00	2012	2023	12,890,000
TOTAL CERTIFICATES OF OBLIGATION				<u>\$71,000,000</u>
TOTAL BONDED DEBT				<u><u>\$401,000,000</u></u>

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

MONTGOMERY COUNTY, TEXAS

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B) CHANGES IN LONG-TERM DEBT:

The following schedule illustrates changes in long-term debt for the year ended September 30, 2015. For each category, management has presented the portion that will be due within one year.

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General Obligation	\$ 278,565,000	\$ -	\$ (9,150,000)	\$269,415,000	\$ 9,600,000
Revenue Bonds	67,995,000	-	(7,410,000)	60,585,000	7,760,000
Certificates of Obligation	74,555,000	-	(3,555,000)	71,000,000	4,000,000
Less deferred amounts:					
Issuance discounts	(768,918)	-	48,302	(720,616)	(53,059)
Issuance Premiums	29,025,384	-	(2,219,435)	26,805,949	2,578,064
Total bonds payable	449,371,466	-	(22,286,133)	427,085,333	23,885,005
Capital leases	9,942,261	622,106	(2,869,709)	7,694,658	2,486,525
Workers' Comp Obligation	1,055,988	513,670	(591,726)	977,932	977,932
Medical Obligation	3,698,834	19,302,196	(19,378,644)	3,622,386	3,622,386
OPEB Obligation	46,541,718	13,797,844	(2,624,283)	57,715,279	-
Net Pension Liability	21,422,432	45,068,835	(42,262,242)	24,229,025	-
Compensated absences	11,985,253	7,514,009	(6,479,672)	13,019,590	6,509,102
Total Long-term Liabilities	\$ 544,017,952	\$ 86,818,660	\$ (96,492,409)	\$534,344,203	\$37,480,950

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, \$977,932 for Workers' Compensation obligation and \$3,622,386 for Medical obligation were included in the above amounts.

At year end, \$1,583,544 of special revenue funds compensated absences is included in the above amounts. The remaining balance of \$11,436,046 will be liquidated by the general fund. The OPEB obligation will be liquidated by the general fund.

C) ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY:

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

Maturity	General Obligation Bonds		Revenue Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 9,600,000	\$ 11,913,791	\$ 7,760,000	\$ 2,678,400	\$ 4,000,000	\$ 3,088,174
2017	10,815,000	11,559,206	8,155,000	2,280,525	3,285,000	2,946,896
2018	12,470,000	11,179,194	8,575,000	1,862,275	2,095,000	2,847,924
2019	12,895,000	10,768,838	8,965,000	1,468,600	2,165,000	2,771,124
2020	13,340,000	10,325,931	9,380,000	1,054,800	2,240,000	2,694,511
2021-2025	76,435,000	41,556,663	6,700,000	3,212,750	17,620,000	11,650,675
2026-2030	99,155,000	21,128,491	7,570,000	1,532,800	21,020,000	6,684,405
2031-2035	34,705,000	1,825,113	3,480,000	158,700	11,775,000	3,015,723
2036-2039	-	-	-	-	6,800,000	750,600
Total	\$269,415,000	\$120,257,227	\$ 60,585,000	\$ 14,248,850	\$ 71,000,000	\$ 36,450,032

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

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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.

As of September 30, 2015, defeased but outstanding debt from prior year refunding transactions consisted of the following:

Series	Amount
Certificates of Obligation, Series 2006	\$ 19,090,000
Unlimited Tax Road Bonds, Series 2006A	44,110,000
Certificates of Obligation, Series 2007	2,125,000
Lease Revenue Bonds, Series 2007	33,664,143
Certificates of Obligation, Series 2008	9,210,000
Unlimited Tax Road Bonds, Series 2008A	5,820,000
Total Defeased but Outstanding	\$ 114,019,143

E) FUTURE BORROWING:

At this time, the County anticipates a bond election that could include up to \$280 million in bonds authorized for the purpose of improving roads in Montgomery County. The election, held in November 2015, authorized the issuance of the above amount.

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, 2015, there were fifteen (15) series of bonds outstanding with an aggregate principal payable of \$1,327,199,997. 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, 2014 there were thirty-eight (38) series of Bonds outstanding with an aggregate principal payable of \$2,830,168,985. The Bonds will be repaid from payments required to be made under loan agreements between the issuing entity and the aforementioned parties.

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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 \$622,107 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, 2015 and the funds from which they will be paid are as shown below:

Year Ending	General Fund	Special Revenue Funds	Total
2016	\$ 1,961,917	\$ 804,500	\$ 2,766,417
2017	1,877,660	553,749	2,431,409
2018	1,877,660	440,357	2,318,017
2019	61,022	385,977	446,999
2020	-	385,977	385,977
Total Minimum Lease Payments	5,778,259	2,570,560	8,348,819
Less: amount representing interest	386,294	267,867	654,161
Present value-minimum lease payments	<u>\$ 5,391,965</u>	<u>\$ 2,302,693</u>	<u>\$ 7,694,658</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, 2015 was as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 28,198,221	\$ 83,778,137
Road and Bridge Fund	95,225	823,853
Debt Service Fund	24,117,236	-
Pass-Through Toll Projects Fund	-	9,326,047
Non-major Governmental Funds	22,002,463	4,671,491
Internal Service Funds	31,416,885	6,206,895
Enterprise Fund	-	1,023,607
Total	<u>\$ 105,830,030</u>	<u>\$ 105,830,030</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, 2015 were:

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	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 12,833,839	\$ 23,605,011
Road and Bridge Fund	1,524,754	431,326
Debt Service Fund	1,510,452	-
Nonmajor Governmental Funds	9,655,462	1,574,768
Enterprise Fund	86,598	-
Total	<u>\$ 25,611,105</u>	<u>\$ 25,611,105</u>

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

NOTE 11- FUND BALANCES:

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

	<u>General</u>	<u>Road & Bridge</u>	<u>Debt Service</u>	<u>Pass-Through Toll Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Non-Spendable						
Prepaid	\$ -	\$ -	\$ -	\$ -	\$ 192,207	\$ 192,207
Total Non-Spendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,207</u>	<u>192,207</u>
Restricted for:						
Capital Projects	-	-	-	10,673,953	12,792,647	23,466,600
Debt Service	-	-	32,453,453	-	-	32,453,453
General Admin	-	-	-	-	5,608,779	5,608,779
Judicial	219,010	-	-	-	1,449,845	1,668,855
Legal Services	17,509	-	-	-	291,237	308,746
Elections	-	-	-	-	577,645	577,645
Public Safety	1,692,452	-	-	-	4,489,938	6,182,390
Health & Welfare	1,496,389	-	-	-	2,255,036	3,751,425
Culture & Recreation	-	-	-	-	127,964	127,964
Public Transportation	-	2,545,940	-	-	769,009	3,314,949
Total Restricted	<u>3,425,360</u>	<u>2,545,940</u>	<u>32,453,453</u>	<u>10,673,953</u>	<u>28,362,100</u>	<u>77,460,806</u>
Committed for:						
General Admin	115,354	-	-	-	-	115,354
Financial Admin	53,951	-	-	-	-	53,951
Conservation	6,169	-	-	-	-	6,169
Public Facilities	551,783	-	-	-	-	551,783
Public Safety	490,023	-	-	-	-	490,023
Judicial	1,082	-	-	-	4,281	5,363
Legal Services	138	-	-	-	-	138
Culture & Recreation	17,281	-	-	-	-	17,281
Public Transportation	2,873,584	31,949	-	-	-	2,905,533
Capital Projects	-	-	-	-	10,263,444	10,263,444
Toll Road	6,684,102	-	-	-	-	6,684,102
Total Committed	<u>10,793,467</u>	<u>31,949</u>	<u>-</u>	<u>-</u>	<u>10,267,725</u>	<u>21,093,141</u>
Assigned to:						
OPEB Obligation	38,000,000	-	-	-	-	38,000,000
Judicial	-	-	-	-	1,565,372	1,565,372
Public Facilities	1,288,343	-	-	-	-	1,288,343
Health & Welfare	338,012	-	-	-	-	338,012
Culture & Recreation	1,887,914	-	-	-	-	1,887,914
Public Transportation	927,675	21,857,594	-	-	-	22,785,269
Total Assigned	<u>42,441,944</u>	<u>21,857,594</u>	<u>-</u>	<u>-</u>	<u>1,565,372</u>	<u>65,864,910</u>
Unassigned	<u>40,938,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,938,206</u>
Total Fund Balances	<u>\$97,598,977</u>	<u>\$ 24,435,483</u>	<u>\$ 32,453,453</u>	<u>\$ 10,673,953</u>	<u>\$ 40,387,404</u>	<u>\$205,549,270</u>

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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.

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 \$2,750 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 \$2,069,424, less accumulated depreciation of \$538,050.

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>	
2016	\$ 84,450
2017	87,450
2018	90,450
2019	93,450
2020	96,450
2021	70,750
Total Future Lease Payments	<u>\$523,000</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 \$180,000 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, 2015, were \$472,811. Claims incurred but not reported (IBNR) at September 30, 2015, are estimated to be \$3,149,575. 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.

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Changes in the health claims liability for the two fiscal years ended September 30, 2015 and September 30, 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Unpaid claims, beginning of year	\$ 3,698,834	\$ 3,031,892
Incurred claims (includes IBNR)	19,302,196	17,823,656
Claim payments	(19,378,644)	(17,156,714)
Unpaid claims, end of year	<u>\$ 3,622,386</u>	<u>\$ 3,698,834</u>

During the year ended September 30, 2015, the plan received contributions in the amounts of \$24,521,162 and \$2,264,883 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 \$981,849 in administrative costs and \$2,485,213 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 2015.

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, 2015, the County expended \$35,211 for administrative costs and \$255,360 for excess loss insurance premiums.

Changes in the Workers' Compensation liability for the two fiscal years ended September 30, 2015 and September 30, 2014 are detailed below:

	<u>2015</u>	<u>2014</u>
Unpaid claims, beginning of year	\$ 1,055,988	\$ 1,148,725
Current year claims and changes in estimates (includes IBNR)	513,670	380,428
Claim payments	(591,726)	(473,165)
Unpaid claims, end of year	<u>\$ 977,932</u>	<u>\$ 1,055,988</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. Deductibles 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

Total insured values exceed \$395,000,000 for the first three coverages listed above and an additional \$50,000,000 for boilers and HVAC systems.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2015

The County paid \$453,836 in premiums in fiscal year 2015, 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. Deductibles 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.

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 \$1,650,000 for the fiscal year. Note 16 describes the County's obligation under liability claims for 2015.

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 656 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, 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 monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. The plan is open to new entrants.

MONTGOMERY COUNTY, TEXAS
Notes to the Financial Statements
September 30, 2015

C) **EMPLOYEES COVERED BY BENEFIT TERMS:**

Inactive employees or beneficiaries currently receiving benefits	758
Inactive employees entitled to but not yet receiving benefits	516
Active employees	2,118
Total	3,392

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 \$12,941,853 for the months of the calendar year 2014.

The deposit rate payable by the employee members for calendar year 2014 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, 2014 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, 2014 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 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 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 2015 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.

MONTGOMERY COUNTY, TEXAS
Notes to the Financial Statements
September 30, 2015

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equities	16.50%	5.35%
Private Equity	12.00%	8.35%
Global Equities	1.50%	5.65%
International Equities --Developed	11.00%	5.35%
International Equities - Emerging	9.00%	6.35%
Investment - Grade Bonds	3.00%	0.55%
High-Yield Bonds	3.00%	3.75%
Opportunistic Credit	5.00%	5.54%
Direct Lending	2.00%	5.80%
Distressed Debt	3.00%	6.75%
REIT Equities	2.00%	4.00%
Commodities	2.00%	-0.20%
Master Limited Partnerships	2.00%	5.30%
Private Real Estate Partnerships	3.00%	7.20%
Hedge Funds	25.00%	5.15%
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.

F) PLAN FIDUCIARY NET POSITION:

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

MONTGOMERY COUNTY, TEXAS
Notes to the Financial Statements
September 30, 2015

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, 2013	<u>\$360,878,598</u>	<u>\$339,456,166</u>	<u>\$21,422,432</u>
Changes for the year:			
Service cost	13,961,075	-	13,961,075
Interest	29,231,819	-	29,231,819
Effect of economic/demographic gains or losses	1,603,366	-	1,603,366
Refund of contributions	(923,565)	(923,565)	-
Benefit payments	(13,021,076)	(13,021,076)	-
Administrative expense	-	(272,575)	272,575
Member contributions	-	6,328,534	(6,328,534)
Net investment income	-	22,791,347	(22,791,347)
Employer contributions	-	12,941,853	(12,941,853)
Other changes	-	200,508	(200,508)
Net changes	<u>\$ 30,851,619</u>	<u>\$ 28,045,026</u>	<u>\$ 2,806,593</u>
Balances at December 31, 2014	<u>\$391,730,217</u>	<u>\$367,501,192</u>	<u>\$24,229,025</u>

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)	<u>\$77,654,506</u>	<u>\$24,229,025</u>	<u>\$(19,707,955)</u>

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

For the fiscal year ended September 30, 2015, the County recognized pension expense of \$10,263,660. At September 30, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Contributions made subsequent to the measurement date	<u>\$ 14,894,854</u>
Net difference between projected and actual earnings on pension plan investments	4,148,647
Differences between expected and actual experience	1,336,138

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2015

The \$14,894,854 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, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30, 2015

2016	\$	1,304,389
2017		1,304,389
2018		1,304,389
2019		1,304,389
2020		267,228

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 2015 to prepare for disclosure of this liability in accordance with GASB 45. The projected liability accrual for fiscal year 2015 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.

During the year, the County incurred \$2,624,283 in health care claims for retirees and their dependents. For the year ended September 30, 2015, twenty-eight employees retired from service with the County and met the qualifications stated in Part A above. Currently, there are 268 retirees covered by this benefit. The actual cost recorded by the County is included in Note 13. Retiree contributions for 2015 were \$196,704, and the County paid the remaining amount of claims. The current ARC is 13.63 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.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2015

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:

	2015	2014
Annual Required Contribution	\$13,655,076	\$ 11,969,282
Adjustment to annual required contribution	(1,729,068)	(1,373,731)
Interest Adjustment to Net OPEB obligation	1,871,836	1,487,158
Annual OPEB cost (expense)	13,797,844	12,082,709
Contributions made	(2,624,283)	(2,264,137)
Increase in Net OPEB obligation	11,173,561	9,818,572
Net OPEB obligation – beginning of year	46,541,718	36,723,146
Net OPEB obligation – end of year	<u>\$57,715,279</u>	<u>\$ 46,541,718</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year <u>Ended</u>		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB <u>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

D) FUNDED STATUS AND FUNDING PROGRESS:

As of September 30, 2015, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial Accrued Liability (AAL)	\$153,708,247
Actuarial Value of Plan Assets	<u>0</u>
Unfunded Actuarial Liability (UAAL)	<u>\$153,708,247</u>
Funded Ratio	0%
Annualized Covered Payroll	<u>\$ 100,181,720</u>
UAAL as a percentage of Covered Payroll	153.4%

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

MONTGOMERY COUNTY, TEXAS
Notes to the Financial Statements
September 30, 2015

liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Valuation Date	September 30, 2015
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	8%

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 2015, the County participated in a public entity risk pool, to which certain losses arising from liability claims were transferred. The premium for this coverage, \$280,075, was recorded in the Accident Liability Fund, as part of the Internal Service Funds. In addition, the County expended \$105,000 for damages in connection with two claims, for which the deductible had not been satisfied.

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 \$30,636 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.

MONTGOMERY COUNTY, TEXAS
Notes to the Financial Statements
September 30, 2015

NOTE 17- 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. 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. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2017.

GASB Statement No. 77, *Tax Abatement Disclosures*, will require governments that enter into tax abatement agreements to disclose certain information about those agreements. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2017.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in non-authoritative literature. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2016.

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 interperiod 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 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.

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*, will improve 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 nonemployer contributing entities. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2017.

GASB Statement No. 72, *Fair Value Measurement and Application*, will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2017.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2015

NOTE 18- ACCOUNTING CHANGES:

A) PRIOR PERIOD ADJUSTMENT:

Net Position at September 30, 2014 was restated for the implementation of GASB 68 and GASB 71, and additionally to correct an error. The correction made to eliminate amounts reported in deferred revenue that had been received. These adjustments are presented in the following table:

	Governmental Activities
Beginning Net Position, as previously reported	\$ 398,233,826
Implementation of GASB 68 & 71 for pensions	(18,376,299)
Correction of error – deferred revenue not properly recognized	3,545,373
Beginning net position, as restated	<u>\$ 383,402,900</u>

NOTE 19- SUBSEQUENT EVENTS:

On January 26, 2016, Commissioners Court issued Unlimited Tax Road Bonds, Series 2016 in the amount of \$53,140,000 and Limited Tax Refunding Bonds, Series 2016 in the amount of \$58,925,000. Proceeds from the sale of the Road Bonds will be used for road improvements within the County and payment of the costs of issuance of the Road Bonds. Proceeds from the sale of the Refunding Bonds will be used to refund and defease certain outstanding obligations.

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

	<u>2015*</u>
Total Pension Liability	
Service Cost	\$ 13,961,075
Interest	29,231,819
Effect of economic/demographic gains or losses	1,603,366
Benefit Payments, including refunds of employee contributions	(13,944,641)
Net change in total pension liability	30,851,619
Total pension liability - beginning	360,878,598
Total pension liability - ending	<u>\$ 391,730,217</u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 12,941,853
Contributions - employee	6,328,534
Net Investment income	22,791,347
Benefit payments, including refunds of employee contributions	(13,944,641)
Administrative expenses	(272,575)
Other	200,508
Net change in plan fiduciary net position	28,045,026
Plan Fiduciary Net Position - beginning	339,456,166
Plan Fiduciary Net Position - ending	<u>\$ 367,501,192</u>
County's net pension liability - ending	<u>\$ 24,229,025</u>
Plan fiduciary net position as a percentage of the total pension liability	93.81%
Covered - employee payroll	\$ 105,475,573
County's net pension liability as a percentage of covered-employee payroll	22.97%

* 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*
Actuarially determined contribution	\$ 11,834,359
Actual Employer Contribution	12,941,853
Contribution deficiency (excess)	\$ (1,107,494)
Covered employee payroll	\$ 105,475,573
Contributions as a percentage of covered-employee payroll	12.30%

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, 2015

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 ((b-a)/c)
	(a)	(b)	(b-a)	(a/b)	(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%

SUPPLEMENTARY INFORMATION



GENERAL FUND

General Fund – to account for the day-to-day operations of the County. This fund is the main operating fund of the County and is funded through a complex array of fees, fines, forfeitures, charges for service and ad valorem property taxes.

MANAGERIAL FUNDS

The funds listed below were created as part of the implementation of GASB Statement 54 and are part of the General Fund. However, management desires a separate presentation from the General Fund.

Civic Center Complex Fund - to account for the proceeds of an interlocal agreement with the City of Conroe, whereby the city contributes a portion of its hotel/motel occupancy taxes for the operation of a countywide civic center.

Memorial Library Fund - to account for the operations of a countywide library system. Financing includes ad valorem taxes and user fees.

Animal Shelter Fund - to account for operations of the Montgomery County Animal Shelter. Funding is provided by ad valorem taxes and user fees.

Historical Commission Fund - to account for certain expenditures toward historical projects within the County. Donations and transfers from Road and Bridge Fund finance these projects.

Alternate Dispute Resolution Fund - to account for the operations of the Dispute Resolution Center created by Commissioners' Court in agreement with the Montgomery County Bar Association. Financing is provided by fees assessed on court cases.

Child Welfare Fund - to account for expenditures made in connection with a contract between the County and the State of Texas for the care of neglected and abused children.

Airport Maintenance Fund - to account for operations of the County airport. Funding is provided by user fees and ad valorem taxes.



MONTGOMERY COUNTY, TEXAS

General Fund

Combining Balance Sheet

September 30, 2015

A-1

	General Fund	General Fund Managerial Funds	Total General Fund
<u>ASSETS:</u>			
Cash	\$ 51,610,444	\$ 331,417	\$ 51,941,861
Investments, at Fair Value	114,395,080	1,612,833	116,007,913
Cash, Restricted for Retainage	96,882	2,860	99,742
Receivables:			
Taxes (net)	4,357,720	-	4,357,720
Accounts (net)	429,673	111,801	541,474
Interest	35,704	-	35,704
Due from Other Funds	18,911,567	9,286,654	28,198,221
Due from Other Governments	7,693,851	17,271	7,711,122
<u>TOTAL ASSETS</u>	<u>\$ 197,530,921</u>	<u>\$ 11,362,836</u>	<u>\$ 208,893,757</u>

LIABILITIES AND FUND BALANCES:

LIABILITIES:

Accounts Payable	\$ 17,633,553	\$ 680,886	\$ 18,314,439
Retainage Payable	96,882	2,860	99,742
Due to Other Funds	83,634,479	143,658	83,778,137
Due to Other Governments	7,780	-	7,780
Unearned Revenue	1,638,751	3,204,504	4,843,255
Total Liabilities	<u>103,011,445</u>	<u>4,031,908</u>	<u>107,043,353</u>

DEFERRED INFLOWS OF RESOURCES:

Unavailable revenue - property taxes	4,251,427	-	4,251,427
Total deferred inflows of resources	<u>4,251,427</u>	<u>-</u>	<u>4,251,427</u>

FUND BALANCES:

Restricted	3,410,510	14,850	3,425,360
Committed	7,919,333	2,874,134	10,793,467
Assigned	38,000,000	4,441,944	42,441,944
Unassigned	40,938,206	-	40,938,206
Total Fund Balances	<u>90,268,049</u>	<u>7,330,928</u>	<u>97,598,977</u>

**TOTAL LIABILITIES, DEFERRED
INFLOWS OF RESOURCES AND
FUND BALANCES**

<u>\$ 197,530,921</u>	<u>\$ 11,362,836</u>	<u>\$ 208,893,757</u>
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MONTGOMERY COUNTY, TEXAS

General Fund

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

Year Ended September 30, 2015

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	General Fund	General Fund Managerial Funds	Total General Fund
<u>REVENUES:</u>			
Taxes	\$ 153,691,740	\$ -	\$ 153,691,740
Licenses and Permits	1,856,054	100,189	1,956,243
Fees	15,429,085	141,272	15,570,357
Intergovernmental	3,893,907	569,899	4,463,806
Charges for Services	1,944,063	1,094,088	3,038,151
Interest	452,490	2,773	455,263
Contract Reimbursements	12,926,249	-	12,926,249
Inmate Housing	27,265,236	-	27,265,236
Fines and Forfeitures	79,809	-	79,809
Miscellaneous	1,279,057	55,682	1,334,739
<u>TOTAL REVENUES</u>	<u>218,817,690</u>	<u>1,963,903</u>	<u>220,781,593</u>
<u>EXPENDITURES:</u>			
Current:			
General Administration	28,223,808	-	28,223,808
Judicial	19,687,565	-	19,687,565
Legal Services	2,992,384	119,346	3,111,730
Elections	1,020,934	-	1,020,934
Financial Administration	6,806,814	-	6,806,814
Public Facilities	58,126,495	1,107,018	59,233,513
Public Safety	67,600,160	-	67,600,160
Health and Welfare	6,419,495	1,652,459	8,071,954
Culture and Recreation	-	9,057,205	9,057,205
Conservation	614,280	-	614,280
Public Transportation	-	1,030,822	1,030,822
<u>TOTAL EXPENDITURES</u>	<u>191,491,935</u>	<u>12,966,850</u>	<u>204,458,785</u>
Excess (Deficiency) Revenues Over Expenditures	<u>27,325,755</u>	<u>(11,002,947)</u>	<u>16,322,808</u>
<u>OTHER FINANCING SOURCES/(USES)</u>			
Transfers In	1,572,103	11,261,736	12,833,839
Transfers Out	(23,475,128)	(129,883)	(23,605,011)
Capital Lease Financing	527,585	-	527,585
<u>TOTAL OTHER FINANCING</u>	<u>(21,375,440)</u>	<u>11,131,853</u>	<u>(10,243,587)</u>
Net Change in Fund Balances	5,950,315	128,906	6,079,221
Fund Balances at Beginning of Year	80,772,361	7,202,022	87,974,383
Prior Period Adjustment	3,545,373	-	3,545,373
Fund Balance at Beginning of Year- as restated	84,317,734	7,202,022	91,519,756
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 90,268,049</u>	<u>\$ 7,330,928</u>	<u>\$ 97,598,977</u>

MONTGOMERY COUNTY, TEXAS

General Fund

Balance Sheet

September 30, 2015

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	<u>General Fund</u>
<u>ASSETS:</u>	
Cash	\$ 51,610,444
Investments, at Fair Value	114,395,080
Cash, Restricted for Retainage	96,882
Receivables:	
Taxes (net)	4,357,720
Accounts (net)	429,673
Interest	35,704
Due from Other Funds	18,911,567
Due from Other Governments	7,693,851
<u>TOTAL ASSETS</u>	<u>197,530,921</u>
<u>LIABILITIES:</u>	
Accounts Payable	17,633,553
Retainage Payable	96,882
Due to Other Funds	83,634,479
Due to Other Governments	7,780
Unearned Revenue	1,638,751
Total liabilities	<u>103,011,445</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Unavailable revenue - property taxes	4,251,427
Total deferred inflows of resources	<u>4,251,427</u>
<u>FUND BALANCES:</u>	
Restricted	3,410,510
Committed	7,919,333
Assigned	38,000,000
Unassigned	40,938,206
Total Fund Balances	<u>90,268,049</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	<u>\$ 197,530,921</u>

MONTGOMERY COUNTY, TEXAS
General Fund
Schedule of Revenues and Other Financing Sources
Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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<u>TAXES:</u>	Original Budget	Final Budget	Actual	Variance with Final Budget
Ad Valorem Current	\$ 147,966,750	\$ 147,966,750	\$ 148,464,177	\$ 497,427
Ad Valorem Delinquent	1,156,850	1,156,850	1,186,085	29,235
Penalty and Interest	891,800	891,800	1,378,563	486,763
Mixed Beverage	1,500,000	1,500,000	2,031,517	531,517
Bingo Tax	190,000	190,000	179,917	(10,083)
Miscellaneous Taxes	115,000	115,000	451,481	336,481
Total Taxes	151,820,400	151,820,400	153,691,740	1,871,340

LICENSES AND PERMITS:

Beer Licenses	37,560	37,560	154,778	117,218
Trial Fees	5,000	5,000	3,406	(1,594)
Health Permits	500,000	500,000	568,230	68,230
Recycle Center Permits	-	-	2,750	2,750
Animal Control Transport	10,000	10,000	12,630	2,630
Food Service Permits	500,000	500,000	532,715	32,715
Alarm Permits	637,959	637,959	577,443	(60,516)
Hazardous Waste Mgmt Fees	25,000	25,000	4,102	(20,898)
Total Licenses and Permits	1,715,519	1,715,519	1,856,054	140,535

FEES:

County Judge	13,000	13,000	11,755	(1,245)
County Sheriff	325,000	325,000	343,886	18,886
County Attorney	80,000	80,000	85,110	5,110
County Clerk	3,400,000	3,400,000	3,393,418	(6,582)
Tax Assessor-Collector	1,627,900	1,676,664	4,963,080	3,286,416
District Clerk	1,375,000	1,375,000	1,315,384	(59,616)
Justice of the Peace	4,500,000	4,500,000	4,289,841	(210,159)
Constable	450,000	450,000	378,716	(71,284)
Voter Registration	100	100	198	98
Criminal Justice Fees	430,000	554,516	486,175	(68,341)
Fees of Office	-	-	161,522	(161,522)
Total Fees	12,201,000	12,374,280	15,429,085	3,054,805

INTERGOVERNMENTAL:

Federal Grants	123,539	3,333,111	2,543,881	(789,230)
State Grants	-	1,984,995	658,205	(1,326,790)
Other	420,000	622,190	691,821	69,631
Total Intergovernmental	543,539	5,940,296	3,893,907	(2,046,389)

MONTGOMERY COUNTY, TEXAS
General Fund
Schedule of Revenues and Other Financing Sources
Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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Page 2 of 2

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>CHARGES FOR SERVICES</u>	1,758,693	1,791,868	1,944,063	152,195
<u>INTEREST</u>	433,910	433,910	452,490	18,580
<u>CONTRACT REIMBURSEMENTS</u>	12,067,848	14,009,042	12,926,249	(1,082,793)
<u>INMATE HOUSING</u>	15,800,000	27,323,589	27,265,236	(58,353)
<u>FINES AND FORFEITURES</u>	40,000	40,000	79,809	39,809
<u>MISCELLANEOUS:</u>				
Lease of Facility	10,000	10,000	20,835	10,835
Commissions	465,400	600,865	476,714	(124,151)
Other	439,474	682,667	781,508	98,841
Total Miscellaneous	914,874	1,293,532	1,279,057	(14,475)
<u>TOTAL REVENUES</u>	197,295,783	216,742,436	218,817,690	2,075,254
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	-	471,963	1,572,103	1,100,140
Capital Lease Financing	-	527,585	527,585	-
<u>TOTAL OTHER FINANCING SOURCES</u>	-	999,548	2,099,688	1,100,140
<u>TOTAL REVENUES AND OTHER FINANCING SOURCES</u>	<u>\$ 197,295,783</u>	<u>\$ 217,741,984</u>	<u>\$ 220,917,378</u>	<u>\$ 3,175,394</u>

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>GENERAL ADMINISTRATION:</u>				
County Judge:				
Salaries	\$ 425,668	\$ 392,344	\$ 385,790	\$ 6,554
Employee Benefits	143,008	128,337	119,570	8,767
Supplies	7,550	7,393	6,736	657
Contract Services	11,331	37,020	30,653	6,367
Capital Outlay	-	4,300	4,300	-
Total County Judge	<u>587,557</u>	<u>569,394</u>	<u>547,049</u>	<u>22,345</u>
Human Resources:				
Salaries	370,590	370,590	364,759	5,831
Employee Benefits	143,928	142,978	138,555	4,423
Supplies	9,600	9,600	8,508	1,092
Contract Services	79,846	78,146	34,748	43,398
Capital Outlay	-	1,700	1,634	66
Total Human Resources	<u>603,964</u>	<u>603,014</u>	<u>548,204</u>	<u>54,810</u>
Risk Management:				
Salaries	563,875	563,875	505,010	58,865
Employee Benefits	217,484	215,834	186,788	29,046
Supplies	31,010	38,435	33,976	4,459
Contract Services	122,385	117,685	87,481	30,204
Total Risk Management	<u>934,754</u>	<u>935,829</u>	<u>813,255</u>	<u>122,574</u>
County Clerk:				
Salaries	1,593,674	1,593,674	1,520,881	72,793
Employee Benefits	761,675	754,925	729,914	25,011
Supplies	45,350	47,119	39,441	7,678
Contract Services	26,325	26,729	21,907	4,822
Total County Clerk	<u>2,427,024</u>	<u>2,422,447</u>	<u>2,312,143</u>	<u>110,304</u>
Collections:				
Salaries	247,607	250,403	250,403	-
Employee Benefits	119,430	121,743	121,739	4
Supplies	9,000	9,000	6,365	2,635
Contract Services	62,167	62,983	48,206	14,777
Total Collections	<u>438,204</u>	<u>444,129</u>	<u>426,713</u>	<u>17,416</u>

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses

Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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Page 2 of 10

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>GENERAL ADMINISTRATION(cont'd)</u>				
Veterans' Service:				
Salaries	158,100	159,978	159,978	-
Employee Benefits	66,548	67,520	67,519	1
Supplies	2,052	2,066	2,065	1
Contract Services	2,347	2,849	2,507	342
Total Veterans' Service	229,047	232,413	232,069	344
Information Technology:				
Salaries	2,046,788	2,065,865	2,056,856	9,009
Employee Benefits	723,406	724,076	718,677	5,399
Supplies	1,159,772	1,344,072	1,339,693	4,379
Contract Services	2,926,201	1,395,482	1,285,609	109,873
Capital Outlay	1,126,689	3,026,264	2,523,712	502,552
Total Information Technology	7,982,856	8,555,759	7,924,547	631,212
Purchasing Agent:				
Salaries	1,450,849	1,304,821	1,133,006	171,815
Employee Benefits	534,382	517,705	418,612	99,093
Supplies	14,732	14,470	13,816	654
Contract Services	192,392	226,771	141,176	85,595
Capital Outlay	21,000	21,000	7,951	13,049
Total Purchasing Agent	2,213,355	2,084,767	1,714,561	370,206
County-Wide:				
Salaries	890,306	14,835	-	14,835
Employee Benefits	3,010,000	8,010,000	8,010,000	-
Supplies	759,000	750,185	727,138	23,047
Contract Services	9,264,892	5,149,798	4,968,129	181,669
Total County-Wide	13,924,198	13,924,818	13,705,267	219,551
<u>TOTAL GENERAL ADM</u>	<u>29,340,959</u>	<u>29,772,570</u>	<u>28,223,808</u>	<u>1,548,762</u>
<u>JUDICIAL:</u>				
County Court No1:				
Salaries	347,634	351,766	351,765	1
Employee Benefits	115,780	114,178	114,177	1
Supplies	5,374	5,374	4,261	1,113
Contract Services	6,410	6,668	4,669	1,999
Total County Court No1	475,198	477,986	474,872	3,114
County Court No2:				
Salaries	573,802	577,355	577,355	-
Employee Benefits	207,570	205,333	205,332	1
Supplies	4,304	5,922	5,037	885
Contract Services	10,338	9,002	8,965	37
Total County Court No2	796,014	797,612	796,689	923

MONTGOMERY COUNTY, TEXAS**General Fund****Schedule of Expenditures and Other Financing Uses**
Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>JUDICIAL(cont'd)</u>				
County Court No3:				
Salaries	532,202	538,711	538,711	-
Employee Benefits	175,915	173,742	173,741	1
Supplies	9,570	9,363	4,653	4,710
Contract Services	9,644	9,644	9,390	254
Total County Court No3	727,331	731,460	726,495	4,965
County Court No4:				
Salaries	360,529	365,223	365,208	15
Employee Benefits	118,348	116,579	116,579	-
Supplies	8,155	8,101	6,200	1,901
Contract Services	6,650	7,599	5,259	2,340
Total County Court No4	493,682	497,502	493,246	4,256
County Court No5:				
Salaries	344,557	347,932	347,932	-
Employee Benefits	115,167	113,361	113,360	1
Supplies	8,830	8,830	4,706	4,124
Contract Services	7,334	7,575	2,980	4,595
Total County Court No5	475,888	477,698	468,978	8,720
District Attorney:				
Salaries	6,639,596	7,046,236	6,879,302	166,934
Employee Benefits	2,420,735	2,518,941	2,444,529	74,412
Supplies	144,293	149,047	139,971	9,076
Contract Services	188,822	269,664	262,804	6,860
Capital Outlay	87,592	74,530	68,839	5,691
Total District Attorney	9,481,038	10,058,418	9,795,445	262,973
District Clerk:				
Salaries	2,239,274	2,239,274	2,141,279	97,995
Employee Benefits	1,136,686	1,124,686	1,080,587	44,099
Supplies	90,670	82,209	80,238	1,971
Contract Services	52,506	55,981	44,023	11,958
Capital Outlay	-	10,201	7,922	2,279
Total District Clerk	3,519,136	3,512,351	3,354,049	158,302

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>JUDICIAL(cont'd)</u>				
Justice of Peace Pct 1:				
Salaries	514,527	517,661	516,070	1,591
Employee Benefits	196,591	197,305	197,304	1
Supplies	11,500	12,006	10,713	1,293
Contract Services	23,720	66,513	56,134	10,379
Total Justice of Peace Pct 1	746,338	793,485	780,221	13,264
Justice of Peace Pct 2:				
Salaries	325,984	329,530	329,529	1
Employee Benefits	135,043	134,192	134,192	-
Supplies	8,040	8,040	5,968	2,072
Contract Services	11,665	46,959	33,988	12,971
Total Justice of Peace Pct 2	480,732	518,721	503,677	15,044
Justice of Peace Pct 3:				
Salaries	623,645	626,832	626,831	1
Employee Benefits	287,814	290,546	290,546	-
Supplies	13,791	13,791	13,380	411
Contract Services	20,288	22,444	17,265	5,179
Total Justice of Peace Pct 3	945,538	953,613	948,022	5,591
Justice of Peace Pct 4:				
Salaries	544,965	548,083	548,083	-
Employee Benefits	260,248	261,085	261,084	1
Supplies	9,603	11,076	10,002	1,074
Contract Services	16,468	47,851	41,317	6,534
Total Justice of Peace Pct 4	831,284	868,095	860,486	7,609
Justice of Peace Pct 5:				
Salaries	324,838	328,013	328,013	-
Employee Benefits	134,608	135,423	135,420	3
Supplies	9,362	11,023	9,222	1,801
Contract Services	10,540	31,708	12,730	18,978
Total Justice of Peace Pct 5	479,348	506,167	485,385	20,782
<u>TOTAL JUDICIAL</u>	<u>19,451,527</u>	<u>20,193,108</u>	<u>19,687,565</u>	<u>505,543</u>
<u>LEGAL:</u>				
County Attorney:				
Salaries	2,023,564	2,104,743	2,064,090	40,653
Employee Benefits	730,258	752,595	747,680	4,915
Supplies	43,607	69,221	69,209	12
Contract Services	239,546	300,367	106,447	193,920
Capital Outlay	-	4,958	4,958	-
<u>TOTAL LEGAL</u>	<u>3,036,975</u>	<u>3,231,884</u>	<u>2,992,384</u>	<u>239,500</u>

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses

Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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<u>ELECTIONS:</u>	Original Budget	Final Budget	Actual	Variance with Final Budget
Salaries	760,243	760,243	623,556	136,687
Employee Benefits	268,699	268,699	223,000	45,699
Supplies	55,700	70,687	69,617	1,070
Contract Services	55,846	73,887	69,918	3,969
Capital Outlay	-	36,245	34,843	1,402
<u>TOTAL ELECTIONS</u>	<u>1,140,488</u>	<u>1,209,761</u>	<u>1,020,934</u>	<u>188,827</u>

FINANCIAL ADMINISTRATION:

County Auditor:

Salaries	1,523,155	1,523,155	1,492,057	31,098
Employee Benefits	607,505	602,705	576,051	26,654
Supplies	23,200	18,252	17,245	1,007
Contract Services	51,670	52,727	52,218	509
Total County Auditor	<u>2,205,530</u>	<u>2,196,839</u>	<u>2,137,571</u>	<u>59,268</u>

County Treasurer:

Salaries	475,818	475,818	469,635	6,183
Employee Benefits	188,052	186,702	181,496	5,206
Supplies	12,031	13,066	13,066	-
Contract Services	19,792	20,183	18,162	2,021
Total County Treasurer	<u>695,693</u>	<u>695,769</u>	<u>682,359</u>	<u>13,410</u>

Tax Assessor-Collector:

Salaries	2,496,634	2,502,597	2,395,166	107,431
Employee Benefits	1,223,175	1,212,570	1,100,972	111,598
Supplies	236,490	282,983	175,563	107,420
Contract Services	199,052	215,397	160,318	55,079
Capital Outlay	-	164,135	154,865	9,270
Total Tax Assessor-Collector	<u>4,155,351</u>	<u>4,377,682</u>	<u>3,986,884</u>	<u>390,798</u>
<u>TOTAL FINANCIAL ADM</u>	<u>7,056,574</u>	<u>7,270,290</u>	<u>6,806,814</u>	<u>463,476</u>

PUBLIC FACILITIES:

Custodial Services:

Salaries	1,940,583	1,935,376	1,901,044	34,332
Employee Benefits	836,576	823,789	812,457	11,332
Supplies	375,500	342,993	311,550	31,443
Contract Services	66,830	67,530	63,647	3,883
Capital Outlay	-	54,009	51,941	2,068
Total Custodial Services	<u>3,219,489</u>	<u>3,223,697</u>	<u>3,140,639</u>	<u>83,058</u>

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>PUBLIC FACILITIES (cont'd):</u>				
Building Maintenance:				
Salaries	2,116,819	2,238,431	2,190,594	47,837
Employee Benefits	912,416	944,472	938,131	6,341
Supplies	963,744	1,137,958	860,583	277,375
Contract Services	357,324	1,301,111	1,277,590	23,521
Capital Outlay	172,523	582,338	569,448	12,890
Total Building Maintenance	4,522,826	6,204,310	5,836,346	367,964
Jail:				
Salaries	13,002,430	12,249,220	12,249,220	-
Employee Benefits	6,048,667	5,512,088	5,512,088	-
Supplies	1,889,064	2,018,215	1,590,240	427,975
Contract Services	17,393,771	29,745,040	29,740,785	4,255
Capital Outlay	-	57,177	57,177	-
Total Jail	38,333,932	49,581,740	49,149,510	432,230
<u>TOTAL PUBLIC FACILITIES</u>	46,076,247	59,009,747	58,126,495	883,252
<u>PUBLIC SAFETY:</u>				
Fire Marshal:				
Salaries	1,014,670	1,001,437	969,243	32,194
Employee Benefits	366,120	353,204	332,898	20,306
Supplies	40,170	44,952	33,434	11,518
Contract Services	32,018	39,770	34,620	5,150
Capital Outlay	60,408	163,581	150,015	13,566
Total Fire Marshal	1,513,386	1,602,944	1,520,210	82,734
Constable Pct 1:				
Salaries	2,344,159	2,456,096	2,455,365	731
Employee Benefits	887,391	905,851	901,810	4,041
Supplies	162,698	183,224	156,511	26,713
Contract Services	52,715	128,999	110,285	18,714
Capital Outlay	17,520	159,028	151,312	7,716
Total Constable Pct 1	3,464,483	3,833,198	3,775,283	57,915

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>PUBLIC SAFETY (cont'd):</u>				
Constable Pct 2:				
Salaries	1,107,907	1,147,745	1,137,703	10,042
Employee Benefits	395,961	411,831	409,030	2,801
Supplies	40,434	84,822	37,891	46,931
Contract Services	31,868	66,944	55,283	11,661
Capital Outlay	40,981	59,749	57,365	2,384
Total Constable Pct 2	<u>1,617,151</u>	<u>1,771,091</u>	<u>1,697,272</u>	<u>73,819</u>
Constable Pct 3:				
Salaries	2,154,680	2,221,371	2,201,339	20,032
Employee Benefits	814,594	834,534	817,942	16,592
Supplies	71,236	158,505	148,557	9,948
Contract Services	29,355	48,492	43,824	4,668
Capital Outlay	49,466	239,754	239,734	20
Total Constable Pct 3	<u>3,119,331</u>	<u>3,502,656</u>	<u>3,451,396</u>	<u>51,260</u>
Constable Pct 4:				
Salaries	1,896,650	1,962,354	1,962,010	344
Employee Benefits	716,449	728,798	728,352	446
Supplies	85,670	168,460	164,762	3,698
Contract Services	36,896	42,648	40,334	2,314
Capital Outlay	57,374	145,637	110,305	35,332
Total Constable Pct 4	<u>2,793,039</u>	<u>3,047,897</u>	<u>3,005,763</u>	<u>42,134</u>
Constable Pct 5:				
Salaries	1,623,208	1,663,122	1,609,828	53,294
Employee Benefits	603,563	611,832	587,806	24,026
Supplies	46,735	65,350	48,425	16,925
Contract Services	34,475	38,392	37,195	1,197
Capital Outlay	-	58,822	50,762	8,060
Total Constable Pct 5	<u>2,307,981</u>	<u>2,437,518</u>	<u>2,334,016</u>	<u>103,502</u>
Sheriff:				
Salaries	25,188,864	27,072,550	26,833,091	239,459
Employee Benefits	10,322,553	10,762,365	10,712,946	49,419
Supplies	3,383,793	2,762,438	2,058,711	703,727
Contract Services	2,338,045	2,906,184	2,434,428	471,756
Capital Outlay	1,972,552	2,773,550	1,867,197	906,353
Total Sheriff	<u>43,205,807</u>	<u>46,277,087</u>	<u>43,906,373</u>	<u>2,370,714</u>

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>PUBLIC SAFETY(cont'd)</u>				
Juvenile Services:				
Salaries	3,362,552	3,357,732	3,297,152	60,580
Employee Benefits	1,534,965	1,533,324	1,486,748	46,576
Supplies	82,585	83,918	77,558	6,360
Contract Services	217,277	809,207	348,854	460,353
Capital Outlay	-	100,318	100,250	68
Total Juvenile Services	<u>5,197,379</u>	<u>5,884,499</u>	<u>5,310,562</u>	<u>573,937</u>
Adult Services:				
Supplies	6,129	5,968	4,553	1,415
Contract Services	<u>15,000</u>	<u>22,904</u>	<u>20,732</u>	<u>2,172</u>
Total Adult Services	<u>21,129</u>	<u>28,872</u>	<u>25,285</u>	<u>3,587</u>
Emergency Management:				
Salaries	195,405	443,830	384,160	59,670
Employee Benefits	73,979	171,357	145,640	25,717
Supplies	2,889	126,935	35,042	91,893
Contract Services	7,492	853,778	576,702	277,076
Capital Outlay	-	2,016,156	1,327,150	689,006
Total Emergency Management	<u>279,765</u>	<u>3,612,056</u>	<u>2,468,694</u>	<u>1,143,362</u>
Department of Public Safety:				
Salaries	66,790	67,660	67,660	-
Employee Benefits	36,673	37,199	37,196	3
Supplies	<u>450</u>	<u>450</u>	<u>450</u>	<u>-</u>
Total Dept of Public Safety	<u>103,913</u>	<u>105,309</u>	<u>105,306</u>	<u>3</u>
<u>TOTAL PUBLIC SAFETY</u>	<u>63,623,364</u>	<u>72,103,127</u>	<u>67,600,160</u>	<u>4,502,967</u>
<u>HEALTH AND WELFARE:</u>				
Vehicle Emissions Program:				
Contract Services	<u>-</u>	<u>1,673,120</u>	<u>177,477</u>	<u>1,495,643</u>
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>237,505</u>	<u>41,020</u>

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>HEALTH AND WELFARE:</u>				
Environmental Health:				
Salaries	1,641,618	1,641,857	1,637,562	4,295
Employee Benefits	642,489	640,691	640,690	1
Supplies	44,157	46,020	26,119	19,901
Contract Services	75,540	79,950	56,629	23,321
Total Environmental Health	2,403,804	2,408,518	2,361,000	47,518
Forensic Services:				
Salaries	646,480	704,172	672,297	31,875
Employee Benefits	198,886	216,080	193,770	22,310
Supplies	151,407	75,320	60,285	15,035
Contract Services	292,125	289,393	217,023	72,370
Capital Outlay	-	48,025	48,025	-
Total Forensic Services	1,288,898	1,332,990	1,191,400	141,590
Animal Control:				
Salaries	570,261	563,140	544,051	19,089
Employee Benefits	277,178	273,260	261,249	12,011
Supplies	92,050	104,287	76,885	27,402
Contract Services	80,560	100,854	98,629	2,225
Capital Outlay	79,000	366,918	366,918	-
Total Animal Control	1,099,049	1,408,459	1,347,732	60,727
MCCD County Appropriation:				
Contract Services	1,000	1,000	150	850
Welfare:				
Contract Services	979,231	1,014,231	1,014,231	-
<u>TOTAL HEALTH/WELFARE</u>	<u>6,140,507</u>	<u>8,206,843</u>	<u>6,419,495</u>	<u>1,787,348</u>
<u>CONSERVATION:</u>				
Extension Agent:				
Salaries	488,347	368,075	367,990	85
Employee Benefits	202,646	171,506	157,425	14,081
Supplies	19,780	25,728	18,974	6,754
Contract Services	39,620	72,580	69,891	2,689
<u>TOTAL CONSERVATION</u>	<u>750,393</u>	<u>637,889</u>	<u>614,280</u>	<u>23,609</u>

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses

Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>MISCELLANEOUS:</u>				
Contingency	716,355	95,635	-	95,635
<u>TOTAL MISCELLANEOUS</u>	<u>716,355</u>	<u>95,635</u>	<u>-</u>	<u>95,635</u>
<u>TOTAL EXPENDITURES</u>				
<u>GENERAL FUND</u>	<u>177,333,389</u>	<u>201,730,854</u>	<u>191,491,935</u>	<u>10,238,919</u>
To Civic Center	-	256,901	256,901	-
To Memorial Library	-	323,130	9,323,130	(9,000,000)
To Animal Shelter	-	60,000	1,560,000	(1,500,000)
To Child Welfare	-	-	15,000	(15,000)
To Airport Maintenance	-	66,368	66,368	-
To Attorney Administration	-	-	35,000	(35,000)
To Jury	-	495,418	8,995,418	(8,500,000)
To Road and Bridge	-	1,426,528	1,426,529	(1)
To Juvenile Probation	-	44	44	-
To Court Reporter Service	-	-	10,000	(10,000)
To Courthouse Security	-	-	100,000	(100,000)
To Records Management County	-	-	500,000	(500,000)
To Toll Road	-	86,598	86,598	-
To Debt Service	-	-	1,100,140	(1,100,140)
<u>TOTAL OTHER FINANCING USES</u>	<u>-</u>	<u>2,714,987</u>	<u>23,475,128</u>	<u>(20,760,141)</u>
<u>TOTAL EXPENDITURES AND</u>				
<u>OTHER FINANCING USES</u>	<u>\$ 177,333,389</u>	<u>\$ 204,445,841</u>	<u>\$ 214,967,063</u>	<u>\$ (10,521,222)</u>

MONTGOMERY COUNTY, TEXAS
General Fund - Managerial Funds
Combining Balance Sheet
Year Ended September 30, 2015

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	Civic Center Complex	Memorial Library	Animal Shelter
<u>ASSETS:</u>			
Cash	\$ -	\$ 700	\$ 1,325
Investments, at Fair Value	-	-	-
Cash, Restricted for Retainage	-	-	-
Receivables:			
Accounts	59,871	1,804	-
Due from Other Funds	1,310,487	2,399,411	342,456
Due from Other Governments	-	10,188	-
<u>TOTAL ASSETS</u>	<u>\$ 1,370,358</u>	<u>\$ 2,412,103</u>	<u>\$ 343,781</u>

LIABILITIES AND FUND BALANCES:

<u>LIABILITIES:</u>			
Accounts Payable	\$ 81,999	\$ 523,655	\$ 5,769
Retainage Payable	-	-	-
Due to Other Funds	-	-	-
Unearned Revenue	-	-	-
Total Liabilities	<u>81,999</u>	<u>523,655</u>	<u>5,769</u>

FUND BALANCES:

Restricted	-	-	-
Committed	16	534	-
Assigned	1,288,343	1,887,914	338,012
Total Fund Balances	<u>1,288,359</u>	<u>1,888,448</u>	<u>338,012</u>

**TOTAL LIABILITIES AND
FUND BALANCES**

<u>\$ 1,370,358</u>	<u>\$ 2,412,103</u>	<u>\$ 343,781</u>
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Historical Commission	Alternate Dispute Resolution	Child Welfare	Airport Maintenance	Totals
\$ -	\$ 36,221	\$ -	\$ 293,171	\$ 331,417
-	-	-	1,612,833	1,612,833
-	-	-	2,860	2,860
-	-	-	50,126	111,801
37,337	-	3,339	5,193,624	9,286,654
-	-	7,083	-	17,271
<u>\$ 37,337</u>	<u>\$ 36,221</u>	<u>\$ 10,422</u>	<u>\$ 7,152,614</u>	<u>\$ 11,362,836</u>
\$ -	\$ 11,021	\$ 9,676	\$ 48,766	\$ 680,886
-	-	-	2,860	2,860
37,337	11,096	-	95,225	143,658
-	-	-	3,204,504	3,204,504
<u>37,337</u>	<u>22,117</u>	<u>9,676</u>	<u>3,351,355</u>	<u>4,031,908</u>
-	14,104	746	-	14,850
-	-	-	2,873,584	2,874,134
-	-	-	927,675	4,441,944
<u>-</u>	<u>14,104</u>	<u>746</u>	<u>3,801,259</u>	<u>7,330,928</u>
<u>\$ 37,337</u>	<u>\$ 36,221</u>	<u>\$ 10,422</u>	<u>\$ 7,152,614</u>	<u>\$ 11,362,836</u>

MONTGOMERY COUNTY, TEXAS
General Fund - Managerial Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2015

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	<u>Civic Center Complex</u>	<u>Memorial Library</u>	<u>Animal Shelter</u>
<u>REVENUES:</u>			
Licenses and Permits	\$ 100,189	\$ -	\$ -
Fees	-	-	17,669
Intergovernmental	548,429	10,189	-
Charges for Services	535,552	155,561	-
Interest	-	-	-
Miscellaneous	-	1,977	(3,988)
<u>TOTAL REVENUES</u>	<u>1,184,170</u>	<u>167,727</u>	<u>13,681</u>
<u>EXPENDITURES:</u>			
Legal Services	-	-	-
Public Facilities	1,107,018	-	-
Health and Welfare	-	-	1,583,191
Culture and Recreation	-	9,012,205	-
Public Transportation	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>1,107,018</u>	<u>9,012,205</u>	<u>1,583,191</u>
Excess (Deficiency) Revenues Over Expenditures	<u>77,152</u>	<u>(8,844,478)</u>	<u>(1,569,510)</u>
<u>OTHER FINANCING SOURCES/ (USES):</u>			
Transfers In	256,901	9,323,130	1,560,000
Transfers Out	(1,754)	(28,850)	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>255,147</u>	<u>9,294,280</u>	<u>1,560,000</u>
Net Change in Fund Balances	332,299	449,802	(9,510)
Fund Balances at Beginning of Year	<u>956,060</u>	<u>1,438,646</u>	<u>347,522</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 1,288,359</u>	<u>\$ 1,888,448</u>	<u>\$ 338,012</u>

Historical Commission	Alternate Dispute Resolution	Child Welfare	Airport Maintenance	Totals
\$ -	\$ -	\$ -	\$ -	\$ 100,189
-	123,603	-	-	141,272
-	-	11,281	-	569,899
-	-	-	402,975	1,094,088
-	102	-	2,671	2,773
7,663	-	-	50,030	55,682
7,663	123,705	11,281	455,676	1,963,903
-	119,346	-	-	119,346
-	-	-	-	1,107,018
-	-	69,268	-	1,652,459
45,000	-	-	-	9,057,205
-	-	-	1,030,822	1,030,822
45,000	119,346	69,268	1,030,822	12,966,850
(37,337)	4,359	(57,987)	(575,146)	(11,002,947)
37,337	-	15,000	69,368	11,261,736
-	-	(54)	(99,225)	(129,883)
37,337	-	14,946	(29,857)	11,131,853
-	4,359	(43,041)	(605,003)	128,906
-	9,745	43,787	4,406,262	7,202,022
\$ -	\$ 14,104	\$ 746	\$ 3,801,259	\$ 7,330,928

MONTGOMERY COUNTY, TEXAS
Civic Center Complex - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Licenses and Permits	\$ 65,000	\$ 65,000	\$ 100,189	\$ 35,189
Charges for Service	430,000	430,000	535,552	105,552
Intergovernmental	575,000	575,000	548,429	(26,571)
Total Revenues	1,070,000	1,070,000	1,184,170	114,170
<u>EXPENDITURES:</u>				
Facilities:				
Salaries	443,731	443,731	430,783	12,948
Employee Benefits	193,551	191,851	181,098	10,753
Supplies	140,929	154,293	127,580	26,713
Contract Services	205,112	452,013	367,557	84,456
Total Expenditures	983,323	1,241,888	1,107,018	134,870
Excess (Deficiency) Revenues Over Expenditures	86,677	(171,888)	77,152	249,040
<u>OTHER FINANCING SOURCES/(USES):</u>				
Transfers In	-	256,901	256,901	-
Transfers Out	-	(1,754)	(1,754)	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	-	255,147	255,147	-
Net Change in Fund Balance	86,677	83,259	332,299	249,040
Fund Balance at Beginning of Year	956,060	956,060	956,060	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 1,042,737</u>	<u>\$ 1,039,319</u>	<u>\$ 1,288,359</u>	<u>\$ 249,040</u>

MONTGOMERY COUNTY, TEXAS
Memorial Library - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Charges for Service	\$ 140,000	\$ 140,000	\$ 155,561	\$ 15,561
Intergovernmental	-	10,188	10,189	1
Miscellaneous	-	-	1,977	1,977
Total Revenues	140,000	150,188	167,727	17,539
<u>EXPENDITURES:</u>				
Culture & Recreation:				
Salaries	5,351,383	5,351,383	5,143,863	207,520
Employee Benefits	2,442,801	2,414,301	2,342,462	71,839
Supplies	602,379	606,787	569,395	37,392
Contract Services	397,760	718,635	653,164	65,471
Capital Outlay	250,000	307,101	303,321	3,780
Total Expenditures	9,044,323	9,398,207	9,012,205	386,002
Excess (Deficiency) Revenues Over Expenditures	(8,904,323)	(9,248,019)	(8,844,478)	403,541
<u>OTHER FINANCING SOURCES/(USES):</u>				
Transfers In	-	323,130	9,323,130	9,000,000
Transfers Out	-	(28,850)	(28,850)	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	-	294,280	9,294,280	9,000,000
Net Change in Fund Balance	(8,904,323)	(8,953,739)	449,802	9,403,541
Fund Balance at Beginning of Year	1,438,646	1,438,646	1,438,646	-
<u>FUND BALANCE AT END OF YEAR</u>	\$ (7,465,677)	\$ (7,515,093)	\$ 1,888,448	\$ 9,403,541

MONTGOMERY COUNTY, TEXAS
Animal Shelter - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 15,000	\$ 15,000	\$ 17,669	\$ 2,669
Miscellaneous	-	-	(3,988)	(3,988)
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>13,681</u>	<u>(1,319)</u>
<u>EXPENDITURES:</u>				
Health & Welfare:				
Contract Services	<u>1,531,328</u>	<u>1,591,328</u>	<u>1,583,191</u>	<u>8,137</u>
Total Expenditures	<u>1,531,328</u>	<u>1,591,328</u>	<u>1,583,191</u>	<u>8,137</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(1,516,328)</u>	<u>(1,576,328)</u>	<u>(1,569,510)</u>	<u>6,818</u>
<u>OTHER FINANCING</u>				
<u>SOURCES:</u>				
Transfers In	<u>-</u>	<u>60,000</u>	<u>1,560,000</u>	<u>1,500,000</u>
Net Change in Fund Balance	<u>(1,516,328)</u>	<u>(1,516,328)</u>	<u>(9,510)</u>	<u>1,506,818</u>
Fund Balance at Beginning of Year	<u>347,522</u>	<u>347,522</u>	<u>347,522</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (1,168,806)</u>	<u>\$ (1,168,806)</u>	<u>\$ 338,012</u>	<u>\$ 1,506,818</u>

MONTGOMERY COUNTY, TEXAS
Historical Commission - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Miscellaneous	\$ -	\$ -	\$ 7,663	\$ 7,663
Total Revenues	-	-	7,663	7,663
<u>EXPENDITURES:</u>				
Culture & Recreation:				
Contract Services	45,000	45,000	45,000	-
Total Expenditures	45,000	45,000	45,000	-
Excess (Deficiency) Revenues Over Expenditures	(45,000)	(45,000)	(37,337)	7,663
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	-	-	37,337	37,337
Net Change in Fund Balance	(45,000)	(45,000)	-	45,000
Fund Balance at Beginning of Year	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (45,000)</u>	<u>\$ (45,000)</u>	<u>\$ -</u>	<u>\$ 45,000</u>

MONTGOMERY COUNTY, TEXAS
Alternate Dispute Resolution - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 129,500	\$ 129,500	\$ 123,603	\$ (5,897)
Interest	-	-	102	102
Total Revenues	<u>129,500</u>	<u>129,500</u>	<u>123,705</u>	<u>(5,795)</u>
<u>EXPENDITURES:</u>				
Legal Services:				
Contract Services	<u>129,500</u>	<u>129,500</u>	<u>119,346</u>	<u>10,154</u>
Total Expenditures	<u>129,500</u>	<u>129,500</u>	<u>119,346</u>	<u>10,154</u>
Net Change in Fund Balance	-	-	4,359	4,359
Fund Balance at Beginning of Year	<u>9,745</u>	<u>9,745</u>	<u>9,745</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 9,745</u>	<u>\$ 9,745</u>	<u>\$ 14,104</u>	<u>\$ 4,359</u>

MONTGOMERY COUNTY, TEXAS
Child Welfare - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2015

A-13

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Intergovernmental	\$ -	\$ 6,500	\$ 11,281	\$ 4,781
Total Revenues	-	6,500	11,281	4,781
<u>EXPENDITURES:</u>				
Health and Welfare:				
Salaries	-	52,339	26,204	26,135
Supplies	34,600	36,546	30,494	6,052
Contract Services	43,850	54,186	12,570	41,616
Total Expenditures	78,450	143,071	69,268	73,803
Excess (Deficiency) Revenues Over Expenditures	(78,450)	(136,571)	(57,987)	78,584
<u>OTHER FINANCING</u>				
<u>SOURCES:</u>				
Transfers In	-	-	15,000	15,000
Transfers Out	-	(54)	(54)	-
<u>TOTAL OTHER FINANCING</u>	-	(54)	14,946	15,000
<u>SOURCES/(USES)</u>				
Net Change in Fund Balance	(78,450)	(136,625)	(43,041)	93,584
Fund Balance at Beginning of Year	43,787	43,787	43,787	-
<u>FUND BALANCE AT</u>				
<u>END OF YEAR</u>	\$ (34,663)	\$ (92,838)	\$ 746	\$ 93,584

MONTGOMERY COUNTY, TEXAS
Airport Maintenance - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2015

A-14

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Charges for Service	\$ 350,000	\$ 2,938,157	\$ 402,975	\$ (2,535,182)
Interest	700	700	2,671	1,971
Miscellaneous	-	50,000	50,030	30
Total Revenues	<u>350,700</u>	<u>2,988,857</u>	<u>455,676</u>	<u>(2,533,181)</u>
<u>EXPENDITURES:</u>				
Public Transportation:				
Salaries	343,702	350,757	342,576	8,181
Employee Benefits	115,619	124,632	120,442	4,190
Supplies	44,374	44,374	38,174	6,200
Contract Services	18,175	189,202	125,116	64,086
Capital Outlay	44,409	3,249,377	404,514	2,844,863
Total Expenditures	<u>566,279</u>	<u>3,958,342</u>	<u>1,030,822</u>	<u>2,927,520</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(215,579)</u>	<u>(969,485)</u>	<u>(575,146)</u>	<u>394,339</u>
<u>OTHER FINANCING SOURCES/(USES):</u>				
Transfers In	-	69,368	69,368	-
Transfers Out	-	(99,225)	(99,225)	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>-</u>	<u>(29,857)</u>	<u>(29,857)</u>	<u>-</u>
Net Change in Fund Balance	(215,579)	(999,342)	(605,003)	394,339
Fund Balance at Beginning of Year	<u>4,406,262</u>	<u>4,406,262</u>	<u>4,406,262</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 4,190,683</u>	<u>\$ 3,406,920</u>	<u>\$ 3,801,259</u>	<u>\$ 394,339</u>

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MONTGOMERY COUNTY, TEXAS**Nonmajor Governmental Funds****Combining Balance Sheet****September 30, 2015**

B-1

	Special Revenue	Capital Projects	Total
<u>ASSETS:</u>			
Cash	\$ 4,777,626	\$ 26,307	\$ 4,803,933
Investments, at Fair Value	6,133,563	14,565,389	20,698,952
Cash, Restricted for Retainage	-	1,280	1,280
Receivables:			
Accounts (net)	38,307	-	38,307
Due from Other Funds	8,723,697	13,278,766	22,002,463
Due from Other Governments	2,354,958	-	2,354,958
Prepaid Items	192,207	-	192,207
<u>TOTAL ASSETS</u>	<u>\$ 22,220,358</u>	<u>\$ 27,871,742</u>	<u>\$ 50,092,100</u>

**LIABILITIES AND
FUND BALANCES:****LIABILITIES:**

Accounts Payable	\$ 3,098,680	\$ 1,508,124	\$ 4,606,804
Retainage Payable	87,525	162,782	250,307
Due to Other Funds	1,526,746	3,144,745	4,671,491
Unearned Revenue	176,094	-	176,094
Total Liabilities	<u>4,889,045</u>	<u>4,815,651</u>	<u>9,704,696</u>

FUND BALANCES:

Nonspendable	192,207	-	192,207
Restricted	15,569,453	12,792,647	28,362,100
Committed	4,281	10,263,444	10,267,725
Assigned	1,565,372	-	1,565,372
Total Fund Balances	<u>17,331,313</u>	<u>23,056,091</u>	<u>40,387,404</u>

**TOTAL LIABILITIES AND
FUND BALANCES**

<u>\$ 22,220,358</u>	<u>\$ 27,871,742</u>	<u>\$ 50,092,100</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, 2015

B-2

	Special Revenue	Capital Projects	Totals
<u>REVENUES:</u>			
Fees	\$ 2,876,236	\$ -	\$ 2,876,236
Intergovernmental	17,248,580	-	17,248,580
Charges for Services	850,634	-	850,634
Interest	13,625	13,169	26,794
Contract Reimbursements	15,617,964	-	15,617,964
Fines and Forfeitures	1,637,834	-	1,637,834
Miscellaneous	557,323	-	557,323
<u>TOTAL REVENUES</u>	<u>38,802,196</u>	<u>13,169</u>	<u>38,815,365</u>
<u>EXPENDITURES:</u>			
Current:			
General Administration	1,758,809	-	1,758,809
Judicial	12,599,372	-	12,599,372
Legal Services	276,617	-	276,617
Elections	867,504	-	867,504
Public Safety	5,249,221	-	5,249,221
Health and Welfare	17,129,098	-	17,129,098
Culture and Recreation	125,195	-	125,195
Public Transportation	9,860,308	-	9,860,308
Capital Projects	-	18,035,840	18,035,840
<u>TOTAL EXPENDITURES</u>	<u>47,866,124</u>	<u>18,035,840</u>	<u>65,901,964</u>
(Deficiency) Revenues Over Expenditures	(9,063,928)	(18,022,671)	(27,086,599)
<u>OTHER FINANCING SOURCES/(USES)</u>			
Transfers In	9,655,462	-	9,655,462
Transfers Out	(1,114,456)	(460,312)	(1,574,768)
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>8,541,006</u>	<u>(460,312)</u>	<u>8,080,694</u>
Net Change in Fund Balances	(522,922)	(18,482,983)	(19,005,905)
Fund Balances at Beginning of Year	17,854,235	41,539,074	59,393,309
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 17,331,313</u>	<u>\$ 23,056,091</u>	<u>\$ 40,387,404</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, 2014, the purpose of these grants is to assist the County in recovering from Hurricane Ike and the devastating fires in the southern part of the County.

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.

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 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, 2015

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	Attorney Administration	Forfeitures	FEMA Disaster Grants	Jury	Sheriff Commissary
<u>ASSETS:</u>					
Cash	\$ 6,007	\$ 665,379	\$ -	\$ 168,941	\$ 1,035,112
Investments, at Fair Value	-	-	-	-	-
Receivables:					
Accounts	5	-	-	4,457	-
Due from Other Funds	-	-	256,912	1,910,338	-
Due from Other Governments	1,125	-	-	277,001	-
Prepaid Items	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 7,137</u>	<u>\$ 665,379</u>	<u>\$ 256,912</u>	<u>\$ 2,360,737</u>	<u>\$ 1,035,112</u>

LIABILITIES AND FUND BALANCES:

<u>LIABILITIES:</u>					
Accounts Payable	\$ 2,760	\$ 1,900	\$ -	\$ 784,683	\$ 5,725
Retainage Payable	-	-	-	-	-
Due to Other Funds	2,965	-	-	-	-
Unearned Revenue	-	-	-	6,401	-
Total Liabilities	<u>5,725</u>	<u>1,900</u>	<u>-</u>	<u>791,084</u>	<u>5,725</u>

FUND BALANCES:

Nonspendable	-	-	-	-	-
Restricted	1,412	663,479	256,912	-	1,029,387
Committed	-	-	-	4,281	-
Assigned	-	-	-	1,565,372	-
Total Fund Balances	<u>1,412</u>	<u>663,479</u>	<u>256,912</u>	<u>1,569,653</u>	<u>1,029,387</u>

**TOTAL LIABILITIES AND
FUND BALANCES**

<u>\$ 7,137</u>	<u>\$ 665,379</u>	<u>\$ 256,912</u>	<u>\$ 2,360,737</u>	<u>\$ 1,035,112</u>
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Memorial Library	Community Development	Memo Totals from Page 119	Memo Totals from Page 121	Memo Totals from Page 123	Totals
\$ -	\$ -	\$ 874,634	\$ 667,172	\$ 1,360,381	\$ 4,777,626
-	-	5,414,333	260,022	459,208	6,133,563
-	31,952	1,893	-	-	38,307
143,730	36,614	4,686,324	1,571,132	118,647	8,723,697
-	642,242	1,285,210	33,776	115,604	2,354,958
-	-	192,207	-	-	192,207
<u>\$ 143,730</u>	<u>\$ 710,808</u>	<u>\$ 12,454,601</u>	<u>\$ 2,532,102</u>	<u>\$ 2,053,840</u>	<u>\$ 22,220,358</u>
\$ 5,578	\$ 444,889	\$ 1,719,321	\$ 98,344	\$ 35,480	\$ 3,098,680
-	87,525	-	-	-	87,525
10,188	-	28,305	51,940	1,433,348	1,526,746
-	169,693	-	-	-	176,094
<u>15,766</u>	<u>702,107</u>	<u>1,747,626</u>	<u>150,284</u>	<u>1,468,828</u>	<u>4,889,045</u>
-	-	192,207	-	-	192,207
127,964	8,701	10,514,768	2,381,818	585,012	15,569,453
-	-	-	-	-	4,281
-	-	-	-	-	1,565,372
<u>127,964</u>	<u>8,701</u>	<u>10,706,975</u>	<u>2,381,818</u>	<u>585,012</u>	<u>17,331,313</u>
<u>\$ 143,730</u>	<u>\$ 710,808</u>	<u>\$ 12,454,601</u>	<u>\$ 2,532,102</u>	<u>\$ 2,053,840</u>	<u>\$ 22,220,358</u>

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2015

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	Law Library	Juvenile Probation	Records Management and Preservation	Pre-Trial Diversion
<u>ASSETS:</u>				
Cash	\$ 48,228	\$ 720,302	\$ 65,095	\$ -
Investments, at Fair Value	285,425	-	4,288,821	-
Receivables:				
Accounts	188	1,305	-	400
Due from Other Funds	-	1,244,516	445,286	318,049
Due from Other Governments	-	156,048	-	-
Prepaid Items	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 333,841</u>	<u>\$ 2,122,171</u>	<u>\$ 4,799,202</u>	<u>\$ 318,449</u>

LIABILITIES AND FUND BALANCES:

LIABILITIES:

Accounts Payable	\$ 27,726	\$ 146,405	\$ 19,326	\$ 70,870
Retainage Payable	-	-	-	-
Due to Other Funds	14,878	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>42,604</u>	<u>146,405</u>	<u>19,326</u>	<u>70,870</u>

FUND BALANCES:

Nonspendable	-	-	-	-
Restricted	291,237	1,975,766	4,779,876	247,579
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>291,237</u>	<u>1,975,766</u>	<u>4,779,876</u>	<u>247,579</u>

TOTAL LIABILITIES AND

<u>FUND BALANCES</u>	<u>\$ 333,841</u>	<u>\$ 2,122,171</u>	<u>\$ 4,799,202</u>	<u>\$ 318,449</u>
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Airport Grants	Mental Health Facility	Records Management County	Records Management District Clerk	Memo Totals to Page 117
\$ - 692,280	\$ - -	\$ 24,788 -	\$ 16,221 147,807	\$ 874,634 5,414,333
-	-	-	-	1,893
23,661	2,590,108	64,704	-	4,686,324
45,701	1,083,461	-	-	1,285,210
192,207	-	-	-	192,207
<u>\$ 953,849</u>	<u>\$ 3,673,569</u>	<u>\$ 89,492</u>	<u>\$ 164,028</u>	<u>\$ 12,454,601</u>
\$ -	\$ 1,427,234	\$ 27,760	\$ -	\$ 1,719,321
-	-	-	-	-
-	-	-	13,427	28,305
-	-	-	-	-
<u>-</u>	<u>1,427,234</u>	<u>27,760</u>	<u>13,427</u>	<u>1,747,626</u>
192,207	-	-	-	192,207
761,642	2,246,335	61,732	150,601	10,514,768
-	-	-	-	-
-	-	-	-	-
<u>953,849</u>	<u>2,246,335</u>	<u>61,732</u>	<u>150,601</u>	<u>10,706,975</u>
<u>\$ 953,849</u>	<u>\$ 3,673,569</u>	<u>\$ 89,492</u>	<u>\$ 164,028</u>	<u>\$ 12,454,601</u>

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2015

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Page 3 of 4

	Digital Preservation County and District	District Clerk Record Preservation	Court Guardianship	Court Reporter
<u>ASSETS:</u>				
Cash	\$ 7,706	\$ 9,051	\$ 2,036	\$ 34,901
Investments, at Fair Value	181,201	78,821	-	-
Receivables:				
Accounts	-	-	-	-
Due from Other Funds	178,672	-	119,221	-
Due from Other Governments	-	-	-	-
Prepaid Items	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 367,579</u>	<u>\$ 87,872</u>	<u>\$ 121,257</u>	<u>\$ 34,901</u>

LIABILITIES AND FUND BALANCES:

LIABILITIES:

Accounts Payable	\$ -	\$ -	\$ 3,820	\$ 7,056
Retainage Payable	-	-	-	-
Due to Other Funds	-	13,719	-	20,367
Deferred Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>13,719</u>	<u>3,820</u>	<u>27,423</u>

FUND BALANCES:

Nonspendable	-	-	-	-
Restricted	367,579	74,153	117,437	7,478
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>367,579</u>	<u>74,153</u>	<u>117,437</u>	<u>7,478</u>

TOTAL LIABILITIES AND

<u>FUND BALANCES</u>	<u>\$ 367,579</u>	<u>\$ 87,872</u>	<u>\$ 121,257</u>	<u>\$ 34,901</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 117
\$ 44,327	\$ 5,673	\$ 3,654	\$ 14,634	\$ 18,049	\$ 527,141	\$ 667,172
-	-	-	-	-	-	260,022
-	-	-	-	-	-	-
50,136	3,843	76,647	568,384	574,229	-	1,571,132
-	-	-	-	-	33,776	33,776
-	-	-	-	-	-	-
<u>\$ 94,463</u>	<u>\$ 9,516</u>	<u>\$ 80,301</u>	<u>\$ 583,018</u>	<u>\$ 592,278</u>	<u>\$ 560,917</u>	<u>\$ 2,532,102</u>

\$ 56,273	\$ 1,741	\$ -	\$ 1,952	\$ 10,643	\$ 16,859	\$ 98,344
-	-	-	-	-	-	-
-	-	-	-	-	17,854	51,940
-	-	-	-	-	-	-
<u>56,273</u>	<u>1,741</u>	<u>-</u>	<u>1,952</u>	<u>10,643</u>	<u>34,713</u>	<u>150,284</u>

-	-	-	-	-	-	-
38,190	7,775	80,301	581,066	581,635	526,204	2,381,818
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>38,190</u>	<u>7,775</u>	<u>80,301</u>	<u>581,066</u>	<u>581,635</u>	<u>526,204</u>	<u>2,381,818</u>

<u>\$ 94,463</u>	<u>\$ 9,516</u>	<u>\$ 80,301</u>	<u>\$ 583,018</u>	<u>\$ 592,278</u>	<u>\$ 560,917</u>	<u>\$ 2,532,102</u>
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MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2015

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	Contract Elections Services	HAVA Grant Fund	Federal ARRA Grants	Memo Totals to Page 117
<u>ASSETS:</u>				
Cash	\$ 1,360,381	\$ -	\$ -	\$ 1,360,381
Investments, at Fair Value	459,208	-	-	459,208
Receivables:				
Accounts	-	-	-	-
Due from Other Funds	-	118,647	-	118,647
Due from Other Governments	-	-	115,604	115,604
Prepaid Items	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 1,819,589</u>	<u>\$ 118,647</u>	<u>\$ 115,604</u>	<u>\$ 2,053,840</u>

LIABILITIES AND FUND BALANCES:

<u>LIABILITIES:</u>				
Accounts Payable	\$ 7,846	\$ -	\$ 27,634	\$ 35,480
Retainage Payable	-	-	-	-
Due to Other Funds	1,352,745	-	80,603	1,433,348
Deferred Revenue	-	-	-	-
Total Liabilities	<u>1,360,591</u>	<u>-</u>	<u>108,237</u>	<u>1,468,828</u>

FUND BALANCES:

Nonspendable	-	-	-	-
Restricted	458,998	118,647	7,367	585,012
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>458,998</u>	<u>118,647</u>	<u>7,367</u>	<u>585,012</u>

TOTAL LIABILITIES AND

<u>FUND BALANCES</u>	<u>\$ 1,819,589</u>	<u>\$ 118,647</u>	<u>\$ 115,604</u>	<u>\$ 2,053,840</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, 2015

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	Attorney Administration	Forfeitures	FEMA Disaster Grants	Jury	Sheriff Commissary
<u>REVENUES:</u>					
Fees	\$ -	\$ -	\$ -	\$ 352,364	\$ -
Intergovernmental	-	-	35,045	1,157,596	-
Charges for Services	16,665	-	-	-	823,475
Interest	19	2,604	-	293	2,439
Contract Reimbursements	-	-	-	540,452	-
Fines and Forfeitures	-	1,017,324	-	620,510	-
Miscellaneous	-	-	-	366,158	-
<u>TOTAL REVENUES</u>	<u>16,684</u>	<u>1,019,928</u>	<u>35,045</u>	<u>3,037,373</u>	<u>825,914</u>
<u>EXPENDITURES:</u>					
General Administration	53,792	-	-	-	-
Judicial	-	-	-	11,971,484	-
Legal Services	-	-	-	-	-
Elections	-	-	-	-	-
Public Safety	-	1,261,575	-	-	723,859
Health and Welfare	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Public Transportation	-	-	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>53,792</u>	<u>1,261,575</u>	<u>-</u>	<u>11,971,484</u>	<u>723,859</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(37,108)</u>	<u>(241,647)</u>	<u>35,045</u>	<u>(8,934,111)</u>	<u>102,055</u>
<u>OTHER FINANCING SOURCES/ (USES):</u>					
Transfers In	35,000	-	-	8,995,418	-
Transfers Out	-	-	-	(14,316)	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>8,981,102</u>	<u>-</u>
Net Change in Fund Balances	(2,108)	(241,647)	35,045	46,991	102,055
Fund Balances at Beginning of Year	<u>3,520</u>	<u>905,126</u>	<u>221,867</u>	<u>1,522,662</u>	<u>927,332</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 1,412</u>	<u>\$ 663,479</u>	<u>\$ 256,912</u>	<u>\$ 1,569,653</u>	<u>\$ 1,029,387</u>

Memorial Library	Community Development	Memo Totals from Page 127	Memo Totals from Page 129	Memo Totals from Page 131	Totals
\$ -	\$ -	\$ 1,143,627	\$ 1,380,245	\$ -	\$ 2,876,236
-	3,861,551	11,038,253	-	1,156,135	17,248,580
-	-	10,494	-	-	850,634
-	-	3,564	1,444	3,262	13,625
-	-	15,077,512	-	-	15,617,964
-	-	-	-	-	1,637,834
88,092	-	49,399	8	53,666	557,323
88,092	3,861,551	27,322,849	1,381,697	1,213,063	38,802,196
-	-	1,705,017	-	-	1,758,809
-	-	-	627,888	-	12,599,372
-	-	276,617	-	-	276,617
-	-	-	-	867,504	867,504
-	-	2,550,246	713,541	-	5,249,221
-	3,852,851	13,276,247	-	-	17,129,098
125,195	-	-	-	-	125,195
-	-	9,681,421	-	178,887	9,860,308
125,195	3,852,851	27,489,548	1,341,429	1,046,391	47,866,124
(37,103)	8,700	(166,699)	40,268	166,672	(9,063,928)
-	-	515,044	110,000	-	9,655,462
-	-	(1,100,140)	-	-	(1,114,456)
-	-	(585,096)	110,000	-	8,541,006
(37,103)	8,700	(751,795)	150,268	166,672	(522,922)
165,067	1	11,458,770	2,231,550	418,340	17,854,235
\$ 127,964	\$ 8,701	\$ 10,706,975	\$ 2,381,818	\$ 585,012	\$ 17,331,313

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2015

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	Law Library	Juvenile Probation	Records Management and Preservation	Pre-Trial Diversion
<u>REVENUES:</u>				
Fees	\$ 228,916	\$ -	\$ 645,695	\$ 62,801
Intergovernmental	-	2,769,223	-	-
Charges for Services	-	10,494	-	-
Interest	222	1,848	1,444	-
Contract Reimbursements	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	9,122	15,277	-	-
<u>TOTAL REVENUES</u>	<u>238,260</u>	<u>2,796,842</u>	<u>647,139</u>	<u>62,801</u>
<u>EXPENDITURES:</u>				
General Administration	-	-	954,312	85,783
Judicial	-	-	-	-
Legal Services	276,617	-	-	-
Elections	-	-	-	-
Public Safety	-	2,550,246	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Public Transportation	-	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>276,617</u>	<u>2,550,246</u>	<u>954,312</u>	<u>85,783</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(38,357)</u>	<u>246,596</u>	<u>(307,173)</u>	<u>(22,982)</u>
<u>OTHER FINANCING SOURCES/ (USES):</u>				
Transfers In	-	44	-	-
Transfers Out	-	-	-	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>-</u>	<u>44</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(38,357)	246,640	(307,173)	(22,982)
Fund Balances at Beginning of Year	<u>329,594</u>	<u>1,729,126</u>	<u>5,087,049</u>	<u>270,561</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 291,237</u>	<u>\$ 1,975,766</u>	<u>\$ 4,779,876</u>	<u>\$ 247,579</u>

Airport Grants	Mental Health Facility	Records Management County	Records Management District Clerk	Memo Totals to Page 125
\$ -	\$ -	\$ 160,938	\$ 45,277	\$ 1,143,627
8,269,030	-	-	-	11,038,253
-	-	-	-	10,494
-	-	-	50	3,564
-	15,077,512	-	-	15,077,512
-	-	-	-	-
25,000	-	-	-	49,399
8,294,030	15,077,512	160,938	45,327	27,322,849
-	-	606,476	58,446	1,705,017
-	-	-	-	-
-	-	-	-	276,617
-	-	-	-	-
-	-	-	-	2,550,246
-	13,276,247	-	-	13,276,247
-	-	-	-	-
9,681,421	-	-	-	9,681,421
9,681,421	13,276,247	606,476	58,446	27,489,548
(1,387,391)	1,801,265	(445,538)	(13,119)	(166,699)
15,000	-	500,000	-	515,044
-	(1,100,140)	-	-	(1,100,140)
15,000	(1,100,140)	500,000	-	(585,096)
(1,372,391)	701,125	54,462	(13,119)	(751,795)
2,326,240	1,545,210	7,270	163,720	11,458,770
\$ 953,849	\$ 2,246,335	\$ 61,732	\$ 150,601	\$ 10,706,975

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2015

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	Digital Preservation County and District	District Clerk Record Preservation	Court Guardianship	Court Reporter	Courthouse Security
<u>REVENUES:</u>					
Fees	\$ 61,540	\$ 70,776	\$ 22,633	\$ 139,262	\$ 313,054
Intergovernmental	-	-	-	-	-
Charges for Services	-	-	-	-	-
Interest	61	27	-	-	-
Contract Reimbursements	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<u>TOTAL REVENUES</u>	<u>61,601</u>	<u>70,803</u>	<u>22,633</u>	<u>139,262</u>	<u>313,054</u>
<u>EXPENDITURES:</u>					
General Administration	-	-	-	-	-
Judicial	-	79,058	4,445	175,837	-
Legal Services	-	-	-	-	-
Elections	-	-	-	-	-
Public Safety	-	-	-	-	391,264
Health and Welfare	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Public Transportation	-	-	-	-	-
<u>TOTAL EXPENDITURES</u>	<u>-</u>	<u>79,058</u>	<u>4,445</u>	<u>175,837</u>	<u>391,264</u>
Excess (Deficiency) Revenues Over Expenditures	<u>61,601</u>	<u>(8,255)</u>	<u>18,188</u>	<u>(36,575)</u>	<u>(78,210)</u>
<u>OTHER FINANCING SOURCES/ (USES):</u>					
Transfers In	-	-	-	10,000	100,000
Transfers Out	-	-	-	-	-
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>100,000</u>
Net Change in Fund Balances	61,601	(8,255)	18,188	(26,575)	21,790
Fund Balances at Beginning of Year	<u>305,978</u>	<u>82,408</u>	<u>99,249</u>	<u>34,053</u>	<u>16,400</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 367,579</u>	<u>\$ 74,153</u>	<u>\$ 117,437</u>	<u>\$ 7,478</u>	<u>\$ 38,190</u>

Court Technology County and District	Justice Court Building Security	Justice Court Technology	Juvenile Case Manager	Bond Supervision	Memo Totals to Page 125
\$ 19,399	\$ 35,383	\$ 152,600	\$ 130,932	\$ 434,666	\$ 1,380,245
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,356	1,444
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8	-	-	8
19,399	35,383	152,608	130,932	436,022	1,381,697
-	-	-	-	-	-
31,571	-	121,636	215,341	-	627,888
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	322,277	713,541
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
31,571	-	121,636	215,341	322,277	1,341,429
(12,172)	35,383	30,972	(84,409)	113,745	40,268
-	-	-	-	-	110,000
-	-	-	-	-	-
-	-	-	-	-	110,000
(12,172)	35,383	30,972	(84,409)	113,745	150,268
19,947	44,918	550,094	666,044	412,459	2,231,550
\$ 7,775	\$ 80,301	\$ 581,066	\$ 581,635	\$ 526,204	\$ 2,381,818



MONTGOMERY COUNTY, TEXAS

Nonmajor Special Revenue Funds

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

Year Ended September 30, 2015

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	Contract Elections Services	HAVA Grant Fund	ARRA Grant Fund	Memo Totals to Page 125
<u>REVENUES:</u>				
Fees	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,030,914	-	125,221	1,156,135
Charges for Services	-	-	-	-
Interest	3,262	-	-	3,262
Contract Reimbursements	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	53,666	53,666
<u>TOTAL REVENUES</u>	<u>1,034,176</u>	<u>-</u>	<u>178,887</u>	<u>1,213,063</u>
<u>EXPENDITURES:</u>				
General Administration	-	-	-	-
Judicial	-	-	-	-
Legal Services	-	-	-	-
Elections	867,504	-	-	867,504
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Public Transportation	-	-	178,887	178,887
<u>TOTAL EXPENDITURES</u>	<u>867,504</u>	<u>-</u>	<u>178,887</u>	<u>1,046,391</u>
Net Change in Fund Balances	166,672	-	-	166,672
Fund Balances at Beginning of Year	292,326	118,647	7,367	418,340
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 458,998</u>	<u>\$ 118,647</u>	<u>\$ 7,367</u>	<u>\$ 585,012</u>

MONTGOMERY COUNTY, TEXAS

Attorney Administration Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Charges for Service	\$ 34,349	\$ 34,349	\$ 16,665	\$ (17,684)
Interest	-	-	19	19
Total Revenues	34,349	34,349	16,684	(17,665)
<u>EXPENDITURES:</u>				
General Administration:				
Salaries	53,333	53,333	34,992	18,341
Employee Benefits	22,516	22,516	18,632	3,884
Supplies	965	965	-	965
Contract Services	250	250	168	82
Total Expenditures	77,064	77,064	53,792	23,272
Excess (Deficiency) Revenues Over Expenditures	(42,715)	(42,715)	(37,108)	5,607
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	-	-	35,000	35,000
Net Change in Fund Balance	(42,715)	(42,715)	(2,108)	40,607
Fund Balance at Beginning of Year	3,520	3,520	3,520	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (39,195)</u>	<u>\$ (39,195)</u>	<u>\$ 1,412</u>	<u>\$ 40,607</u>

MONTGOMERY COUNTY, TEXAS

Forfeitures Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Interest	\$ -	\$ 360	\$ 2,604	\$ 2,244
Fines and Forfeitures	700,477	1,443,425	1,017,324	(426,101)
Total Revenues	<u>700,477</u>	<u>1,443,785</u>	<u>1,019,928</u>	<u>(423,857)</u>
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	27,409	46,994	43,759	3,235
Employee Benefits	4,970	14,323	13,555	768
Supplies	326,272	558,219	442,635	115,584
Contract Services	130,280	231,494	203,649	27,845
Capital Outlay	225,533	624,284	557,977	66,307
Total Expenditures	<u>714,464</u>	<u>1,475,314</u>	<u>1,261,575</u>	<u>213,739</u>
Net Change in Fund Balance	(13,987)	(31,529)	(241,647)	(210,118)
Fund Balance at Beginning of Year	<u>905,126</u>	<u>905,126</u>	<u>905,126</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 891,139</u>	<u>\$ 873,597</u>	<u>\$ 663,479</u>	<u>\$ (210,118)</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, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Intergovernmental:				
Federal Grants	\$ -	\$ -	\$ 35,045	\$ 35,045
Total Revenues	-	-	35,045	35,045
Net Change in Fund Balance	-	-	35,045	35,045
Fund Balance at Beginning of Year	221,867	221,867	221,867	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$221,867</u>	<u>\$ 221,867</u>	<u>\$ 256,912</u>	<u>\$ 35,045</u>

MONTGOMERY COUNTY, TEXAS

Jury Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 60,000	\$ 310,653	\$ 352,364	\$ 41,711
Intergovernmental:				
Federal Grants	153,264	-	-	-
State Grants	449,575	1,050,696	1,085,096	34,400
Other	125,000	125,000	72,500	(52,500)
Charges for Services	222,000	2,730	-	(2,730)
Interest	200	200	293	93
Contract Reimbursements	960,833	-	540,452	540,452
Fines and Forfeitures	500,000	542,336	620,510	78,174
Miscellaneous	-	960,833	366,158	(594,675)
Total Revenues	<u>2,470,872</u>	<u>2,992,448</u>	<u>3,037,373</u>	<u>44,925</u>
<u>EXPENDITURES:</u>				
Judicial:				
Salaries	3,051,473	3,041,258	2,940,725	100,533
Employee Benefits	1,163,314	1,148,052	1,098,716	49,336
Supplies	59,421	70,517	57,936	12,581
Contract Services	7,171,541	8,179,701	7,874,107	305,594
Capital Outlay	-	-	-	-
Total Expenditures	<u>11,445,749</u>	<u>12,439,528</u>	<u>11,971,484</u>	<u>468,044</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(8,974,877)</u>	<u>(9,447,080)</u>	<u>(8,934,111)</u>	<u>512,969</u>
<u>OTHER FINANCING SOURCES/(USES):</u>				
Transfers In	-	495,418	8,995,418	8,500,000
Transfers Out	-	(14,316)	(14,316)	-
TOTAL OTHER FINANCING SOURCES /(USES)	<u>-</u>	<u>481,102</u>	<u>8,981,102</u>	<u>8,500,000</u>
Net Change in Fund Balance	(8,974,877)	(8,965,978)	46,991	9,012,969
Fund Balance at Beginning of Year	<u>1,522,662</u>	<u>1,522,662</u>	<u>1,522,662</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (7,452,215)</u>	<u>\$ (7,443,316)</u>	<u>\$ 1,569,653</u>	<u>\$ 9,012,969</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, 2015

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Charges for Services	\$ 315,000	\$ 936,818	\$ 823,475	\$ (113,343)
Interest	-	-	2,439	2,439
Total Revenues	<u>315,000</u>	<u>936,818</u>	<u>825,914</u>	<u>(110,904)</u>
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	-	80,048	80,046	2
Employee Benefits	-	41,771	39,813	1,958
Supplies	259,000	346,300	346,271	29
Contract Services	41,000	57,700	52,894	4,806
Capital Outlay	15,000	411,000	204,835	206,165
Total Expenditures	<u>315,000</u>	<u>936,819</u>	<u>723,859</u>	<u>212,960</u>
Net Change in Fund Balance	-	(1)	102,055	102,056
Fund Balance at Beginning of Year	<u>927,332</u>	<u>927,332</u>	<u>927,332</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 927,332</u>	<u>\$ 927,331</u>	<u>\$1,029,387</u>	<u>\$ 102,056</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, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Miscellaneous	\$ -	\$ 88,092	\$ 88,092	\$ -
Total Revenues	-	88,092	88,092	-
<u>EXPENDITURES:</u>				
Culture and Recreation:				
Supplies	-	44,675	27,232	17,443
Contract Services	-	58,500	10,188	48,312
Capital Outlay	-	136,109	87,775	48,334
Total Expenditures	-	239,284	125,195	114,089
Net Change in Fund Balance	-	(151,192)	(37,103)	114,089
Fund Balance at Beginning of Year	165,067	165,067	165,067	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 165,067</u>	<u>\$ 13,875</u>	<u>\$ 127,964</u>	<u>\$ 114,089</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, 2015

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Intergovernmental:				
Federal Grants	\$ 2,882,071	\$ 3,075,430	\$ 3,861,551	\$ 786,121
Total Revenues	<u>2,882,071</u>	<u>3,075,430</u>	<u>3,861,551</u>	<u>786,121</u>
<u>EXPENDITURES:</u>				
Health and Welfare:				
Salaries	346,704	454,279	412,671	41,608
Employee Benefits	127,489	160,611	146,853	13,758
Supplies	16,200	9,969	2,833	7,136
Contract Services	2,391,479	2,833,313	1,106,647	1,726,666
Capital Outlay	200	3,588,062	2,183,847	1,404,215
Total Expenditures	<u>2,882,072</u>	<u>7,046,234</u>	<u>3,852,851</u>	<u>3,193,383</u>
Net Change in Fund Balance	-	(3,970,804)	8,700	3,979,504
Fund Balance at Beginning of Year	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 1</u>	<u>\$ (3,970,803)</u>	<u>\$ 8,701</u>	<u>\$ 3,979,504</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, 2015

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ 200,000	\$ 200,000	\$ 228,916	\$ 28,916
Interest	-	-	222	222
Miscellaneous	-	-	9,122	9,122
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>238,260</u>	<u>38,260</u>
<u>EXPENDITURES:</u>				
Legal Services:				
Salaries	169,379	169,379	114,058	55,321
Employee Benefits	68,794	68,794	48,759	20,035
Supplies	16,000	15,705	4,768	10,937
Contract Services	67,507	59,998	46,335	13,663
Capital Outlay	60,000	70,486	62,697	7,789
Total Expenditures	<u>381,680</u>	<u>384,362</u>	<u>276,617</u>	<u>107,745</u>
Net Change in Fund Balance	(181,680)	(184,362)	(38,357)	146,005
Fund Balance at Beginning of Year	<u>329,594</u>	<u>329,594</u>	<u>329,594</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 147,914</u>	<u>\$ 145,232</u>	<u>\$ 291,237</u>	<u>\$ 146,005</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, 2015

C-11

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Intergovernmental:				
Federal Grants	\$ -	\$ 52,874	\$ 68,184	\$ 15,310
State Grants	-	2,706,280	2,701,039	(5,241)
Charges for Services	-	-	10,494	10,494
Interest	-	-	1,848	1,848
Miscellaneous	-	15,277	15,277	-
Total Revenues	<u>-</u>	<u>2,774,431</u>	<u>2,796,842</u>	<u>22,411</u>
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	-	2,156,249	1,101,380	1,054,869
Benefits	-	989,567	506,453	483,114
Supplies	-	105,205	67,862	37,343
Contract Services	-	2,322,645	820,501	1,502,144
Capital Outlay	-	54,050	54,050	-
Total Expenditures	<u>-</u>	<u>5,627,716</u>	<u>2,550,246</u>	<u>3,077,470</u>
Excess (Deficiency) Revenues Over Expenditures	<u>-</u>	<u>(2,853,285)</u>	<u>246,596</u>	<u>3,099,881</u>
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	<u>-</u>	<u>44</u>	<u>44</u>	<u>-</u>
Net Change in Fund Balance	-	(2,853,241)	246,640	3,099,881
Fund Balance at Beginning of Year	<u>1,729,126</u>	<u>1,729,126</u>	<u>1,729,126</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 1,729,126</u>	<u>\$ (1,124,115)</u>	<u>\$ 1,975,766</u>	<u>\$ 3,099,881</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, 2015

C-12

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 394,845	\$ 871,287	\$ 645,695	\$ (225,592)
Interest	-	-	1,444	1,444
Total Revenues	<u>394,845</u>	<u>871,287</u>	<u>647,139</u>	<u>(224,148)</u>
<u>EXPENDITURES:</u>				
General Administration:				
Salaries	202,694	211,694	167,349	44,345
Employee Benefits	87,322	89,115	58,071	31,044
Supplies	12,400	30,749	16,959	13,790
Contract Services	92,429	807,519	589,791	217,728
Capital Outlay	-	163,500	122,142	41,358
Total Expenditures	<u>394,845</u>	<u>1,302,577</u>	<u>954,312</u>	<u>348,265</u>
Net Change in Fund Balance	-	(431,290)	(307,173)	124,117
Fund Balance at Beginning of Year	<u>5,087,049</u>	<u>5,087,049</u>	<u>5,087,049</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 5,087,049</u>	<u>\$ 4,655,759</u>	<u>\$ 4,779,876</u>	<u>\$ 124,117</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, 2015

C-13

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ 58,119	\$ 142,898	\$ 62,801	\$ (80,097)
Total Revenues	<u>58,119</u>	<u>142,898</u>	<u>62,801</u>	<u>(80,097)</u>
<u>EXPENDITURES:</u>				
General Administration:				
Salaries	25,198	83,846	61,978	21,868
Employee Benefits	5,227	28,594	12,532	16,062
Supplies	24,694	27,190	8,004	19,186
Contract Services	3,000	3,269	3,269	-
Total Expenditures	<u>58,119</u>	<u>142,899</u>	<u>85,783</u>	<u>57,116</u>
Net Change in Fund Balance	-	(1)	(22,982)	(22,981)
Fund Balance at Beginning of Year	<u>270,561</u>	<u>270,561</u>	<u>270,561</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 270,561</u>	<u>\$ 270,560</u>	<u>\$ 247,579</u>	<u>\$ (22,981)</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, 2015

C-14

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Intergovernmental:				
Federal Grants	\$ -	\$ 135,000	\$ 8,223,329	\$ 8,088,329
State Grants	-	100,000	45,701	(54,299)
Miscellaneous	-	25,000	25,000	-
Total Revenues	-	260,000	8,294,030	8,034,030
<u>EXPENDITURES:</u>				
Public Transportation:				
Capital Outlay	50,000	10,691,835	9,681,421	1,010,414
Total Expenditures	50,000	10,691,835	9,681,421	1,010,414
Excess (Deficiency) Revenues Over Expenditures	(50,000)	(10,431,835)	(1,387,391)	9,044,444
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	-	15,000	15,000	-
Net Change in Fund Balance	(50,000)	(10,416,835)	(1,372,391)	9,044,444
Fund Balance at Beginning of Year	2,326,240	2,326,240	2,326,240	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,276,240</u>	<u>\$ (8,090,595)</u>	<u>\$ 953,849</u>	<u>\$ 9,044,444</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, 2015

C-15

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Contract Reimbursement	\$ 15,000,000	\$ 15,417,450	\$15,077,512	\$ (339,938)
Total Revenues	<u>15,000,000</u>	<u>15,417,450</u>	<u>15,077,512</u>	<u>(339,938)</u>
<u>EXPENDITURES:</u>				
Health and Welfare:				
Contract Services	13,178,789	13,596,239	13,190,212	406,027
Capital Outlay - Building	-	86,035	86,035	-
Total Expenditures	<u>13,178,789</u>	<u>13,682,274</u>	<u>13,276,247</u>	<u>406,027</u>
Excess Revenues Over Expenditures	<u>1,821,211</u>	<u>1,735,176</u>	<u>1,801,265</u>	<u>66,089</u>
<u>OTHER FINANCING (USES):</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(1,100,140)</u>	<u>(1,100,140)</u>
Net Change in Fund Balance	1,821,211	1,735,176	701,125	(1,034,051)
Fund Balance at Beginning of Year	<u>1,545,210</u>	<u>1,545,210</u>	<u>1,545,210</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 3,366,421</u>	<u>\$ 3,280,386</u>	<u>\$ 2,246,335</u>	<u>\$ (1,034,051)</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, 2015

C-16

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 133,000	\$ 158,915	\$ 160,938	\$ 2,023
Total Revenues	133,000	158,915	160,938	2,023
<u>EXPENDITURES:</u>				
General Administration:				
Salaries	322,114	371,310	324,774	46,536
Employee Benefits	167,315	188,799	163,478	25,321
Supplies	16,620	12,814	12,602	212
Contract Services	25,521	26,678	13,662	13,016
Capital Outlay	67,944	96,509	91,960	4,549
Total Expenditures	599,514	696,110	606,476	89,634
Excess (Deficiency) Revenues Over Expenditures	(466,514)	(537,195)	(445,538)	91,657
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	-	-	500,000	500,000
Net Change in Fund Balance	(466,514)	(537,195)	54,462	591,657
Fund Balance at Beginning of Year	7,270	7,270	7,270	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (459,244)</u>	<u>\$ (529,925)</u>	<u>\$ 61,732</u>	<u>\$ 591,657</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, 2015

C-17

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 58,640	\$ 58,640	\$ 45,277	\$ (13,363)
Investment Earnings	-	-	50	50
Total Revenues	58,640	58,640	45,327	(13,313)
<u>EXPENDITURES:</u>				
General Administration:				
Supplies	-	106	106	-
Contract Services	58,640	58,640	58,340	300
Total Expenditures	58,640	58,746	58,446	300
Net Change in Fund Balance	-	(106)	(13,119)	(13,013)
Fund Balance at Beginning of Year	163,720	163,720	163,720	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 163,720</u>	<u>\$ 163,614</u>	<u>\$ 150,601</u>	<u>\$ (13,013)</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, 2015

C-18

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ -	\$ -	\$ 61,540	\$ 61,540
Interest	-	-	61	61
Total Revenues	-	-	61,601	61,601
Net Change in Fund Balance	-	-	61,601	61,601
Fund Balance at Beginning of Year	305,978	305,978	305,978	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 305,978</u>	<u>\$ 305,978</u>	<u>\$ 367,579</u>	<u>\$ 61,601</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, 2015

C-19

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 40,000	\$ 40,000	\$ 70,776	\$ 30,776
Interest	-	-	27	27
Total Revenues	40,000	40,000	70,803	30,803
<u>EXPENDITURES:</u>				
Judicial:				
Contract Services	40,000	79,060	79,058	2
Total Expenditures	40,000	79,060	79,058	2
Net Change in Fund Balance	-	(39,060)	(8,255)	30,805
Fund Balance at Beginning of Year	82,408	82,408	82,408	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 82,408</u>	<u>\$ 43,348</u>	<u>\$ 74,153</u>	<u>\$ 30,805</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, 2015

C-20

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ 1,200	\$ 4,445	\$ 22,633	\$ 18,188
Total Revenues	<u>1,200</u>	<u>4,445</u>	<u>22,633</u>	<u>18,188</u>
<u>EXPENDITURES:</u>				
Judicial:				
Contract Services	<u>1,200</u>	<u>4,445</u>	<u>4,445</u>	<u>-</u>
Total Expenditures	<u>1,200</u>	<u>4,445</u>	<u>4,445</u>	<u>-</u>
Net Change in Fund Balance	-	-	18,188	18,188
Fund Balance at Beginning of Year	<u>99,249</u>	<u>99,249</u>	<u>99,249</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 99,249</u>	<u>\$ 99,249</u>	<u>\$ 117,437</u>	<u>\$ 18,188</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, 2015

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	\$ 109,504	\$ 139,262	\$ 29,758
Total Revenues	<u>40,000</u>	<u>109,504</u>	<u>139,262</u>	<u>29,758</u>
<u>EXPENDITURES:</u>				
Judicial:				
Supplies	24,505	32,886	24,695	8,191
Contract Services	<u>117,269</u>	<u>179,334</u>	<u>151,142</u>	<u>28,192</u>
Total Expenditures	<u>141,774</u>	<u>212,220</u>	<u>175,837</u>	<u>36,383</u>
(Deficiency) Revenues Over Expenditures	<u>(101,774)</u>	<u>(102,716)</u>	<u>(36,575)</u>	<u>66,141</u>
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Net Change in Fund Balance	(101,774)	(102,716)	(26,575)	76,141
Fund Balance at Beginning of Year	<u>34,053</u>	<u>34,053</u>	<u>34,053</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (67,721)</u>	<u>\$ (68,663)</u>	<u>\$ 7,478</u>	<u>\$ 76,141</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, 2015

C-22

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ 265,000	\$ 265,000	\$ 313,054	\$ 48,054
Total Revenues	<u>265,000</u>	<u>265,000</u>	<u>313,054</u>	<u>48,054</u>
<u>EXPENDITURES:</u>				
Public Safety:				
Contract Services	475,000	475,000	391,264	83,736
Capital Outlay	-	2,217	-	2,217
Total Expenditures	<u>475,000</u>	<u>477,217</u>	<u>391,264</u>	<u>85,953</u>
(Deficiency) Revenues				
Over Expenditures	<u>(210,000)</u>	<u>(212,217)</u>	<u>(78,210)</u>	<u>134,007</u>
<u>OTHER FINANCING SOURCES:</u>				
Transfers In	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Net Change in Fund Balance	(210,000)	(212,217)	21,790	234,007
Fund Balance at Beginning of Year	<u>16,400</u>	<u>16,400</u>	<u>16,400</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ (193,600)</u>	<u>\$ (195,817)</u>	<u>\$ 38,190</u>	<u>\$ 234,007</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, 2015

C-23

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ 4,056	\$ 36,961	\$ 19,399	\$ (17,562)
Total Revenues	<u>4,056</u>	<u>36,961</u>	<u>19,399</u>	<u>(17,562)</u>
<u>EXPENDITURES:</u>				
Judicial:				
Supplies	-	13,503	9,975	3,528
Contract Services	4,056	9,043	8,944	99
Capital Outlay	-	14,143	12,652	1,491
Total Expenditures	<u>4,056</u>	<u>36,689</u>	<u>31,571</u>	<u>5,118</u>
Net Change in Fund Balance	-	272	(12,172)	(12,444)
Fund Balance at Beginning of Year	<u>19,947</u>	<u>19,947</u>	<u>19,947</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u><u>\$ 19,947</u></u>	<u><u>\$ 20,219</u></u>	<u><u>\$ 7,775</u></u>	<u><u>\$ (12,444)</u></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, 2015

C-24

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Fees	\$ -	\$ -	\$ 35,383	\$ 35,383
Total Revenues	-	-	35,383	35,383
Net Change in Fund Balance	-	-	35,383	35,383
Fund Balance at Beginning of Year	44,918	44,918	44,918	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 44,918</u>	<u>\$ 44,918</u>	<u>\$ 80,301</u>	<u>\$ 35,383</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, 2015

C-25

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ 1,828	\$ 130,238	\$ 152,600	\$ 22,362
Miscellaneous	-	-	8	8
Total Revenues	<u>1,828</u>	<u>130,238</u>	<u>152,608</u>	<u>22,370</u>
<u>EXPENDITURES:</u>				
Judicial:				
Supplies	-	18,707	15,419	3,288
Contract Services	1,828	7,212	6,096	1,116
Capital Outlay	-	104,590	100,121	4,469
Total Expenditures	<u>1,828</u>	<u>130,509</u>	<u>121,636</u>	<u>8,873</u>
Net Change in Fund Balance	-	(271)	30,972	31,243
Fund Balance at Beginning of Year	<u>550,094</u>	<u>550,094</u>	<u>550,094</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u><u>\$ 550,094</u></u>	<u><u>\$ 549,823</u></u>	<u><u>\$ 581,066</u></u>	<u><u>\$ 31,243</u></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, 2015

C-26

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ 218,709	\$ 226,093	\$ 130,932	\$ (95,161)
Total Revenues	<u>218,709</u>	<u>226,093</u>	<u>130,932</u>	<u>(95,161)</u>
<u>EXPENDITURES:</u>				
Judicial:				
Salaries	143,402	149,264	146,492	2,772
Employee Benefits	75,307	76,069	68,389	7,680
Contract Services	-	760	460	300
Total Expenditures	<u>218,709</u>	<u>226,093</u>	<u>215,341</u>	<u>10,752</u>
Net Change in Fund Balance	-	-	(84,409)	(84,409)
Fund Balance at Beginning of Year	<u>666,044</u>	<u>666,044</u>	<u>666,044</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 666,044</u>	<u>\$ 666,044</u>	<u>\$ 581,635</u>	<u>\$ (84,409)</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, 2015

C-27

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Fees	\$ -	\$ 475,000	\$ 434,666	\$ (40,334)
Interest	-	300	1,356	1,056
Total Revenues	-	475,300	436,022	(39,278)
<u>EXPENDITURES:</u>				
Public Safety:				
Salaries	-	300,000	196,206	103,794
Employee Benefits	-	100,300	81,865	18,435
Supplies	-	2,000	1,861	139
Contract Services	-	73,000	42,345	30,655
Total Expenditures	-	475,300	322,277	153,023
Net Change in Fund Balance	-	-	113,745	113,745
Fund Balance at Beginning of Year	412,459	412,459	412,459	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 412,459</u>	<u>\$ 412,459</u>	<u>\$ 526,204</u>	<u>\$ 113,745</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, 2015

C-28

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Intergovernmental:				
Other	\$ -	\$ 1,030,914	\$ 1,030,914	\$ -
Interest	-	3,262	3,262	-
Total Revenues	-	1,034,176	1,034,176	-
<u>EXPENDITURES:</u>				
Elections:				
Salaries	-	421,793	421,793	-
Employee Benefits	-	83,107	83,107	-
Supplies	-	114,955	114,955	-
Contract Services	-	227,862	227,862	-
Capital Outlay	-	19,787	19,787	-
Total Expenditures	-	867,504	867,504	-
Net Change in Fund Balance	-	166,672	166,672	-
Fund Balance at Beginning of Year	292,326	292,326	292,326	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 292,326</u>	<u>\$ 458,998</u>	<u>\$ 458,998</u>	<u>\$ -</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, 2015

C-29

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balance at Beginning of Year	<u>118,647</u>	<u>118,647</u>	<u>118,647</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u><u>\$ 118,647</u></u>	<u><u>\$ 118,647</u></u>	<u><u>\$ 118,647</u></u>	<u><u>\$ -</u></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, 2015

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES:</u>				
Intergovernmental:				
Federal Grants	\$ -	\$ 375,221	\$ 125,221	\$ (250,000)
Miscellaneous	-	303,666	53,666	(250,000)
Total Revenues	-	678,887	178,887	(500,000)
<u>EXPENDITURES:</u>				
Public Transportation:				
Contract Services	-	53,666	53,666	-
Capital Outlay	-	625,221	125,221	500,000
Total Expenditures	-	678,887	178,887	500,000
Net Change in Fund Balance	-	-	-	-
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>\$ 7,367</u>	<u>\$ 7,367</u>	<u>\$ -</u>



NONMAJOR CAPITAL PROJECT FUNDS

Road Bonds Series 2003A – to account for various road improvements to be made with the proceeds of \$24 million in general obligation bonds. This is the second phase of road construction bonds that were approved in 2001 by the voters of the County.

Road Bonds Series 2004 – to account for various improvements to be made to both County and state-owned roads. The \$10.2 million bond issue is the third and final phase of road construction bonds that were approved in 2001 by the voters of the County.

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.

Road Bonds Series 2006A – to account for countywide road improvements to be made with the proceeds of \$47.8 million in general obligation bonds. While these funds are primarily for the improvement of County-owned roads, a portion of the proceeds will be used to satisfy the County's obligation under several agreements with the State of Texas to improve state-owned roads.

Road Bonds Series 2006B – to account for the County's issuance of \$63.75 million in bonds that are being used to finance improvements to state-owned roads. The County has entered into a "pass-thru toll agreement" with the State of Texas for improvements by the County to roads owned by the State.

Road Bonds Series 2008A – to account for various road improvements within the County. The issuance of approximately \$12 million in general obligation bonds will provide the funding.

Road Bonds Series 2008B – to account for various road improvements within the County. The issuance of approximately \$34.7 million in general obligation bonds will provide the funding.

Revenue Tax Bonds Series 2009 – to account for the County's issuance of \$56,190,000 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-thru toll agreement" with the State of Texas for improvements by the County to roads owned by the State.

Certificates of Obligation Series 2010 – to account for the construction of a new mental health treatment facility. The issuance of approximately \$32.45 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.

Capital Projects 2016 – to account for various county-wide projects, including Sheriff's office remodel and fleet operations as well as a Medical Examiner's office.

MONTGOMERY COUNTY, TEXAS
Nonmajor Capital Project Funds
Combining Balance Sheet
September 30, 2015

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	Road Bonds Series 2003A	Road Bonds Series 2004	Certificates Obligation Series 2006	Certificates Obligation Series 2008	Road Bonds Series 2006A
<u>ASSETS:</u>					
Cash	\$ -	\$ 855	\$ 1,873	\$ 836	\$ -
Investments, at Fair Value	-	411,219	43,196	233,365	-
Cash, Restricted for Retainage	-	-	-	-	-
Receivables:					
Due from Other Funds	-	38,500	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ -</u>	<u>\$ 450,574</u>	<u>\$ 45,069</u>	<u>\$ 234,201</u>	<u>\$ -</u>

LIABILITIES AND FUND BALANCES:

<u>LIABILITIES:</u>					
Accounts Payable	\$ -	\$ 5,320	\$ -	\$ 6,894	\$ -
Retainage Payable	-	-	-	-	-
Due to Other Funds	-	-	-	1,250	-
Total Liabilities	<u>-</u>	<u>5,320</u>	<u>-</u>	<u>8,144</u>	<u>-</u>

<u>FUND BALANCES:</u>					
Restricted	-	445,254	45,069	226,057	-
Committed	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>445,254</u>	<u>45,069</u>	<u>226,057</u>	<u>-</u>

<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ -</u>	<u>\$ 450,574</u>	<u>\$ 45,069</u>	<u>\$ 234,201</u>	<u>\$ -</u>
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Road Bonds Series 2006B	Road Bonds Series 2008A	Road Bonds Series 2008B	Revenue Tax Bonds Series 2009	Certificates Obligation Series 2010	Memo Totals from Page 165	Totals
\$ 895	\$ 1,146	\$ 18,781	\$ -	\$ -	\$ 1,921	\$ 26,307
298,955	230,944	309,578	-	-	13,038,132	14,565,389
-	-	-	-	-	1,280	1,280
-	50,259	-	-	-	13,190,007	13,278,766
<u>\$ 299,850</u>	<u>\$ 282,349</u>	<u>\$ 328,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,231,340</u>	<u>\$ 27,871,742</u>
\$ -	\$ 76,000	\$ -	\$ -	\$ -	\$ 1,419,910	\$ 1,508,124
-	-	-	-	-	162,782	162,782
-	-	-	-	-	3,143,495	3,144,745
<u>-</u>	<u>76,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,726,187</u>	<u>4,815,651</u>
299,850	206,349	328,359	-	-	11,241,709	12,792,647
-	-	-	-	-	10,263,444	10,263,444
<u>299,850</u>	<u>206,349</u>	<u>328,359</u>	<u>-</u>	<u>-</u>	<u>21,505,153</u>	<u>23,056,091</u>
<u>\$ 299,850</u>	<u>\$ 282,349</u>	<u>\$ 328,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,231,340</u>	<u>\$ 27,871,742</u>



MONTGOMERY COUNTY, TEXAS
Nonmajor Capital Project Funds
Combining Balance Sheet
September 30, 2015

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	Certificates Obligation Series 2012	Certificates Obligation Series 2012A	Revenue Toll Bonds Series 2010	Jail Project 13-14	Capital Projects 2016	Memo Totals to Page 163
<u>ASSETS:</u>						
Cash	\$ 681	\$ -	\$ 1,240	\$ -	\$ -	\$ 1,921
Investments, at Fair Value	4,486,813	2,464,599	6,086,720	-	-	13,038,132
Cash, Restricted for Retainage	-	1,280	-	-	-	1,280
Receivables:						
Due from Other Funds	-	-	-	13,190,007	-	13,190,007
<u>TOTAL ASSETS</u>	<u>\$ 4,487,494</u>	<u>\$ 2,465,879</u>	<u>\$ 6,087,960</u>	<u>\$ 13,190,007</u>	<u>\$ -</u>	<u>\$ 26,231,340</u>

LIABILITIES AND FUND BALANCES:

<u>LIABILITIES:</u>						
Accounts Payable	\$ -	\$ 1,372,603	\$ 47,307	\$ -	\$ -	\$ 1,419,910
Retainage Payable	-	162,782	-	-	-	162,782
Due to Other Funds	25,000	102,235	89,697	-	2,926,563	3,143,495
Total Liabilities	<u>25,000</u>	<u>1,637,620</u>	<u>137,004</u>	<u>-</u>	<u>2,926,563</u>	<u>4,726,187</u>

FUND BALANCES:

Restricted	4,462,494	828,259	5,950,956	-	-	11,241,709
Committed	-	-	-	13,190,007	(2,926,563)	10,263,444
Total Fund Balances	<u>4,462,494</u>	<u>828,259</u>	<u>5,950,956</u>	<u>13,190,007</u>	<u>(2,926,563)</u>	<u>21,505,153</u>

**TOTAL LIABILITIES AND
FUND BALANCES**

<u>\$ 4,487,494</u>	<u>\$ 2,465,879</u>	<u>\$ 6,087,960</u>	<u>\$ 13,190,007</u>	<u>\$ -</u>	<u>\$ 26,231,340</u>
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MONTGOMERY COUNTY, TEXAS
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2015

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Page 1 of 3

	Road Bonds Series 2003A	Road Bonds Series 2004	Certificates Obligation Series 2006	Certificates Obligation Series 2008	Road Bonds Series 2006A
<u>REVENUES:</u>					
Interest	\$ 9	\$ 167	\$ 24	\$ 79	\$ 96
<u>TOTAL REVENUES</u>	<u>9</u>	<u>167</u>	<u>24</u>	<u>79</u>	<u>96</u>
<u>EXPENDITURES:</u>					
Supplies	-	-	-	-	-
Professional Services	-	-	-	-	-
Capital Outlay	-	16,500	2,296	8,145	14,327
<u>TOTAL EXPENDITURES</u>	<u>-</u>	<u>16,500</u>	<u>2,296</u>	<u>8,145</u>	<u>14,327</u>
Excess (Deficiency) Revenues Over Expenditures	<u>9</u>	<u>(16,333)</u>	<u>(2,272)</u>	<u>(8,066)</u>	<u>(14,231)</u>
<u>OTHER FINANCING SOURCES/(USES):</u>					
Transfers Out	(29,070)	-	-	-	(122,999)
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>(29,070)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,999)</u>
Net Change in Fund Balance	(29,061)	(16,333)	(2,272)	(8,066)	(137,230)
Fund Balances at Beginning of Year	<u>29,061</u>	<u>461,587</u>	<u>47,341</u>	<u>234,123</u>	<u>137,230</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ 445,254</u>	<u>\$ 45,069</u>	<u>\$ 226,057</u>	<u>\$ -</u>

Road Bonds Series 2006B	Road Bonds Series 2008A	Road Bonds Series 2008B	Revenue Tax Bonds Series 2009	Certificates Obligation Series 2010	Memo Totals from Page 169	Totals
\$ 107	\$ 71	\$ 157	\$ 43	\$ 70	\$ 12,346	\$ 13,169
107	71	157	43	70	12,346	13,169
-	-	-	-	-	26,984	26,984
-	-	-	-	-	128,766	128,766
-	56,261	-	-	-	17,782,561	17,880,090
-	56,261	-	-	-	17,938,311	18,035,840
107	(56,190)	157	43	70	(17,925,965)	(18,022,671)
-	-	-	(139,458)	(118,785)	(50,000)	(460,312)
-	-	-	(139,458)	(118,785)	(50,000)	(460,312)
107	(56,190)	157	(139,415)	(118,715)	(17,975,965)	(18,482,983)
299,743	262,539	328,202	139,415	118,715	39,481,118	41,539,074
\$ 299,850	\$ 206,349	\$ 328,359	\$ -	\$ -	\$ 21,505,153	\$ 23,056,091



MONTGOMERY COUNTY, TEXAS
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2015

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	Certificates Obligation Series 2012	Certificates Obligation Series 2012A	Revenue Toll Bonds Series 2010	Jail Project 2013-2014	Capital Projects 2016	Memo Totals to page 165
<u>REVENUES:</u>						
Interest	\$ 1,107	\$ 7,229	\$ 4,010	\$ -	\$ -	\$ 12,346
<u>TOTAL REVENUES</u>	<u>1,107</u>	<u>7,229</u>	<u>4,010</u>	<u>-</u>	<u>-</u>	<u>12,346</u>
<u>EXPENDITURES:</u>						
Supplies	-	-	-	-	26,984	26,984
Professional Services	25,000	-	-	795	102,971	128,766
Capital Outlay	1,522,541	6,982,659	6,480,753	-	2,796,608	17,782,561
<u>TOTAL EXPENDITURES</u>	<u>1,547,541</u>	<u>6,982,659</u>	<u>6,480,753</u>	<u>795</u>	<u>2,926,563</u>	<u>17,938,311</u>
Excess (Deficiency) Revenue Over Expenditures	(1,546,434)	(6,975,430)	(6,476,743)	(795)	(2,926,563)	(17,925,965)
<u>OTHER FINANCING SOURCES/(USES):</u>						
Transfers Out	-	-	-	(50,000)	-	(50,000)
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Net Change in Fund Balance	(1,546,434)	(6,975,430)	(6,476,743)	(50,795)	(2,926,563)	(17,975,965)
Fund Balances at Beginning of Year	6,008,928	7,803,689	12,427,699	13,240,802	-	39,481,118
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 4,462,494</u>	<u>\$ 828,259</u>	<u>\$ 5,950,956</u>	<u>\$ 13,190,007</u>	<u>\$ (2,926,563)</u>	<u>\$ 21,505,153</u>



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, 2015

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ASSETS:	Medical	Workers' Compensation	Accident Liability	Wellness Clinic	Total
Current Assets:					
Cash and Cash Equivalents	\$ 603,708	\$ 80,455	\$ -	\$ -	\$ 684,163
Accounts	715,835	66,122	23,124	-	805,081
Due from other funds	23,674,219	4,090,393	526,038	3,126,235	31,416,885
Due from other governments	-	29,484	-	-	29,484
Total Current Assets	24,993,762	4,266,454	549,162	3,126,235	32,935,613
Capital Assets (net of accumulated depreciation):					
Buildings	-	-	-	834,951	834,951
Improvements	-	-	-	957	957
Equipment	-	-	-	69,977	69,977
Total Capital Assets	-	-	-	905,885	905,885
Total Assets	24,993,762	4,266,454	549,162	4,032,120	33,841,498
LIABILITIES:					
Current Liabilities:					
Accounts Payable	360,427	-	58,560	73	419,060
Claims Payable	3,622,386	977,932	-	-	4,600,318
Due to Other Funds	3,126,235	-	-	3,080,660	6,206,895
Total Current Liabilities	7,109,048	977,932	58,560	3,080,733	11,226,273
Total Liabilities	7,109,048	977,932	58,560	3,080,733	11,226,273
NET POSITION:					
Net Investment in Capital Assets	-	-	-	905,885	905,885
Unrestricted	17,884,714	3,288,522	490,602	45,502	21,709,340
Total Net Position	\$ 17,884,714	\$ 3,288,522	\$ 490,602	\$ 951,387	\$ 22,615,225

MONTGOMERY COUNTY, TEXAS

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

September 30, 2015

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	Medical	Workers' Compensation	Accident Liability	Wellness Clinic	Total
OPERATING REVENUES:					
Charges for Services	\$ 28,289,811	\$ 856,077	\$ 1,338,612	\$ 1,108,377	\$ 31,592,877
Miscellaneous	-	-	94,040	-	94,040
Total Operating Revenues	28,289,811	856,077	1,432,652	1,108,377	31,686,917
OPERATING EXPENSES:					
Supplies	-	-	-	19,966	19,966
Services	24,871,115	847,015	1,193,099	1,088,411	27,999,640
Depreciation	-	-	-	36,902	36,902
Total Operating Expenses	24,871,115	847,015	1,193,099	1,145,279	28,056,508
Operating Income/(Loss)	3,418,696	9,062	239,553	(36,902)	3,630,409
Change in Net Position	3,418,696	9,062	239,553	(36,902)	3,630,409
Total Net Position - beginning	14,466,018	3,279,460	251,049	988,289	18,984,816
Total Net Position - ending	\$ 17,884,714	\$ 3,288,522	\$ 490,602	\$ 951,387	\$ 22,615,225

MONTGOMERY COUNTY, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
September 30, 2015

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	Medical	Workers' Compensatio	Accident Liability	Wellness Clinic	Total
Cash flows from operating activities:					
Receipts from customers	\$24,982,320	\$ (216,435)	\$1,317,943	\$1,108,303	\$ 27,192,131
Receipts from others	(3,129,879)	35,792	(183,403)	74	(3,277,416)
Benefits paid	(21,248,733)	130,917	(1,134,540)	(1,108,377)	(23,360,733)
Net cash used by operating activities	603,708	(49,726)	-	-	553,982
Net (decrease) in cash and cash equivalents	603,708	(49,726)	-	-	553,982
Cash and cash equivalents - October 1, 2014	-	130,181	-	-	130,181
Cash and cash equivalents - September 30, 2015	\$ 603,708	\$ 80,455	\$ -	\$ -	\$ 684,163
Reconciliation of operating income (loss) to net cash provided (used) in operating activities:					
Operating income (loss)	\$ 3,418,696	\$ 9,062	\$ 239,553	\$ (36,902)	\$ 3,630,409
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
(Increase) decrease in due from other funds	(2,252,451)	35,792	(277,444)	(7)	(2,494,110)
Depreciation expense	-	-	-	36,902	36,902
(Increase) decrease in intergovernmental receivable	30,916	(16,524)	(17,414)	-	(3,022)
Increase (decrease) in accounts payable	(593,453)	(78,056)	55,305	7	(616,197)
Total adjustments	(2,814,988)	(58,788)	(239,553)	36,902	(3,076,427)
Net cash provided by operating activities	\$ 603,708	\$ (49,726)	\$ -	\$ -	\$ 553,982

AGENCY FUNDS

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

Adult Probation Community Correction 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).

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, 2015

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	Adult Probation Supervision	Adult Probation Community Correction	Adult Probation Mental Impairment	County Officials	Totals
<u>ASSETS:</u>					
Cash	\$1,756,118	\$ 166,393	\$ 18,564	\$ 18,082,521	\$ 20,023,596
Investments, at fair value	1,378,820	-	-	-	1,378,820
<u>TOTAL ASSETS</u>	<u>\$3,134,938</u>	<u>\$ 166,393</u>	<u>\$ 18,564</u>	<u>\$ 18,082,521</u>	<u>\$ 21,402,416</u>
<u>LIABILITIES:</u>					
Due to Others	\$3,134,938	\$ 166,393	\$ 18,564	\$ 18,082,521	\$ 21,402,416
<u>TOTAL LIABILITIES</u>	<u>\$3,134,938</u>	<u>\$ 166,393</u>	<u>\$ 18,564</u>	<u>\$ 18,082,521</u>	<u>\$ 21,402,416</u>

MONTGOMERY COUNTY, TEXAS
Agency Funds
Statement of Changes in Assets and Liabilities
Year Ended September 30, 2015

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	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<u>ADULT PROBATION - SUPERVISION:</u>				
Assets:				
Cash	\$ 1,400,237	\$ 1,409,853	\$ 1,053,972	\$ 1,756,118
Investments, at Fair Value	\$ 1,377,322	\$ 1,498	\$ -	\$ 1,378,820
Total	\$ 2,777,559	\$ 1,411,351	\$ 1,053,972	\$ 3,134,938

Liabilities:				
Due to Others	\$ 2,777,559	\$ 1,411,351	\$ 1,053,972	\$ 3,134,938

ADULT PROBATION - COMMUNITY CORRECTION:

Assets:				
Cash	\$ 133,944	\$ 684,404	\$ 651,955	\$ 166,393

Liabilities:				
Due to Others	\$ 133,944	\$ 684,404	\$ 651,955	\$ 166,393

ADULT PROBATION - MENTAL IMPAIRMENT:

Assets:				
Cash	\$ 14,387	\$ 22,450	\$ 18,273	\$ 18,564

Liabilities:				
Due to Others	\$ 14,387	\$ 22,450	\$ 18,273	\$ 18,564

COUNTY OFFICIALS:

Assets:				
Cash	\$ 19,789,442	\$ 2,644,702,039	\$ 2,646,408,960	\$ 18,082,521

Liabilities:				
Due to Others	\$ 19,789,442	\$ 2,644,702,039	\$ 2,646,408,960	\$ 18,082,521

TOTALS - ALL AGENCY FUNDS:

Assets:				
Cash	\$ 21,338,010	\$ 2,648,230,097	\$ 2,649,187,132	\$ 20,023,596
Investments, at fair value	\$ 1,377,322	\$ 1,498	\$ -	\$ 1,378,820
Total	\$ 22,715,332	\$ 2,648,231,595	\$ 2,649,187,132	\$ 21,402,416
Liabilities:				
Due to Others	\$ 22,715,332	\$ 2,646,820,244	\$ 2,648,133,160	\$ 21,402,416



**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, 2015

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GOVERNMENTAL ACTIVITIES CAPITAL ASSETS:

Land	\$ 60,276,253
Buildings	202,270,657
Improvements Other than Buildings	23,311,005
Equipment	104,148,889
Infrastructure	1,272,347,643
Construction in Progress	<u>1,777,498</u>

<u>TOTAL GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u>	<u>\$ 1,664,131,945</u>
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INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS

BY SOURCE:

General Fund	\$ 317,218,121
Special Revenue Funds	1,343,989,794
Capital Project Funds	1,777,498
Internal Service Funds	<u>1,146,532</u>

<u>TOTAL GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u>	<u>\$ 1,664,131,945</u>
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In prior years this schedule only included capital assets in the operation of Governmental Funds. For the 2015 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, 2015

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Function and Activity	Total	Land	Buildings	Improvements Other than Buildings	Equipment	Infrastructure
<u>GENERAL ADMINISTRATION:</u>						
County Judge	\$ 2,903	\$ -	\$ -	\$ -	\$ 2,903	\$ -
Human Resources	7,667	-	-	-	7,667	-
Risk Management	1,180,471	-	951,264	2,394	226,813	-
County Clerk	496,422	-	-	-	496,422	-
Collections	7,593	-	-	-	7,593	-
Purchasing Agent	48,314	-	-	-	48,314	-
Information Technology	10,289,508	-	86,900	1,061,450	9,141,158	-
County Buildings	95,271,904	-	94,588,742	646,672	-	36,490
County Land	6,461,741	6,341,828	-	119,913	-	-
<u>TOTAL GENERAL ADM</u>	<u>113,766,523</u>	<u>6,341,828</u>	<u>95,626,906</u>	<u>1,830,429</u>	<u>9,930,870</u>	<u>36,490</u>
<u>FINANCIAL ADMINISTRATION:</u>						
County Auditor	44,739	-	-	-	44,739	-
County Treasurer	27,291	-	-	-	27,291	-
Tax Assessor/Collector	158,744	7,500	-	-	151,244	-
<u>TOTAL FINANCIAL ADM</u>	<u>230,774</u>	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>223,274</u>	<u>-</u>
<u>CONSERVATION:</u>						
Extension Agents	877,115	1,682	815,958	48,017	11,458	-
Recycling Stations	194,633	-	61,318	53,478	79,837	-
<u>TOTAL CONSERVATION</u>	<u>1,071,748</u>	<u>1,682</u>	<u>877,276</u>	<u>101,495</u>	<u>91,295</u>	<u>-</u>
<u>ELECTIONS:</u>						
Elections Administrator	4,021,660	3,000	493,239	70,469	3,454,952	-
<u>TOTAL ELECTIONS ADM</u>	<u>4,021,660</u>	<u>3,000</u>	<u>493,239</u>	<u>70,469</u>	<u>3,454,952</u>	<u>-</u>
<u>FACILITIES:</u>						
Custodial Services	880,917	30,715	174,371	6,155	669,676	-
Building Maintenance	1,281,005	-	171,407	32,785	1,076,813	-
Parks	29,191,960	9,565,525	4,390,386	15,236,049	-	-
Jail	6,400,101	-	5,778,404	16,697	605,000	-
Civic Center	17,076,715	88,216	15,051,294	1,509,464	427,741	-
<u>TOTAL FACILITIES</u>	<u>54,830,698</u>	<u>9,684,456</u>	<u>25,565,862</u>	<u>16,801,150</u>	<u>2,779,230</u>	<u>-</u>
<u>HEALTH AND WELFARE:</u>						
Public Health	7,190,582	159,705	5,888,499	193,093	949,285	-
Mental Health Treatment	32,108,651	2,631,689	27,878,358	1,114,493	484,111	-
Community Development	11,106,175	563,626	10,096,041	-	446,508	-
<u>TOTAL HEALTH/WELFARE</u>	<u>50,405,408</u>	<u>3,355,020</u>	<u>43,862,898</u>	<u>1,307,586</u>	<u>1,879,904</u>	<u>-</u>

MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Activities
Schedule by Function and Activity
September 30, 2015

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Page 2 of 2

Function and Activity	Total	Land	Buildings	Improvements Other than Buildings	Equipment	Infrastructure
<u>JUDICIAL:</u>						
Courts	476,011	-	-	924	475,087	-
District Attorney	252,780	-	-	-	252,780	-
District Clerk	164,871	-	7,129	-	157,742	-
Justice of Peace	3,075,217	-	2,946,779	4,930	123,508	-
<u>TOTAL JUDICIAL</u>	<u>3,968,879</u>	<u>-</u>	<u>2,953,908</u>	<u>5,854</u>	<u>1,009,117</u>	<u>-</u>
<u>LEGAL SERVICES:</u>						
County Attorney	2,450	-	-	-	2,450	-
Law Library	1,512,672	-	-	-	1,512,672	-
<u>TOTAL LEGAL SERVICES</u>	<u>1,515,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,515,122</u>	<u>-</u>
<u>PUBLIC SAFETY:</u>						
Emergency Management	16,413,608	-	629,431	410,407	15,373,770	-
Fire Marshal	250,974	-	-	-	250,974	-
Constables	4,116,179	22,810	462,577	37,990	3,592,802	-
Sheriff	41,113,682	1,487,469	2,604,913	723,173	36,298,127	-
District Attorney Forfeitures	405,361	-	10,224	13,838	381,299	-
County Attorney Forfeitures	7,171	-	-	-	7,171	-
Juvenile Probation	1,984,447	-	1,467,231	-	517,216	-
Adult Probation	22,592	-	13,151	-	9,441	-
<u>TOTAL PUBLIC SAFETY</u>	<u>64,314,014</u>	<u>1,510,279</u>	<u>5,187,527</u>	<u>1,185,408</u>	<u>56,430,800</u>	<u>-</u>
<u>PUBLIC TRANSPORTATION:</u>						
Engineer	28,368	-	-	-	28,368	-
Commissioners' Operations	1,295,059,351	34,046,732	6,720,493	1,251,100	18,765,451	1,234,275,575
Airport	45,509,826	1,688,128	4,474,605	706,821	604,694	38,035,578
<u>TOTAL PUBLIC TRANSPORTATION</u>	<u>1,340,597,545</u>	<u>35,734,860</u>	<u>11,195,098</u>	<u>1,957,921</u>	<u>19,398,513</u>	<u>1,272,311,153</u>
<u>CULTURE AND RECREATION:</u>						
Memorial Library	27,632,076	3,637,628	16,507,943	50,693	7,435,812	-
<u>TOTAL CULTURE/REC</u>	<u>27,632,076</u>	<u>3,637,628</u>	<u>16,507,943</u>	<u>50,693</u>	<u>7,435,812</u>	<u>-</u>
<u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u>	<u>1,662,354,447</u>	<u>\$ 60,276,253</u>	<u>\$ 202,270,657</u>	<u>\$ 23,311,005</u>	<u>\$ 104,148,889</u>	<u>\$ 1,272,347,643</u>
Construction In Progress	<u>1,777,498</u>					
<u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u>	<u>\$ 1,664,131,945</u>					

MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Activities
Schedule of Changes by Function and Activity
Year Ended September 30, 2015

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Function and Activity	Govtl Funds Capital Assets October 1, 2014	Additions	Deletions	Govtl Funds Capital Assets September 30, 2015
<u>GENERAL ADMINISTRATION:</u>				
County Judge	\$ 4,159	\$ 1,900	\$ 3,156	\$ 2,903
Human Resources	6,033	1,634	-	7,667
Risk Management	1,184,573	-	4,102	1,180,471
County Clerk	419,829	129,241	52,648	496,422
Collections	7,593	-	-	7,593
Purchasing Agent	73,195	2,504,091	2,528,972	48,314
Information Technology	7,220,189	3,288,008	218,689	10,289,508
County Buildings	95,578,396	186,219	492,711	95,271,904
County Land	6,461,741	-	-	6,461,741
<u>TOTAL GENERAL ADM</u>	<u>110,955,708</u>	<u>6,111,093</u>	<u>3,300,278</u>	<u>113,766,523</u>
<u>FINANCIAL ADMINISTRATION:</u>				
County Auditor	44,739	-	-	44,739
County Treasurer	27,291	-	-	27,291
Tax Assessor/Collector	212,187	9,366	62,809	158,744
<u>TOTAL FINANCIAL ADM</u>	<u>284,217</u>	<u>9,366</u>	<u>62,809</u>	<u>230,774</u>
<u>CONSERVATION:</u>				
Extension Agents	877,115	-	-	877,115
Recycling Stations	194,633	-	-	194,633
<u>TOTAL CONSERVATION</u>	<u>1,071,748</u>	<u>-</u>	<u>-</u>	<u>1,071,748</u>
<u>ELECTIONS:</u>				
Elections Administrator	3,967,030	54,630	-	4,021,660
<u>TOTAL ELECTIONS</u>	<u>3,967,030</u>	<u>54,630</u>	<u>-</u>	<u>4,021,660</u>
<u>FACILITIES:</u>				
Custodial Services	852,877	53,080	25,040	880,917
Building Maintenance	1,200,653	135,343	54,991	1,281,005
Parks	28,701,768	580,942	90,750	29,191,960
Jail	6,383,328	65,061	48,288	6,400,101
Civic Center	16,577,793	500,000	1,078	17,076,715
<u>TOTAL FACILITIES</u>	<u>53,716,419</u>	<u>1,334,426</u>	<u>220,147</u>	<u>54,830,698</u>
<u>HEALTH AND WELFARE:</u>				
Public Health	6,827,286	532,758	169,462	7,190,582
Mental Health Facility	32,030,233	86,035	7,617	32,108,651
Community Development	11,106,175	-	-	11,106,175
<u>TOTAL HEALTH & WELFARE</u>	<u>49,963,694</u>	<u>618,793</u>	<u>177,079</u>	<u>50,405,408</u>

MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Activities
Schedule of Changes by Function and Activity
Year Ended September 30, 2015

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Page 2 of 2

Function and Activity	Govtl Funds Capital Assets October 1, 2014	Additions	Deletions	Govtl Funds Capital Assets September 30, 2015
<u>JUDICIAL:</u>				
Courts	638,112	12,555	174,656	476,011
District Attorney	278,334	63,493	89,047	252,780
District Clerk	165,909	3,299	4,337	164,871
Justice of Peace	2,465,162	638,877	28,822	3,075,217
<u>TOTAL JUDICIAL</u>	<u>3,547,517</u>	<u>718,224</u>	<u>296,862</u>	<u>3,968,879</u>
<u>LEGAL SERVICES:</u>				
County Attorney	6,136	1,191	4,877	2,450
Law Library	1,453,174	62,308	2,810	1,512,672
<u>TOTAL LEGAL SERVICES</u>	<u>1,459,310</u>	<u>63,499</u>	<u>7,687</u>	<u>1,515,122</u>
<u>PUBLIC SAFETY:</u>				
Emergency Management	14,706,828	1,969,553	262,773	16,413,608
Fire Marshal	26,952	226,275	2,253	250,974
Constables	3,723,583	566,776	174,180	4,116,179
Sheriff	38,565,616	3,625,693	1,077,627	41,113,682
District Attorney Forfeitures	425,594	18,163	38,396	405,361
County Attorney Forfeitures	7,171	-	-	7,171
Juvenile Probation	1,858,675	154,300	28,528	1,984,447
Adult Probation	62,001	-	39,409	22,592
<u>TOTAL PUBLIC SAFETY</u>	<u>59,376,420</u>	<u>6,560,760</u>	<u>1,623,166</u>	<u>64,314,014</u>
<u>PUBLIC TRANSPORTATION:</u>				
Engineer	34,869	2,100	8,601	28,368
Commissioners' Operations	1,234,158,005	69,421,206	8,519,860	1,295,059,351
Airport	35,578,923	9,936,098	5,195	45,509,826
<u>TOTAL PUBLIC TRANS</u>	<u>1,269,771,797</u>	<u>79,359,404</u>	<u>8,533,656</u>	<u>1,340,597,545</u>
<u>CULTURE & RECREATION:</u>				
Memorial Library	28,507,985	392,774	1,268,683	27,632,076
<u>TOTAL CULTURE/REC</u>	<u>28,507,985</u>	<u>392,774</u>	<u>1,268,683</u>	<u>27,632,076</u>
Construction In Progress	394,270	2,334,983	951,755	1,777,498
<u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u>	<u>\$ 1,583,016,115</u>	<u>\$ 97,557,952</u>	<u>\$ 16,442,122</u>	<u>\$ 1,664,131,945</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 time.	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)

	2006	2007	2008	2009
Governmental activities				
Net investment in capital assets	\$ 314,159,873	\$ 368,993,046	\$ 399,738,541	\$ 377,016,683
Restricted	6,009,968	7,070,714	7,656,130	8,311,363
Unrestricted	(41,607,384)	(59,096,992)	(61,641,311)	(45,241,159)
Total Governmental activities net position	<u>278,562,457</u>	<u>316,966,768</u>	<u>345,753,360</u>	<u>340,086,887</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	314,159,873	368,993,046	399,738,541	377,016,683
Restricted	6,009,968	7,070,714	7,656,130	8,311,363
Unrestricted	(41,607,384)	(59,096,992)	(61,641,311)	(45,241,159)
Total primary government net position	<u>\$ 278,562,457</u>	<u>\$ 316,966,768</u>	<u>\$ 345,753,360</u>	<u>\$ 340,086,887</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

2010	2011	2012	2013	2014	2015
\$ 353,407,141	\$ 380,478,332	\$ 319,059,222	\$ 364,555,659	\$ 266,597,783	\$ 314,750,807
8,839,721	9,360,962	26,137,977	61,986,405	71,863,955	54,197,228
(32,066,403)	(75,320,823)	(36,634,612)	(37,107,523)	59,772,088	90,395,375
330,180,459	314,518,471	308,562,587	389,434,541	398,233,826	459,343,410
-	-	-	-	-	45,949,353
-	-	-	-	-	-
-	-	-	-	-	(1,064,882)
-	-	-	-	-	44,884,471
353,407,141	380,478,332	319,059,222	364,555,659	266,597,783	360,700,160
8,839,721	9,360,962	26,137,977	61,986,405	71,863,955	54,197,228
(32,066,403)	(75,320,823)	(36,634,612)	(37,107,523)	59,772,088	89,330,493
\$ 330,180,459	\$ 314,518,471	\$ 308,562,587	\$ 389,434,541	\$ 398,233,826	\$ 504,227,881

MONTGOMERY COUNTY, TEXAS**Changes in Net Position****Last Ten Fiscal Years**

(accrual basis of accounting)

	2006	2007	2008	2009
Expenses				
<i>Governmental Activities:</i>				
General Administration	\$ 13,416,534	\$ 11,780,620	\$ 16,822,168	\$ 22,046,369
Judicial	16,761,386	17,042,393	15,894,641	22,794,440
Legal	2,101,795	2,233,072	2,445,787	2,678,359
Elections	1,086,378	1,466,229	1,947,963	1,694,067
Financial Administration	4,791,906	4,981,536	5,088,713	5,917,962
Public Facilities	20,768,370	20,208,449	19,887,748	41,255,267
Public Safety	41,162,610	44,725,170	51,558,472	55,941,218
Health and Welfare	8,958,511	7,637,646	16,301,079	29,039,919
Culture and Recreation	7,051,403	8,460,806	8,697,389	9,981,330
Conservation	721,982	760,370	825,476	341,910
Public Transportation	58,874,891	69,455,834	76,212,732	95,536,899
Miscellaneous	3,009,024	2,846,822	1,070,696	1,156,114
Debt Service	10,553,741	11,701,725	15,998,167	21,121,081
Total Governmental Activities Expenses	189,258,531	203,300,672	232,751,031	309,504,935
Business-type activities:				
Toll Road	-	-	-	-
Total business-type activities expenses	-	-	-	-
Total Primary Government Expenses	189,258,531	203,300,672	232,751,031	309,504,935
Program Revenues				
<i>Governmental Activities:</i>				
Fees, Fines, Forfeitures and Charges for Services				
General Administration	6,445,057	7,393,470	5,797,753	5,402,968
Judicial	7,800,759	7,440,711	8,712,572	10,475,877
Legal	471,138	527,537	483,018	501,896
Elections	30,500	1,569	2,081	1,131
Financial Administration	1,325,948	1,459,788	2,101,194	2,268,952
Public Facilities	843,224	1,000,092	4,548,064	24,717,702
Public Safety	13,425,676	14,774,292	14,255,517	15,388,348
Health and Welfare	1,276,884	1,266,457	1,495,403	1,478,897
Culture and Recreation	246,400	258,398	294,045	323,520
Conservation	-	-	-	-
Public Transportation	7,725,846	7,987,128	7,714,365	8,442,985
Operating Grants and Contributions	8,343,395	8,288,928	15,376,235	29,439,925
Capital Grants and Contributions	41,591,644	65,322,295	60,429,833	55,848,681
Total Governmental Activities Program Revenues	89,526,471	115,720,665	121,210,080	154,290,882
Business-type activities:				
Toll Road	-	-	-	-
Total business-type activities revenues	-	-	-	-
Total Primary Government Program Revenues	89,526,471	115,720,665	121,210,080	154,290,882
Net (Expense) Revenue	(99,732,060)	(87,580,007)	(111,540,951)	(155,214,053)
General Revenues and Other Changes in Net Position				
<i>Governmental Activities:</i>				
Taxes				
Property Taxes	105,410,635	115,740,129	131,600,844	145,696,133
Other Taxes	1,142,888	1,381,764	1,610,605	1,719,903
Unrestricted Grants and Contributions	-	-	-	-
Investment Earnings	3,582,630	8,442,457	5,680,817	1,667,591
Miscellaneous	160,887	419,968	1,435,277	463,953
Transfers	-	-	-	-
Total Governmental Activities	110,297,040	125,984,318	140,327,543	149,547,580
Business-type activities:				
Transfers	-	-	-	-
Total business-type activities	-	-	-	-
Total Primary Government	110,297,040	125,984,318	140,327,543	149,547,580
Change in Net Position	\$ 10,564,980	\$ 38,404,311	\$ 28,786,592	(5,666,473)

TABLE II

2010	2011	2012	2013	2014	2015
\$ 15,339,911	\$ 56,850,436	\$ 54,732,939	\$ 49,084,269	\$ 52,627,252	\$ 57,411,391
24,893,295	25,751,781	27,800,678	29,981,281	32,077,111	32,772,811
2,824,360	2,893,028	3,254,126	3,170,292	3,548,986	3,456,782
1,827,247	1,723,583	2,249,037	2,081,998	2,438,670	2,025,750
6,358,514	6,111,643	6,334,740	6,748,425	6,813,820	6,885,418
43,618,780	50,133,665	49,812,586	57,821,137	66,496,215	63,860,067
62,650,758	62,564,836	66,364,576	65,088,893	69,458,813	70,860,690
9,085,174	14,924,434	28,582,176	22,722,536	25,315,219	25,349,849
7,456,924	9,061,639	9,607,386	10,121,267	10,285,291	9,949,881
986,843	982,337	1,003,159	1,170,933	748,622	1,279,756
111,627,910	80,597,409	65,221,658	76,521,763	89,687,467	74,721,871
1,683,887	659,499	-	-	-	-
22,946,953	24,566,713	23,989,607	29,179,720	17,797,503	18,147,345
311,300,556	336,821,003	338,952,668	353,692,514	377,294,969	366,721,611
-	-	-	-	-	4,572,677
-	-	-	-	-	4,572,677
311,300,556	336,821,003	338,952,668	353,692,514	377,294,969	371,294,288
5,948,735	39,240,521	37,812,374	38,371,600	36,601,588	48,745,095
12,702,190	8,713,071	2,973,713	7,504,357	8,945,991	13,933,298
518,257	503,400	499,509	484,413	484,963	437,628
103,831	177	453	182	317	198
2,244,114	2,553,434	2,943,952	3,700,987	4,525,655	5,073,087
21,800,561	19,812,950	23,655,878	30,568,848	34,120,105	28,945,676
19,139,564	17,542,034	17,403,723	14,140,176	15,900,947	4,418,006
1,735,047	10,628,153	16,718,253	16,494,475	17,947,526	17,606,018
316,855	309,966	287,967	287,822	309,567	339,773
-	-	-	228,653	216,727	169,779
9,118,839	9,219,220	10,489,702	7,538,461	10,634,088	10,721,201
11,446,490	12,781,928	9,526,211	8,669,829	10,302,710	9,562,198
56,300,073	24,936,363	27,209,719	92,305,068	60,564,053	94,908,316
141,374,556	146,241,217	149,521,454	220,294,871	200,554,237	234,860,273
-	-	-	-	-	49,795,550
-	-	-	-	-	49,795,550
141,374,556	146,241,217	149,521,454	220,294,871	200,554,237	284,655,823
(169,926,000)	(190,579,786)	(189,431,214)	(133,397,643)	(176,740,732)	(86,638,465)
156,397,865	161,327,007	167,297,778	175,901,469	186,842,153	203,539,676
1,824,262	1,785,343	1,674,934	1,970,594	2,456,460	2,804,782
-	8,364,557	12,855,843	-	-	-
790,693	540,642	382,170	459,052	669,309	529,535
1,006,752	2,900,249	1,264,605	30,938,482	844,937	589,453
-	-	-	-	-	338,402
160,019,572	174,917,798	183,475,330	209,269,597	190,812,859	207,801,848
-	-	-	-	-	(338,402)
-	-	-	-	-	(338,402)
160,019,572	174,917,798	183,475,330	209,269,597	190,812,859	207,463,446
\$ (9,906,428)	\$ (15,661,988)	\$ (5,955,884)	\$ 75,871,953	\$ 14,072,126	\$ 120,824,981

MONTGOMERY COUNTY, TEXAS
Governmental Fund Balances
Last Ten Fiscal Years

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Reserved for:				
Prepaid items	\$ 355,284	\$ 405,442	\$ 226,088	\$ 1,209,368
Unreserved	16,496,456	20,357,618	25,621,544	33,804,639
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 16,851,740</u>	<u>\$ 20,763,060</u>	<u>\$ 25,847,632</u>	<u>\$ 35,014,007</u>
All Other Governmental Funds				
Reserved for:				
Prepaid items	\$ 1,464,625	\$ 3,183,467	\$ 769,559	\$ 1,533
Capital projects	124,460,927	119,067,943	109,016,095	91,075,383
Inventory	71,186	66,617	67,641	85,034
Debt service	2,246,764	2,633,600	4,561,190	12,206,656
Unreserved, reported in:				
Special revenue funds	4,228,581	3,908,678	21,832,516	26,929,735
Debt service funds	-	-	-	-
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 132,472,083</u>	<u>\$ 128,860,305</u>	<u>\$ 136,247,001</u>	<u>\$ 130,298,341</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					
2010	2011 ⁽¹⁾	2012	2013	2014	2015
\$ 614,103	\$ -	\$ -	\$ -	\$ -	\$ -
43,326,405	-	-	-	-	-
-	-	11,217	2,010,097	1,442,838	3,425,360
-	134,855	91,718	5,909,899	2,292,056	10,793,467
-	19,571,942	32,806,254	36,450,842	44,517,198	42,441,944
-	29,647,002	30,241,977	35,336,437	39,722,291	40,938,206
<u>\$ 43,940,508</u>	<u>\$ 49,353,799</u>	<u>\$ 63,151,166</u>	<u>\$ 79,707,275</u>	<u>\$ 87,974,383</u>	<u>\$ 97,598,977</u>
\$ 42,762	\$ -	\$ -	\$ -	\$ -	\$ -
35,255,056	-	-	-	-	-
91,503	-	-	-	-	-
10,761,379	-	-	-	-	-
32,894,308	-	-	-	-	-
-	-	-	-	-	-
-	172,593	363,698	2,654,365	1,533,898	192,207
-	76,922,025	80,798,663	97,079,589	77,236,101	74,035,446
-	19,740	16,848	25,354,566	16,133,816	10,299,674
-	7,421,107	10,801,627	11,718,578	14,409,545	23,422,966
<u>\$ 79,045,008</u>	<u>\$ 84,535,465</u>	<u>\$ 91,980,836</u>	<u>\$ 136,807,098</u>	<u>\$ 109,313,360</u>	<u>\$ 107,950,293</u>

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

(modified accrual basis of accounting)

	2006	2007	2008	2009
Revenues				
Taxes	\$ 106,734,347	\$ 117,303,468	\$ 132,652,213	\$ 147,492,907
Licenses and Permits	7,705,191	7,903,148	7,813,929	8,116,936
Fees	13,965,850	14,919,639	14,702,564	14,027,489
Intergovernmental	12,928,979	16,939,038	25,176,883	34,078,838
Charges for Services	1,479,104	1,683,063	1,927,909	2,094,454
Interest	3,582,649	8,580,033	5,898,574	1,312,224
Contract Reimbursements	9,105,696	10,385,885	11,138,260	12,126,654
Inmate Housing	1,356,977	1,607,241	3,566,886	23,895,939
Fines and Forfeitures	2,010,036	1,933,374	2,026,564	3,192,219
Miscellaneous	2,421,395	2,084,903	3,802,795	2,741,345
Total Revenues	161,290,224	183,339,792	208,706,577	249,079,005
Expenditures				
General Administration	12,249,238	12,293,414	13,532,419	17,048,371
Judicial	16,621,754	17,179,832	18,504,705	21,795,715
Legal Services	2,113,773	2,228,239	2,397,829	2,550,211
Elections	3,144,556	1,373,213	1,606,046	1,258,713
Financial Administration	4,751,654	4,966,523	5,251,827	5,624,961
Public Facilities	20,439,889	22,477,341	25,448,843	44,144,809
Public Safety	41,794,370	45,184,624	64,484,699	55,809,351
Health and Welfare	8,969,704	8,883,225	17,851,636	30,236,637
Culture and Recreation	6,948,700	7,812,017	7,314,312	8,008,564
Conservation	646,202	745,767	803,808	845,288
Public Transportation	17,390,668	17,161,732	18,991,837	20,469,397
Miscellaneous	3,009,024	2,846,822	1,070,696	1,156,114
Capital Projects	41,126,282	69,694,164	93,906,202	71,212,681
Debt Service:				
Principal Retirement	3,830,069	5,305,000	4,598,741	6,557,918
Interest and Fiscal Charges	8,285,966	13,929,488	16,024,292	18,713,749
Issuance Costs	-	1,356,675	1,443,423	1,265,496
Total Expenditures	191,321,849	233,438,076	293,231,315	306,697,975
(Deficiency) Revenues over Expenditures	(30,031,625)	(50,098,284)	(84,524,738)	(57,618,970)
Other Financing Sources/(Uses)				
Transfers In	15,894,991	46,199,570	21,663,686	24,812,746
Transfers Out	(15,894,991)	(46,199,570)	(21,663,686)	(24,812,746)
Capital Lease Financing	262,529	3,953,897	16,599,021	1,133,148
Issuance of Refunding Bonds	-	41,495,000	9,855,000	-
Payment to Refunded Bond Escrow Agent	-	(41,706,307)	(10,211,444)	-
Sale of Capital Asset	-	-	-	-
Issuance of Other Bonds	137,870,000	44,834,989	79,885,000	56,190,000
Discounts/Premiums on Debt Issuance	3,650,574	820,247	1,868,429	3,513,538
Total Other Financing Sources/(Uses)	141,783,103	49,397,826	97,996,006	60,836,686
Net Change in Fund Balances	\$ 111,751,478	\$ (700,458)	\$ 13,471,268	\$ 3,217,716
Debt Service as a percentage of noncapital expenditures	8.1%	12.6%	11.1%	11.3%

TABLE IV

2010	2011	2012	2013	2014	2015
\$ 157,541,607	\$ 162,716,956	\$ 169,042,135	\$ 178,176,320	\$ 189,037,048	\$ 206,377,981
7,552,220	7,498,169	7,340,620	7,933,209	8,559,827	8,175,139
14,925,021	16,404,832	17,013,807	19,145,966	18,355,114	18,446,593
19,798,654	32,110,368	31,530,494	47,182,714	33,269,063	38,700,051
2,168,606	1,633,673	1,975,389	2,892,355	4,968,141	4,088,981
790,282	540,616	382,173	459,053	669,336	529,538
16,506,829	24,213,859	30,930,076	28,960,527	28,370,644	36,963,546
21,085,088	18,958,951	22,670,575	29,373,490	32,383,821	27,265,236
3,047,555	3,662,448	4,247,571	4,392,610	4,792,027	4,458,853
3,568,946	5,055,183	4,354,033	5,557,556	1,920,078	3,512,456
246,984,808	272,795,055	289,486,873	324,073,800	322,325,099	348,518,374
15,758,058	26,145,340	24,829,831	22,145,663	26,136,632	29,982,617
23,657,153	25,547,447	26,939,088	28,623,495	30,585,284	32,286,937
2,716,217	2,982,862	3,136,043	2,963,853	3,332,642	3,388,347
1,410,441	1,344,669	2,156,915	1,887,236	2,512,216	1,888,438
5,877,896	5,983,660	5,997,385	6,237,056	6,346,867	6,806,814
43,995,733	42,038,981	46,681,717	55,409,376	63,531,573	59,634,179
61,405,346	65,088,924	63,136,032	62,574,123	66,190,543	72,849,381
12,520,365	23,540,364	27,684,389	22,365,117	23,979,722	25,246,552
8,393,594	8,480,049	8,621,870	8,800,215	8,967,110	9,182,400
899,649	960,483	910,093	1,074,697	1,065,899	1,219,373
25,913,518	33,746,483	25,354,154	34,898,188	42,400,671	44,760,403
1,683,887	659,499	-	-	-	-
91,100,968	26,806,719	8,809,026	18,177,561	27,503,608	18,035,840
7,916,895	11,304,861	16,970,899	20,185,150	19,460,000	20,115,000
20,511,045	23,757,714	23,245,469	23,025,209	17,618,628	18,941,447
1,336,839	329,498	382,183	590,333	435,540	-
325,097,604	298,717,553	284,855,094	308,957,272	340,066,935	344,337,728
(78,112,796)	(25,922,498)	4,631,779	15,116,528	(17,741,836)	4,180,646
27,012,983	20,909,835	27,961,981	98,091,394	23,737,039	25,524,507
(27,012,983)	(20,909,835)	(27,961,981)	(98,091,394)	(23,737,039)	(25,611,105)
3,125,403	1,197,802	830,702	218,758	949,101	622,106
43,380,000	-	30,885,000	15,880,000	101,760,000	-
(44,643,876)	-	(35,739,475)	(60,594,395)	(118,083,208)	-
-	-	-	65,000,000	-	-
1,167,562	31,390,000	14,925,000	13,350,000	-	-
32,756,874	4,238,443	5,709,732	4,353,152	13,889,313	-
35,785,963	36,826,245	16,610,959	38,207,515	(1,484,794)	535,508
\$ (42,326,833)	\$ 10,903,747	\$ 21,242,738	\$ 53,324,043	\$ (19,226,630)	\$ 4,716,154
13.4%	13.1%	14.8%	14.8%	11.9%	12.0%



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⁾
2006	\$13,358,120	\$ 2,853,812	\$2,347,028	\$2,494,947	\$(1,903,704)	\$19,150,203	\$ 0.4963
2007	17,092,450	3,100,030	2,404,638	2,818,786	(2,065,921)	23,349,983	0.4913
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

(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

	2006	2007	2008	2009
<u>MONTGOMERY COUNTY, TEXAS:</u>				
General Fund	\$ 0.3869	\$ 0.3611	\$ 0.3630	\$ 0.3647
Special Revenue Funds	0.0528	0.0478	0.0478	0.0464
Debt Service Fund	0.0566	0.0824	0.0780	0.0727
Total Montgomery County, Texas	0.4963	0.4913	0.4888	0.4838
<u>OVERLAPPING GOVERNMENTS:</u>				
Special Districts:				
Chateau Woods M.U.D.	0.1939	0.1939	0.1847	0.1793
Clover Creek M.U.D.	1.2500	1.2500	1.2500	1.2500
Conroe M.U.D. #1	-	-	0.6000	0.6000
Corinthian Point M.U.D.	0.7222	0.7122	0.6066	0.5587
East Montgomery County M.U.D. #3	0.9500	0.9500	0.9500	0.9500
East Plantation U.D.	0.8100	0.8000	0.7600	0.0729
Far Hills U.D.	0.4800	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.	1.2000	1.0000	0.8800	0.8600
Lake Conroe Hills M.U.D.	0.5000	0.5000	0.5000	0.5000
Lazy River I.D.	-	0.6050	0.5623	0.5544
Hendricks - Defined Area	-	-	-	-
Lone Star Community College	0.1207	0.1167	0.1144	0.1101
Montgomery County D.D. #6	0.2733	0.2733	0.2666	0.2641
Montgomery County D.D. #10	0.4580	0.4580	0.4580	0.4470
Montgomery County F.W.S.D. #6	0.3945	0.3945	0.3945	0.3945
Montgomery County Hospital Dist	0.0850	0.0781	0.0777	0.0760
Montgomery County M.U.D. #6	0.2200	0.1100	0.1100	0.1100
Montgomery County M.U.D. #7	0.3000	0.2000	0.2000	0.1750
Montgomery County M.U.D. #8	0.2012	0.2272	0.2118	0.2179
Montgomery County M.U.D. #9	0.6000	0.6000	0.6000	0.6000
Montgomery County M.U.D. #15	1.4500	1.3268	1.2937	1.2450
Montgomery County M.U.D. #16	1.5800	1.3600	1.2300	1.2100
Montgomery County M.U.D. #18	0.5100	0.5000	0.4900	0.4500
Montgomery County M.U.D. #19	0.3500	No Tax	0.3243	0.3243
Montgomery County M.U.D. #24	1.4900	No Tax	1.4000	1.2800
Montgomery County M.U.D. #36	0.3230	0.1200	0.1200	0.1100
Montgomery County M.U.D. #39	0.5800	0.4800	0.4700	0.4400
Montgomery County M.U.D. #40	0.2500	0.2100	0.2100	0.1900
Montgomery County M.U.D. #42	1.3500	1.3200	1.2500	1.2400
Montgomery County M.U.D. #46	0.5000	0.4200	0.3800	0.3100
Montgomery County M.U.D. #47	0.3100	0.2800	0.2800	0.2600
Montgomery County M.U.D. #56	1.2500	1.2500	1.2500	1.2500

TABLE VI

Page 1 of 4

2010	2011	2012	2013	2014	2015
\$ 0.3576	\$ 0.3582	\$ 0.3629	\$ 0.3715	\$ 0.3657	\$ 0.3544
0.0464	0.0458	0.0464	0.0464	0.0464	0.0464
0.0798	0.0798	0.0745	0.0659	0.0717	0.0759
0.4838	0.4838	0.4838	0.4838	0.4838	0.4767
0.2016	0.2223	0.2317	0.2486	0.2592	0.2616
1.2500	1.2500	1.2500	1.2500	1.2500	0.7800
0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
0.5487	0.5738	0.5393	0.5393	0.5393	0.4791
0.9500	0.9500	0.9500	0.9500	0.9500	0.6700
0.7090	0.7090	0.7090	0.7090	0.7090	0.6700
0.4700	0.4700	0.4820	0.4820	-	0.4740
1.3500	1.3500	1.3500	1.3500	1.3500	1.3200
-	-	0.9900	0.9400	0.7200	0.5000
0.8600	0.8600	0.8600	0.8300	0.8100	0.7900
0.5000	0.5000	0.5000	0.5000	0.5000	0.4750
0.5547	0.5599	0.5342	0.5627	0.5662	0.5564
-	-	-	-	0.5000	0.9850
0.1101	0.1176	0.1210	0.1198	0.1160	0.1081
0.2641	0.2641	0.2100	0.2100	0.2050	0.1925
0.4470	0.4470	0.4470	0.4500	0.4500	0.4400
0.3945	0.2941	0.2820	0.3385	0.3462	0.3770
0.0755	0.7540	0.0745	0.0729	0.7270	0.0725
0.1000	0.0950	0.0875	0.0800	0.0750	0.0750
0.1750	0.1750	0.1675	0.1675	0.1645	0.1645
0.2332	0.2494	0.2651	0.2651	0.2651	0.2651
0.6000	0.6000	0.6000	0.6000	0.6000	0.4555
1.2400	1.2400	1.2400	1.2400	1.2400	1.1970
1.3000	1.3000	1.3000	1.2600	1.2000	1.0300
0.4400	0.4400	0.4300	0.3800	0.3800	0.3600
0.3243	0.3243	0.3243	0.3243	0.3000	0.2800
1.2800	1.3800	1.1800	1.1800	1.2800	1.2800
0.1000	0.0550	0.0400	0.0350	0.0350	0.0550
0.4300	0.4300	0.4200	0.4200	0.4150	0.4150
0.1800	0.1700	0.1600	0.1500	0.1400	0.1300
1.2400	1.2300	1.1800	1.1500	1.2500	1.2500
0.2850	0.2750	0.2650	0.2550	0.2400	0.2300
0.2500	0.2500	0.2450	0.2450	0.2450	0.2450
1.0000	1.0000	1.0000	1.0000	1.0000	0.9964

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

	2006	2007	2008	2009
Special Districts (continued):				
Montgomery County M.U.D. #60	0.3500	0.3000	0.2900	0.2650
Montgomery County M.U.D. #67	0.4300	0.3400	0.3300	0.3200
Montgomery County M.U.D. #83	1.2500	1.2500	No Tax	1.2500
Montgomery County M.U.D. #84	1.2500	1.2500	No Tax	1.2500
Montgomery County M.U.D. #88	No Tax	No Tax	1.3900	1.3900
Montgomery County M.U.D. #89	1.3900	1.3900	1.3700	1.3000
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	1.2200	1.2200	1.2100	1.2000
Montgomery County M.U.D. #95	1.2500	No Tax	No Tax	No Tax
Montgomery County M.U.D. #98	1.2500	No Tax	No Tax	1.2300
Montgomery County M.U.D. #99	-	1.0400	1.0400	1.0400
Montgomery County M.U.D. #107	-	0.6000	0.6000	0.6000
Montgomery County M.U.D. #112	-	-	No Tax	1.1000
Montgomery County M.U. D #113	-	-	-	1.1000
Montgomery County M.U.D. #115	-	-	1.3500	1.3500
Montgomery County M.U.D. #119	-	-	-	1.4500
Montgomery County M.U.D. #123	-	-	-	-
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	0.4516	0.4516
Montgomery County U.D. #4	0.3800	0.4200	0.5200	0.5002
Montgomery County W.C.I.D. #1	0.8200	0.8200	0.7750	0.7750
New Caney M.U.D.	0.5376	0.5376	0.5862	0.5862
New Caney M.U.D. Valley Ranch	-	-	-	-
Point Aquarius M.U.D.	0.5132	0.6777	0.7463	0.7275
Porter M.U.D.	0.5150	0.5150	0.5150	0.5150
Rayford Road M.U.D.	0.7620	0.7020	0.6420	0.6020
River Plantation M.U.D.	0.4504	0.3387	0.3156	0.3112
Roman Forest Cons. M.U.D.	0.4760	0.3974	0.3708	0.3183
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	0.2200
Spring Creek U.D.	1.0000	1.0000	1.0000	1.0000
Stanley Lake M.U.D.	0.5800	0.5800	0.5000	0.4900
Texas National M.U.D.	0.8918	0.8966	0.9190	0.9040
Valley Ranch M.U.D. #1	-	1.4000	1.4000	1.4000
Wood Trace M.U.D. #1	1.0000	No Tax	0.7500	0.7500
Woodlands Metro-Center M.U.D.	0.2700	0.2300	0.2100	0.1900
Woodlands M.U.D. #2	0.3350	0.2700	0.2400	0.1900
Woodlands R.U.D. #1	0.4817	0.4800	0.4800	0.4738
Woodridge M.U.D.	-	-	-	-
Emergency Service District #1	0.1000	0.0973	0.1000	0.1000
Emergency Service District #2	0.1000	0.1000	0.1000	0.1000

TABLE VI

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2010	2011	2012	2013	2014	2015
0.2400	0.2400	0.2375	0.2275	0.2175	0.1975
0.3200	0.3200	0.3125	0.3125	0.3025	0.2800
1.2500	1.2000	1.1300	1.0500	0.9800	0.9000
1.2500	1.2500	1.2500	1.2500	1.2000	1.0200
1.3900	1.3900	1.3900	1.3900	1.3900	1.3900
1.2500	1.1800	1.1100	1.0900	1.0600	1.0600
0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
1.1600	1.1600	1.1300	1.1000	1.0100	0.9300
No Tax	No Tax	1.3500	1.3500	1.3500	1.3500
1.2300	1.2300	1.2250	1.2250	1.2250	1.2100
1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
0.7000	0.7000	0.7000	0.7000	0.0700	0.7000
1.1000	1.1000	1.1000	1.1000	1.1000	1.1000
1.1000	1.1900	1.1900	0.7500	0.7100	1.1200
1.3500	1.3500	1.3500	1.3500	1.3500	1.3500
1.4500	1.4500	1.4500	1.4500	1.4500	1.4500
-	-	1.2500	-	-	-
-	-	-	-	-	1.3500
0.5700	0.5700	0.5700	0.5700	0.5700	0.5700
0.4412	0.4554	0.4515	0.4515	0.4515	0.0900
0.4952	0.4895	0.4895	0.4100	0.4100	0.0800
0.7750	0.7750	0.8100	0.8100	0.8100	0.8100
0.6200	0.7100	0.7100	0.7100	0.7100	0.3797
-	-	-	-	-	0.7800
0.7015	0.7032	0.7032	0.7032	0.7032	0.6631
0.5150	0.5150	0.5150	0.5150	0.5150	0.5150
0.5920	0.5920	0.6220	0.6100	0.6000	0.5800
0.3101	0.3101	0.3200	0.3200	0.3200	0.3200
0.3000	0.2900	0.2700	0.2000	0.2200	0.2100
1.2500	1.2500	1.2500	-	-	-
1.1500	1.1500	1.1500	1.1540	1.1540	1.1657
0.2200	0.2266	0.2266	0.2266	0.2258	0.2175
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5200	0.5200	0.5100	0.5000	0.5200	0.5300
1.0959	1.0959	1.0959	1.0823	1.1330	1.1330
1.4000	1.4000	1.4000	1.4000	1.4000	1.4000
0.7500	0.7500	0.7500	0.7500	0.7500	1.5000
0.1900	0.1900	0.1750	0.1750	0.1650	0.1650
0.2300	0.1900	0.1700	0.1500	0.1300	0.1100
0.4491	0.4300	0.4266	0.4063	0.3600	0.3800
-	-	-	-	1.5000	1.3000
0.0975	0.0974	0.9640	0.0964	0.0964	0.1000
0.0940	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

	2006	2007	2008	2009
Special Districts (continued):				
Emergency Service District #3	0.1000	0.0968	0.1000	0.1000
Emergency Service District #4	0.0908	0.0843	0.1000	0.0984
Emergency Service District #5	0.1000	0.1000	0.1000	0.1000
Emergency Service District #6	0.1000	0.1000	0.1000	0.1000
Emergency Service District #7	0.0983	0.1000	0.1000	0.1000
Emergency Service District #8	0.0713	0.0725	0.0736	0.0722
Emergency Service District #9	-	0.0998	0.0948	0.0974
Emergency Service District #10	0.1000	0.1000	0.1000	0.1000
Emergency Service District #11	0.1000	0.1000	0.1000	0.1000
Emergency Service District #12	0.1000	0.1000	0.0908	0.0999
Emergency Service District #14	0.1000	0.1000	0.1000	0.0100
Total Special Districts	43.8165	40.6722	44.6022	50.3512
Cities:				
Cleveland	-	-	-	-
Conroe	0.4335	0.4300	0.4250	0.4200
Magnolia	0.4935	0.4847	0.4914	0.4914
Montgomery	0.5605	0.5605	0.5423	0.4523
Oak Ridge North	0.7300	0.7300	0.7000	0.6431
Panorama Village	0.6653	0.6608	0.6694	0.6474
Patton Village	0.5000	0.5000	0.4851	0.4366
Roman Forest	0.5000	0.4697	0.4697	0.4750
Shenandoah Village	0.4010	0.3610	0.3470	0.3470
Splendora	0.3000	0.3000	0.2955	0.2984
Stagecoach	0.5373	0.5775	0.5675	0.5525
Willis	0.5934	0.5442	0.5431	0.5376
Woodbranch Village	0.4179	0.4031	0.3719	0.3537
Woodlands Township	-	-	-	-
Woodloch	0.6300	0.5954	0.5953	0.6257
Auburn Trail Defined Area	-	-	-	-
Auburn Trail II Defined Area	-	-	-	-
Houston (County Line City)	0.6475	0.6450	0.6438	0.6388
Total Cities	7.4099	7.2619	7.1470	6.9195
School Districts:				
Cleveland I.S.D.	1.7400	1.5850	1.3150	1.3150
Conroe I.S.D.	1.7600	1.5900	1.2400	1.2700
Humble I.S.D.	-	-	-	-
Magnolia I.S.D.	1.7900	1.6600	1.4200	1.4000

TABLE VI

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2010	2011	2012	2013	2014	2015
0.0972	0.1000	0.0998	0.0990	0.0954	0.0955
0.1000	0.1000	0.0986	0.0961	0.1000	0.0917
0.0982	0.0935	0.1000	0.1000	0.1000	0.1000
0.0988	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.0998	0.0996	0.0967
0.0762	0.1000	0.1000	0.1000	0.0960	0.0946
0.1000	0.1000	0.0946	0.0917	0.0855	0.0814
0.0950	0.1000	0.0988	0.1000	0.1000	0.0980
0.1000	0.1000	0.1000	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
49.7103	50.0391	53.2208	48.9162	49.9980	50.9709
-	-	0.6850	0.7800	0.7800	0.7800
0.4200	0.4200	0.4200	0.4200	0.4200	0.4200
0.4914	0.4914	0.4814	0.4786	0.4786	0.4629
0.4450	0.4199	0.4155	0.4155	0.4155	0.4155
0.6389	0.5996	0.5996	0.5744	0.5244	0.4822
0.6517	0.6512	0.6698	0.6844	0.6741	0.6591
0.4091	0.3890	0.3779	0.3779	0.3818	0.3818
0.4706	0.4707	0.4721	0.4819	0.4819	0.4819
0.3282	0.3282	0.3237	0.3137	0.2664	0.2404
0.2978	0.2968	0.2797	0.2797	0.2720	0.2473
0.5400	0.5214	0.5044	0.5000	0.5429	0.5353
0.5808	0.5893	0.5669	0.5208	0.5363	0.6077
0.3448	0.3373	0.3514	0.3544	0.3496	0.3597
0.3280	0.3274	0.3250	0.3173	0.2940	0.2500
0.5468	0.5199	1.0000	0.5000	0.4971	0.8125
-	-	-	0.9850	0.5750	0.6190
-	-	-	-	0.5750	0.6190
0.6388	0.6388	0.6388	0.6388	0.6388	0.6311
7.1319	7.0009	8.1112	8.6224	8.7034	9.0054
1.3150	1.3150	1.3150	1.3150	1.3150	1.3150
1.2850	1.2950	1.2950	1.2900	1.2850	1.2800
-	-	1.5200	1.5200	1.5200	1.5200
1.3800	1.3995	1.3995	1.3995	1.3995	1.3895

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

	2006	2007	2008	2009
School Districts (continued):				
Montgomery I.S.D.	1.6600	1.5419	1.3500	1.3500
New Caney I.S.D.	1.7900	1.6400	1.4150	1.4400
Richards I.S.D.	1.5000	1.3700	1.0400	1.0400
Splendora I.S.D.	1.6900	1.5447	1.3173	1.5100
Tomball I.S.D.	1.7100	1.5800	1.2750	1.3600
Willis I.S.D.	1.7350	1.6020	1.3060	1.3700
Total School Districts	15.3750	14.1136	11.6783	12.0550
<u>TOTAL PROPERTY TAX RATES -</u>				
<u>DIRECT AND OVERLAPPING</u>				
<u>GOVERNMENTS</u>	<u>\$67.0977</u>	<u>\$62.5390</u>	<u>\$63.9163</u>	<u>\$69.8095</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

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2010	2011	2012	2013	2014	2015
1.3400	1.3400	1.3400	1.3400	1.3400	1.3400
1.4800	1.5400	1.5400	1.5400	1.6700	1.6700
1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
1.3200	1.3599	1.3300	1.3600	1.3155	1.3155
1.3600	1.3600	1.3600	1.3155	1.3600	1.3600
1.3700	1.3700	1.3700	1.3700	1.3900	1.3900
11.8900	12.0194	13.5095	13.4900	13.6350	13.6200
<u>\$69.2160</u>	<u>\$69.5432</u>	<u>\$75.3252</u>	<u>\$71.5123</u>	<u>\$72.8202</u>	<u>\$76.3130</u>

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

<u>2015 Taxpayer</u>	<u>Type of Business</u>	<u>2015 Assessed Valuation ⁽¹⁾</u>	<u>Percentage of Total Assessed Valuation ⁽²⁾</u>
Wal Mart Real Estate Business Trust/ Sams Club	Retail	\$ 266,082,505	0.61 %
Denbury Onshore LLC	Oil & Gas Industrial	194,609,172	0.45
Conroe Hospital Corporation	Medical	155,600,016	0.36
Anadarko Realty Co.	Oil & Gas Industrial	132,301,330	0.30
Woodlands land Devopment, LP	Land Development	112,350,090	0.26
The Woodlands Mall Associates	Retail	85,872,793	0.20
KIMCO	Research & Development	81,268,300	0.19
Hughes Christensen Company	Industrial	79,009,441	0.18
Canrig	Oil & Gas Industrial	76,225,590	0.17
JD Warmack	Developers	71,963,240	0.16
		<u>\$ 1,255,282,477</u>	<u>2.88 %</u>
<u>2006 Taxpayer</u>	<u>Type of Business</u>	<u>2006 Assessed Valuation ⁽¹⁾</u>	<u>Percentage of Total Assessed Valuation ⁽³⁾</u>
Gulf States Utilities Company	Electric Utility	\$ 162,155,189	0.85 %
Wal-Mart Real Estate Bus Tru	Land Development	157,319,212	0.81
Columbia Conroe Regional Medical Center/Kingwood Medical Plaza	Medical	116,136,716	0.61
Woodlands Land Development	Land Development	78,554,652	0.41
Consolidated Communications of Texas	Communications	69,977,630	0.37
Huntsman Petrochemical Corp.	Industrial	65,193,310	0.34
CVS Distribuion Center and Regional Offices	Retail	61,185,954	0.32
The Woodlands Mall Association	Retail	58,698,870	0.31
SBC Communications Inc.	Telephone Utility	51,764,976	0.27
Devon Energy Operating Company	Industrial	47,211,230	0.25
		<u>\$ 868,197,739</u>	<u>4.54 %</u>

⁽¹⁾ Source: Montgomery Central Appraisal District⁽²⁾ Net Assessed Valuation - 2015 \$ 43,654,262,062⁽³⁾ Net Assessed Valuation - 2006 \$ 19,150,202,773

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		
2006	\$	104,074,236	\$	102,113,249	98.1 %	\$ 74,539	\$	102,187,788	98.2 %
2007		114,138,148		112,640,155	98.7 %	125,356		112,765,511	98.8 %
2008		129,601,440		127,903,113	98.7 %	241,616		128,144,729	98.9 %
2009		144,971,851		142,781,596	98.5 %	465,897		143,247,493	98.8 %
2010		155,635,330		153,508,163	98.6 %	1,007,825		154,515,988	99.3 %
2011		160,613,960		158,449,175	98.7 %	1,961,147		160,410,322	99.9 %
2012		166,759,322		164,636,997	98.7 %	1,606,914		166,243,911	99.7 %
2013		175,204,298		173,007,132	98.7 %	1,071,490		174,078,622	99.4 %
2014		186,703,350		184,735,498	98.9 %	695,072		185,430,570	99.3 %
2015		203,940,719		201,321,741	98.7 %	-		201,321,741	98.7 %

⁽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, and 2015.

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

TABLE IX

Fiscal Year	General Obligation Bonds	Revenue Bonds ⁽³⁾	Certificates of Obligation	Capital Leases Obligation	Net: Interest Premiums and Discounts	Total Long-Term Debt	Percent of Personal Income ⁽²⁾	Per Capita ⁽²⁾
2006	\$ 238,529,676	\$ -	\$ 50,155,000	\$ 1,096,177	\$ 7,999,426	\$ 297,780,279	1.93 %	\$ 792
2007	237,618,866	44,834,989	46,660,000	3,452,124	7,715,713	340,281,692	1.94 %	862.53
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	N/A	913.29
2015	269,415,000	60,585,000	71,000,000	7,694,658	26,085,333	434,779,991	N/A	837.81

⁽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 2014 and 2015 is not available.

⁽³⁾ The County began issuing revenue bonds in 2007.

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				
2006	\$ 231,795,605	\$ -	\$ 50,155,000	\$ 281,950,605	\$ 2,264,764	\$ 279,685,841	1.46 %	\$ 743.64
2007	234,277,478	44,834,989	46,660,000	325,772,467	2,633,600	323,138,867	1.38 %	819.07
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

⁽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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Assessed value ⁽²⁾	\$ 16,655,256	\$ 20,531,197	\$ 23,665,820	\$ 26,960,161
Debt limit ⁽³⁾	4,163,814	5,132,799	5,916,455	6,740,041
Debt applicable to limit				
Total bonded debt	288,685	329,114	403,661	453,044
Less: Assets in Debt				
Service Funds available				
for payment of principal	<u>(2,247)</u>	<u>(2,631)</u>	<u>(4,561)</u>	<u>(12,207)</u>
Total debt applicable				
to limit	<u>286,438</u>	<u>326,483</u>	<u>399,100</u>	<u>440,837</u>
Legal debt margin	<u>\$ 3,877,376</u>	<u>\$ 4,806,316</u>	<u>\$ 5,517,355</u>	<u>\$ 6,299,204</u>
Total debt applicable				
to the limit as a				
percent of debt limit	6.88%	6.36%	6.75%	6.54%

⁽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

2010	2011	2012	2013	2014	2015
\$ 32,662,351	\$ 33,862,620	\$ 35,101,086	\$ 36,706,371	\$ 39,366,970	\$ 43,654,262
8,165,588	8,465,655	8,775,272	9,176,593	9,841,743	10,913,566
477,402	497,487	491,996	446,595	493,740	463,080 ⁽⁴⁾
(10,761)	(14,239)	(15,950)	(17,795)	(20,906)	(32,453)
466,640	483,248	476,046	428,800	472,834	430,627
<u>\$ 7,698,947</u>	<u>\$ 7,982,407</u>	<u>\$ 8,299,226</u>	<u>\$ 8,747,794</u>	<u>\$ 9,368,910</u>	<u>\$ 10,482,939</u>
5.71%	5.71%	5.42%	4.67%	4.80%	3.95%

MONTGOMERY COUNTY, TEXAS**Direct and Overlapping Debt****September 30, 2015****TABLE XII**

	Debt Outstanding	Percentage Applicable to Montgomery County ⁽¹⁾	Amount Applicable to Montgomery County
Montgomery County, Texas	\$ 401,000,000	100.00	\$ 401,000,000
TOTAL DIRECT DEBT	401,000,000		401,000,000
<u>OVERLAPPING GOVERNMENTS:</u>			
Special Districts:			
Clovercreek M.U.D.	1,010,000	100.00	1,010,000
Corinthian Point M.U.D. #2	1,530,000	100.00	1,530,000
East Montgomery Co M.U.D #3	9,915,000	100.00	9,915,000
East Plantation U.D.	2,255,000	100.00	2,255,000
Far Hills U.D.	9,235,000	100.00	9,235,000
Grand Oaks M.U.D.	1,700,000	100.00	1,700,000
Kings Manor M.U.D.	14,490,000	68.38	9,908,262
Lazy River I.D.	640,000	100.00	640,000
Lone Star College System	569,325,000	25.40	144,608,550
Conroe M.U.D. #1	3,750,000	100.00	3,750,000
Montgomery Co. D.D. #10	8,210,000	100.00	8,210,000
Montgomery Co. M.U.D. #7	2,790,000	100.00	2,790,000
Montgomery Co. M.U.D. #8	10,285,000	100.00	10,285,000
Montgomery Co. M.U.D. #9	12,710,000	100.00	12,710,000
Montgomery Co. M.U.D. #15	18,435,000	100.00	18,435,000
Montgomery Co. M.U.D. #18	18,225,000	100.00	18,225,000
Montgomery Co. M.U.D. #39	11,745,000	100.00	11,745,000
Montgomery Co. M.U.D. #42	1,145,000	100.00	1,145,000
Montgomery Co. M.U.D. #46	92,885,000	100.00	92,885,000
Montgomery Co. M.U.D. #47	23,600,000	100.00	23,600,000
Montgomery Co. M.U.D. #56	3,148,520	100.00	3,148,520
Montgomery Co. M.U.D. #60	15,375,000	100.00	15,375,000
Montgomery Co. M.U.D. #67	13,145,000	100.00	13,145,000
Montgomery Co. M.U.D. #83	16,115,000	100.00	16,115,000
Montgomery Co. M.U.D. #84	30,660,000	100.00	30,660,000
Montgomery Co. M.U.D. #88	5,325,000	100.00	5,325,000
Montgomery Co. M.U.D. #89	23,200,000	100.00	23,200,000
Montgomery Co. M.U.D. #90	6,845,000	100.00	6,845,000
Montgomery Co. M.U.D. #92	3,440,000	100.00	3,440,000
Montgomery Co. M.U.D. #94	34,780,000	100.00	34,780,000
Montgomery Co. M.U.D. #95	8,555,000	100.00	8,555,000
Montgomery Co. M.U.D. #98	8,940,000	100.00	8,940,000

MONTGOMERY COUNTY, TEXAS**Direct and Overlapping Debt****September 30, 2015****TABLE XII**

	Debt	Percentage	Amount Applicable
	Outstanding	Applicable to	to Montgomery
		Montgomery County ⁽¹⁾	County
Special Districts:(Continued)			
Montgomery Co. M.U.D. #99	4,090,000	100.00	4,090,000
Montgomery Co. M.U.D. #107	11,715,000	100.00	11,715,000
Montgomery Co. M.U.D. #112	33,460,000	100.00	33,460,000
Montgomery Co. M.U.D. #113	43,925,000	100.00	43,925,000
Montgomery Co. M.U.D. #115	28,490,000	100.00	28,490,000
Montgomery Co. M.U.D. #119	17,070,000	100.00	17,070,000
Montgomery Co. U.D. #2	7,550,000	100.00	7,550,000
Montgomery Co. U.D. #3	4,240,000	100.00	4,240,000
Montgomery Co. U.D. #4	12,705,000	100.00	12,705,000
Montgomery Co. W.C.I.D. #1	13,385,000	100.00	13,385,000
New Caney M.U.D.	18,013,524	100.00	18,013,524
Point Aquarius M.U.D.	12,880,000	100.00	12,880,000
Porter M.U.D.	9,845,000	100.00	9,845,000
Porter M.U.D. Auburn Trails	4,175,000	100.00	4,175,000
Rayford Road M.U.D.	23,860,000	100.00	23,860,000
Roman Forest Con. M.U.D.	950,000	100.00	950,000
Harris-Montgomery Co MUD #386	138,220,000	11.54	15,950,588
Spring Creek U.D.	45,450,000	100.00	45,450,000
Stanley Lake M.U.D.	14,170,000	100.00	14,170,000
Southern Montgomery County MUD	8,565,000	100.00	8,565,000
Texas National M.U.D.	875,000	100.00	875,000
Valley Ranch M.U.D. #1	9,785,000	100.00	9,785,000
Woodlands Metro-Center I.D.	12,495,000	100.00	12,495,000
Roman Forest P.U.D. #4	765,000	100.00	765,000
Woodlands R.U.D. #1	62,080,000	100.00	62,080,000
The Woodlands Township	40,835,000	90.28	36,865,838
Emergency Service District #3	482,790	100.00	482,790 ⁽²⁾
Emergency Service District #4	509,976	100.00	509,976 ⁽²⁾
Emergency Service District #7	203,879	100.00	203,879 ⁽²⁾
Emergency Service District #9	211,966	100.00	211,966 ⁽²⁾
Emergency Service District #12	167,769	100.00	167,769 ⁽²⁾
Total Special Districts	1,564,578,424		1,009,041,662
Cities:			
Cleveland	13,935,000	0.15	20,903
Conroe	128,305,000	100.00	128,305,000
Magnolia	10,515,000	100.00	10,515,000
Montgomery	7,075,000	100.00	7,075,000



MONTGOMERY COUNTY, TEXAS**Direct and Overlapping Debt****September 30, 2015****TABLE XII**

	Debt	Percentage	Amount Applicable
	Outstanding	Applicable to	to Montgomery
		Montgomery County ⁽¹⁾	County
Cities: (Continued)			
Oak Ridge North	7,880,000	100.00	7,880,000
Panorama Village	4,010,000	100.00	4,010,000
Shenandoah	23,940,000	100.00	23,940,000
Splendora	4,270,000	100.00	4,270,000
Willis	15,010,000	100.00	15,010,000
Woodbranch Village	244,000	100.00	244,000
Houston	3,268,340,000	0.25	8,170,850
Total Cities	<u>3,483,524,000</u>		<u>209,440,753</u>
School Districts			
Cleveland I.S.D.	35,397,395	1.45	513,262
Conroe I.S.D.	970,260,000	100.00	970,260,000
Magnolia I.S.D.	131,025,000	100.00	131,025,000
Montgomery I.S.D.	308,578,204	100.00	308,578,204
New Caney I.S.D.	353,859,957	97.93	346,535,056
Splendora I.S.D.	50,670,000	100.00	50,670,000
Tomball I.S.D.	386,125,000	6.82	26,333,725
Willis I.S.D.	59,512,296	97.79	58,197,074
Total School Districts	<u>2,295,427,852</u>		<u>1,892,112,321</u>
TOTAL OVERLAPPING DEBT	<u>7,343,530,276</u>		<u>3,110,594,736</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u><u>\$7,744,530,276</u></u>		<u><u>\$ 3,511,594,736</u></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 Payments	Operating Expenses	Available Revenue	Principal	Interest	Coverage
2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007	-	-	-	-	-	-
2008	2,396,229	2,027,434	368,795	-	1,883,754	0.20
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	-	-	-	-	-	-

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		-		7.31
	19,235,365		4,485,000		2.66
	25,969,528		6,785,000		2.50
	29,275,155		7,080,000		2.81
	35,248,559		7,410,000		3.38

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>
2006	376,104	\$15,417,279	\$ 40,992	87,881	80,143	3.8 %
2007	394,517	17,562,064	42,704	91,192	84,323	3.9 %
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	N/A	N/A	98,887	92,983	4.7 %
2015	518,947	N/A	N/A	101,598	96,755	4.3 %

(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 2006 through 2013 from The Bureau of Economic Analysis website
Personal income information for 2014 and 2015 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 years 2006 through 2008 was obtained from the financial reports of the appropriate year.

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

<u>2015 Employer ⁽¹⁾</u>	<u>Employees</u>	<u>Percentage of Total County Employment ⁽²⁾</u>
Conroe Independent School District	6,540	2.72 %
Anadarko Petroleum	3,481	1.45
Montgomery County, Texas	2,156	0.90
Aon Hewitt	1,800	0.75
New Caney Independent School District	1,615	0.67
Magnolia Independent School District	1,534	0.64
Memorial Hermann - The Woodlands	1,400	0.58
St. Luke's The Woodlands Hospital	1,348	0.56
Willis Independent School District	840	0.35
Montgomery Independent School District	825	0.34
	<u>21,539</u>	<u>8.96 %</u>
<u>2006 Employer ⁽³⁾</u>	<u>Employees</u>	<u>Percentage of Total County Employment ⁽²⁾</u>
Hughes Christensen	5,149	2.74 %
Anadarko Petroleum	1,900	1.01
Hewitt Associates	1,800	0.96
Montgomery County, Texas	1,471	0.78
Conroe Regional Medical Center	1,200	0.64
Memorial Hermann The Woodlands Hospital	1,050	0.56
Montgomery College	751	0.40
Lexicon Genetics, Inc.	710	0.38
Woodlands Resort & Conference Center	611	0.33
Chevron Phillips Chemical Co.	600	0.32
	<u>15,242</u>	<u>8.12 %</u>

⁽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 2014.

⁽²⁾ Total County Employment for 2015 and 2006:

240,195 and 187,732 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>2006</u>	<u>2007</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>
General Administration	104	111	111	116	118	135	127	132	130	132
Judicial	205	213	213	231	265	269	278	289	291	297
Legal Services	25	29	28	30	29	30	32	32	33	32
Elections	8	9	9	10	10	11	11	11	11	12
Financial Administration	88	89	90	93	93	95	101	103	99	93
Public Facilities	261	334	348	357	372	388	405	404	398	415
Public Safety	502	529	565	612	611	628	655	662	679	714
Health and Welfare	52	55	57	57	71	77	77	48	46	47
Culture and Recreation	124	136	148	148	153	161	161	161	162	163
Conservation	13	15	13	17	18	20	21	21	10	19
Public Transportation	164	163	161	165	174	205	213	226	230	232
	<u>1,546</u>	<u>1,683</u>	<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>

⁽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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government				
Construction permits issued ⁽¹⁾	6,592	5,304	3,699	2,455
Estimated value of construction ^{(1) (2)}	1,276,959	1,203,248	1,206,874	1,085,532
Health inspections performed ⁽³⁾	11,077	11,338	11,194	11,234
Birth certificates filed ⁽⁴⁾	4,809	5,233	5,343	5,674
Death certificates filed ⁽⁴⁾	1,849	1,766	1,994	2,017
Marriage license applications ⁽⁴⁾	2,282	2,417	2,324	2,432
Registered voters ⁽⁵⁾	225,184	223,157	237,299	239,246
Number of voting precincts ⁽⁵⁾	85	85	85	85
Public Safety - Sheriff				
Total arrests ⁽⁶⁾	19,222	21,098	19,676	18,229
Average number of inmates ⁽⁶⁾	977	1,093	1,025	881
Calls for service ⁽⁶⁾	292,929	239,492	265,255	285,098
Number of accidents investigated ⁽⁶⁾	12,242	2,838	3,588	1,621
Miles patrolled ⁽⁶⁾	2,619,133	2,752,276	2,582,405	3,224,282
Gallons of gas used ⁽⁶⁾	201,058	296,675	364,159	362,958
Culture and Recreation - Libraries (tentative)				
Number of items checked out ⁽⁷⁾	1,451,208	1,628,139	1,697,999	1,924,198
Number of libraries ⁽⁷⁾	7	7	7	7
Volumes in collection ⁽⁷⁾	477,681	523,000	580,378	655,756
Number of library visits ⁽⁷⁾	1,089,855	1,099,870	1,202,297	1,402,326
Library programs attendance ⁽⁷⁾	99,788	127,971	100,655	141,744

⁽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. In Fiscal Year 2005, the Sheriff's Department system tracked the of calls for service and number of accidents investigated for all law number enforcement agencies in the County. Beginning in Fiscal Year 2007, the responsibility for investigating most traffic accidents in the County has been taken over by the Texas Department of Public Safety.

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

TABLE XVII

Fiscal Year					
2010	2011	2012	2013	2014	2015
2,598	2,440	2,905	4,336	4,947	4,754
719,797	575,758	1,054,912	1,344,371	2,019,423	1,381,849
11,281	11,638	14,214	14,968	15,623	17,274
5,419	5,283	5,213	5,325	5,392	6,602
2,087	2,214	2,235	2,384	2,638	2,820
2,160	2,351	2,399	2,630	2,795	4,505
249,620	244,080	260,253	265,424	274,536	289,000
85	85	86	86	89	89
19,402	20,802	22,057	22,758	24,679	22,523
964	1,026	965	1,033	1,152	1,058
259,486	286,719	312,405	333,548	346,749	317,501
1,485	1,122	951	1,356	2,385	4,184
2,615,320	2,717,733	3,867,763	5,906,651	5,747,155	5,876,771
281,746	409,337	444,854	465,391	468,806	490,073
2,035,605	2,008,110	1,963,074	1,996,503	2,018,491	2,055,189
7	7	7	7	7	7
652,426	670,068	683,803	691,892	686,870	665,009
1,386,130	1,296,899	1,286,333	1,184,833	1,108,782	1,107,085
132,916	127,694	101,789	118,959	124,738	130,780

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

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government				
Office Buildings/Courthouses ⁽¹⁾	25	31	34	35
Public Safety - Sheriff				
Sheriff's Vehicles ⁽²⁾	273	278	382	351
Academy Square Footage ⁽¹⁾	13,800	13,800	13,800	13,800
Public Transportation				
County Roads (miles) ⁽³⁾	2,391	2,475	2,525	2,589
Bridges ⁽³⁾	157	157	157	157
Public Facilities				
Park Acreage ⁽⁴⁾	228	1,657	1,748	1,974
Convention Center Square Footage ⁽⁵⁾	56,000	56,000	56,000	56,000
Community Centers ⁽²⁾	17	17	17	18
Culture and Recreation				
Total Library Square Footage ⁽⁶⁾	145,395	169,776	169,776	169,776

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 Department. The County began work on the Spring Creek Greenway Project in 2007.

⁵⁾ Montgomery County Civic Center Complex;

⁶⁾ Montgomery County Memorial Library System Annual Report.

TABLE XVIII

2010	2011	2012	2013	2014	2015
39	42	43	43	38	44
374	427	460	463	467	505
13,800	13,800	13,800	13,800	13,800	13,800
2,636	2,640	2,656	2,685	2,703	2,704
158	158	158	159	159	160
1,870	2,072	2,956	2,061	2,061	2,089
56,000	56,000	56,000	56,000	56,000	56,000
17	18	17	17	17	17
169,776	171,400	171,400	171,400	171,400	171,400

