

# Montgomery County, Texas Comprehensive Annual Financial Report



For the Fiscal Year Ended September 30, 2018

501 N. THOMPSON SUITE 205 CONROE, TEXAS 77301



**MONTGOMERY COUNTY, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2018**

**Prepared by**  
**THE MONTGOMERY COUNTY AUDITOR'S OFFICE**  
**Rakesh Pandey**  
**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

**Rakesh Pandey CPA**  
County Auditor

**Angela H. Blocker**  
1<sup>st</sup> Assistant County Auditor

March 19, 2019

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, 2018, is submitted herewith. This report was prepared by the County Auditor in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board, and is in compliance with Chapter 114.025 and Chapter 115.045 of the Local Government Code.

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

Montgomery County's financial statements have been audited by Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2018 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, 2018 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, 2018 the estimated population was 570,934. Despite the turbulent economic times, the County's population has continued to grow during the past year and is evident in the increased demand for service at the county level. The main impetus for growth in the past two decades has come from the expansion of nearby metropolitan Houston. Many Montgomery County residents now work in Houston, and the spread of the city's suburbs into the County has led to a rapid rise in population. The governing body's active involvement in infrastructure improvements has been instrumental in this explosive growth in population. In recent years Montgomery County has become a recreation destination for many Houston residents. The area, with its abundant lakes and the Sam Houston National Forest, offers numerous opportunities for hunting, boating, fishing, and hiking.

Montgomery County maintains strict budgetary controls to ensure compliance with legal provisions in the annual appropriated budget approved by the governing body. Activities of the General Funds, the Special Revenue Funds, and the Debt Service Funds are included in the annual appropriated budget. Budget to actual comparisons are provided in this report for all funds for which an annual appropriated budget is adopted. According to the budget laws of the State of Texas, expenditures may not exceed the amount appropriated for each fund. The County's budget is prepared and adopted annually as a balanced budget pursuant to Texas law and 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 30<sup>th</sup> 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 continues to draw many companies to relocate corporate headquarters to Montgomery County. The Woodlands, a planned community in south Montgomery County, is home to energy, biomedical, and technology businesses. This is causing ever-continued growth in the southern part of the County. As Houston and Harris County, directly to the south, run out of developable land, business and residential growth in Montgomery County is expected to continue.

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

Just before the end of the fiscal year 2017, Hurricane Harvey made landfall on the Texas Gulf Coast and meandered east back into the Gulf of Mexico before making a final landfall in Cameron, Louisiana on August 30, 2017. The enormous category 4 storm’s slow movement over the greater Houston area led to catastrophic flooding. The County continues to work diligently with the State of Texas and the Federal Emergency Management Agency (FEMA) to make critical repairs to infrastructure and buildings.

**Long-term financial planning** – The Commissioners’ Court continues to be very active in infrastructure development, specifically road improvements, to help ensure economic growth. In the second half of calendar year 2005, the County executed an agreement with the Texas Department of Transportation that is facilitating the improvement of five separate state-owned roads. This Pass-Through Toll Agreement provides for the County to pledge local funds to improve these roads, with a partial reimbursement from highway funds at a later date. The County pledged \$100 million of the Series 2006 \$160 million voter-approved road bonds, as well as an additional \$88 million of future bonds to leverage the federal funds for the projects in the hopes of gaining an estimated \$232 million in improvements for the citizens of Montgomery County. In the same spirit of infrastructure development, voters in the County approved a ballot measure in November 2015 for a series of bond offerings that will raise \$280 million for a multitude of road projects throughout Montgomery County. The final bond offerings were issued in May and December 2018 to fund the remaining projects.

As part of this future planning, the Commissioners’ Court created the Montgomery County Toll Road Authority (MCTRA) in August 2006. The MCTRA is charged with the task of collecting tolls from vehicles traveling on the portion of State Highway 242 which connects with Interstate 45 in southern Montgomery County. SH 242 opened to the public in July 2015. Revenues generated by the authority are anticipated to be used to either retire a portion of the debt related to the construction and/or to fund future improvements, as the need arises. Revenue bonds for MCTRA were issued in June 2018 to fund construction along State Highway 249 in Montgomery County.

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

**Financial Transparency** – In a continuing effort to embrace technological advances, the County embarked on replacing its enterprise resource planning (ERP) financial software system. Aided by various staff members throughout multiple user departments, a project kickoff was held in October 2018 and implementation of a new system began in earnest.

### **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, 2017. This was the thirtieth 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 and professional manner, while meeting the increasing demands for public service.

Respectfully submitted,

Rakesh Pandey, CPA  
Montgomery County Auditor

RP/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

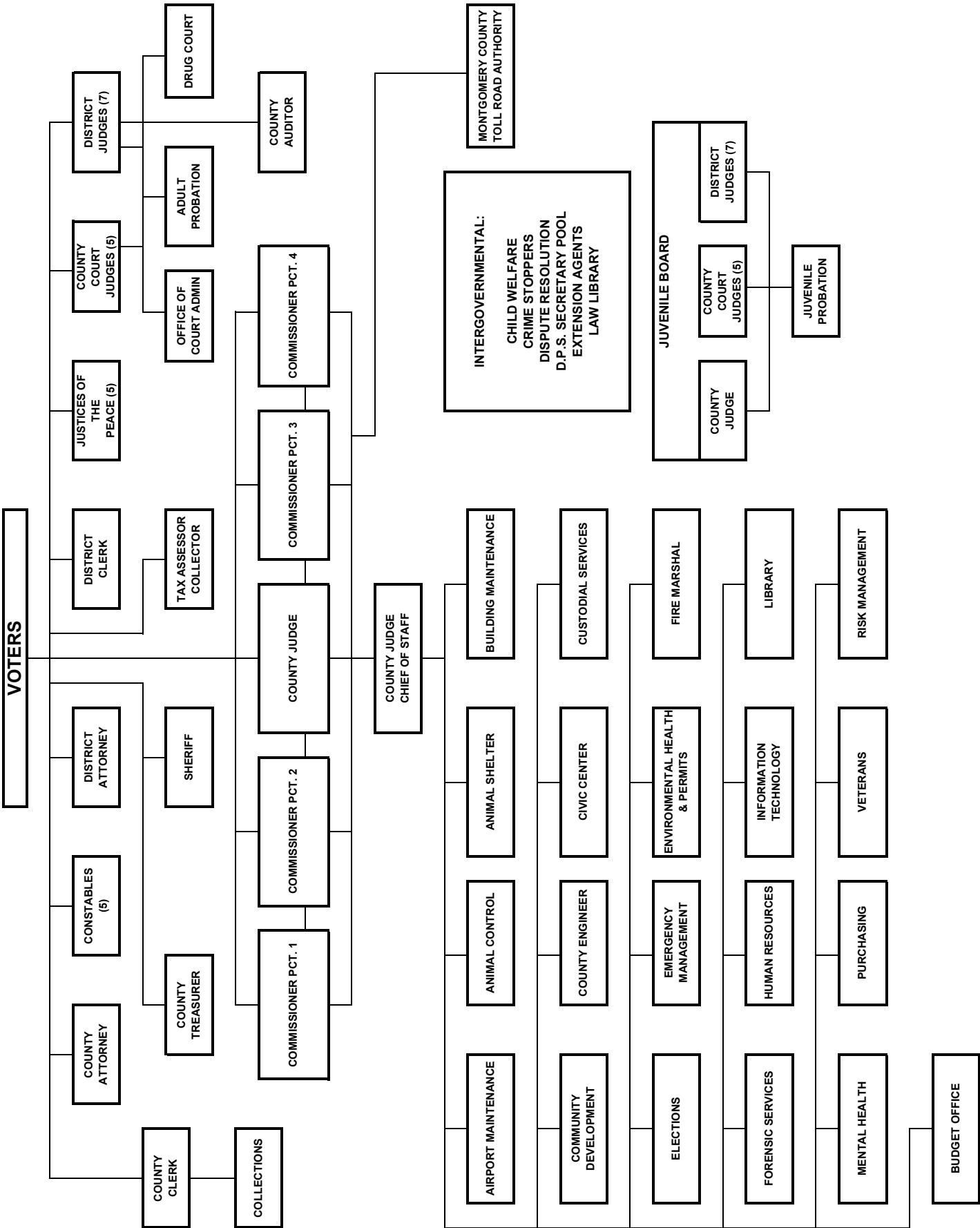
**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



MONTGOMERY COUNTY, TEXAS ORGANIZATION CHART









MONTGOMERY COUNTY, TEXAS  
DIRECTORY OF OFFICIALS  
SEPTEMBER 30, 2018

COMMISSIONERS' COURT:

Craig Doyal , term ended 12/31/18  
Mark Keough, elected 1/1/19  
Mike Meador  
Charlie Riley  
James L. Noack, Jr.  
Jim Clark, term ended 12/31/18  
James Metts, elected 1/1/19

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

DISTRICT COURTS:

Phil Grant  
Lisa Michalk  
Cara Wood, retired 12/31/18  
Kristin Bays, elected 1/1/19  
Kathleen Hamilton  
Jennifer Robin  
Tracy Gilbert  
Patty Maginnis  
Brett Ligon  
Barbara G. Adamick, retired 12/31/18  
Melisa Miller, elected 1/1/19

Judge, 9<sup>th</sup> Judicial District  
Judge, 221<sup>st</sup> Judicial District  
Judge, 284<sup>th</sup> Judicial District  
Judge, 284<sup>th</sup> Judicial District  
Judge, 359<sup>th</sup> Judicial District  
Judge, 410<sup>th</sup> Judicial District  
Judge, 418<sup>th</sup> Judicial District  
Judge, 435<sup>th</sup> Judicial District  
District Attorney  
District Clerk  
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, retired 12/31/18  
Matt Beasley, elected 1/1/19  
James Metts, elected Commissioner 1/1/19  
Jason Dunn, elected 1/1/19  
Matthew Masden

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

LAW ENFORCEMENT:

Rand Henderson  
Phillip Cash  
Gene DeForest  
Ryan Gable  
Kenneth "Rowdy" Hayden  
David H. Hill, retired 9/30/18  
Chris Jones, appointed 10/1/18

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

FINANCIAL ADMINISTRATION:

Tammy McRae  
Stephanne Davenport, term ended 12/31/18  
Melanie Bush, elected 1/1/19  
Phyllis L. Martin, term ended 12/31/18  
Rakesh Pandey, CPA, appointed 1/1/19  
Gilbert Jalomo  
Amanda Carter

Tax Assessor-Collector  
County Treasurer  
County Treasurer  
County Auditor<sup>1</sup>  
County Auditor<sup>1</sup>  
Purchasing Agent<sup>1</sup>  
Budget Officer<sup>1</sup>

<sup>1</sup> Designates appointed official. All others are elected.



## FINANCIAL SECTION





## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montgomery County, Texas (the County), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Montgomery County, Texas, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Emphasis of Matter***

As discussed Note I.B. to the basic financial statements, during the fiscal year ended September 30, 2018, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Beginning net position has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

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

***Other Matters***

***Required Supplementary Information***

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

***Supplementary and Other Information***

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

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

The Introductory Section, Capital Assets used in the Operation of Governmental Fund, and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2019 on our consideration of Montgomery County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Montgomery County, Texas's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas  
March 12, 2019

## **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, 2018. The intent of this discussion and analysis is to evaluate the current activities, resulting changes, and currently known facts of the County as a whole. Readers of this discussion and analysis should consider the information presented here in conjunction with additional information that is furnished in the accompanying letter of transmittal, which can be found on pages 1-4 of this report. This discussion should also be read in conjunction with the basic financial statements and the notes to those financial statements (which immediately follow this discussion). The discussion and analysis includes comparative data from the prior year.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$545,321,409 (net position). Of this amount, \$72,875,709 is restricted for specific purposes. With the presentation of the net investment in capital assets, unrestricted net position becomes (\$132,476,922).
- The County's total net position increased by \$14,997,824. This is due to the rapid growth experienced throughout the County.
- At September 30, 2018, the County's governmental funds reported combined ending fund balances of \$334,020,897, a decrease of \$1,352,708 from operations in comparison with the prior year. From the ending fund balances, \$618,735 is non-spendable, \$151,415,453 is restricted, \$49,933,447 is committed and \$87,202,261 is assigned. Approximately 13.4% of the ending balances, \$44,851,001 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, 2018, unassigned fund balance for the General Fund was \$44,851,001, or 19.1% of total General Fund expenditures.
- The County's total bonded debt increased by \$14,435,000 (3.3%) during the current fiscal year. This increase was primarily due to the defeasance of certain obligations as well as the issuance of road bonds during the current fiscal year.
- As of fiscal year 2018, the County reported a net pension liability of \$22,169,282.
- As of fiscal year 2018, the County reported other post-employment benefit obligations (OPEB) of \$187,705,823.

## 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, 2018. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Because the statement of activities separates program revenue (revenue generated by specific programs through fees, fines, forfeitures, charges for services, or grants received) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each function has to rely on general revenues for funding. The governmental functions of the County include general administration, judicial, legal services, elections, financial administration, public facilities, public safety, health and welfare, culture and recreation, conservation, public transportation, and debt service.

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

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

### ***Fund Financial Statements***

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

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

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

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

Montgomery County maintained 45 individual governmental funds during the fiscal year ended September 30, 2018. 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, the Road Bonds Series 2016A Fund, and the Road Bonds Series 2018 fund, all of which are considered to be major funds. Data from the remaining governmental funds (i.e., nonmajor funds) is combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of combining schedules, which are included in the Supplementary Information section following the notes to the financial statements.

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

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

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

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

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

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

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

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

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

The notes to the financial statements can be found on pages 49-82 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 83-86.

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

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

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

## GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, the GASB believes that net position may serve over time as a useful indicator of a government's financial position. Montgomery County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$545,321,409 at September 30, 2018, as shown in the table below. The County also reported a prior period adjustment for the inclusion of the total OPEB Liability which resulted in a decrease of \$94,343,780.

Montgomery County, Texas Net Position						
	Governmental Activities		Business-type activities		Total	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
Current and other assets	\$ 405,968,608	\$ 404,378,985	\$ 79,558,730	\$ (5,542,689)	\$ 485,527,338	\$ 398,836,296
Capital assets	859,603,253	792,069,288	67,945,294	62,599,944	927,548,547	854,669,232
Total assets	<u>1,265,571,861</u>	<u>1,196,448,273</u>	<u>147,504,024</u>	<u>57,057,255</u>	<u>1,413,075,885</u>	<u>1,253,505,528</u>
Deferred outflow of resources	29,592,096	55,584,420	-	-	29,592,096	55,584,420
Long-term liabilities outstanding	750,036,343	643,965,832	95,458,322	-	845,494,665	643,965,832
Other liabilities	41,975,293	37,540,377	4,107,038	385,621	46,082,331	37,925,998
Total liabilities	<u>792,011,636</u>	<u>681,506,209</u>	<u>99,565,360</u>	<u>385,621</u>	<u>891,576,996</u>	<u>681,891,830</u>
Deferred inflow of resources	5,769,576	2,530,753	-	-	5,769,576	2,530,753
Net Position:						
Net Investment in Capital Assets	559,976,686	452,183,891	44,945,936	62,599,944	604,922,622	514,783,835
Restricted	72,875,709	73,859,730	-	-	72,875,709	73,859,730
Unrestricted	(135,469,650)	41,952,110	2,992,728	(5,928,310)	(132,476,922)	36,023,800
Total net position	<u>\$ 497,382,745</u>	<u>\$ 567,995,731</u>	<u>\$ 47,938,664</u>	<u>\$ 56,671,634</u>	<u>\$ 545,321,409</u>	<u>\$ 624,667,365</u>

The County's total assets of \$1,413,075,885 are largely comprised of investments of \$253,299,194, or 17.9%, and capital assets net of accumulated depreciation of \$927,548,547, or 65.5%. 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 \$845,494,665 comprises the largest portion of the County's total liabilities of \$891,576,996 at 94.8%. Of total long-term liabilities, \$33,728,141 is due within one year, with the remainder of \$811,766,524 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 \$545,321,409 (net position) as of September 30, 2018. Roughly 13.3%, or \$72,875,709, 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, \$43,097,490 is restricted for capital projects and \$29,778,219 is restricted for debt service. The most significant portion (\$604,922,622) of the County's net position reflects its net investment in capital assets.

**Montgomery County, Texas**  
**Statement of Activities**

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
<b>Revenues:</b>						
<i>Program revenues:</i>						
Fees, fines, forfeitures, and charges for services	\$ 142,614,217	\$ 136,496,566	\$ 1,405,809	\$ 1,150,033	\$ 144,020,026	\$ 137,646,599
Operating grants and contributions:	18,248,825	14,153,836	-	-	18,248,825	14,153,836
Capital grants and contributions:	70,300,531	58,853,193	3,766,300	1,148,672	74,066,831	60,001,865
<i>General revenues:</i>						
Property taxes	235,309,431	248,120,144	-	-	235,309,431	248,120,144
Other taxes	3,095,156	2,788,410	-	-	3,095,156	2,788,410
Other general revenues	7,515,436	4,365,688	170,021	-	7,685,457	4,365,688
Total revenues	477,083,596	464,777,837	\$ 5,342,130	\$ 2,298,705	482,425,726	467,076,542
<b>Expenses:</b>						
General administration	69,064,470	65,159,730	-	-	69,064,470	65,159,730
Judicial	37,498,575	37,787,341	-	-	37,498,575	37,787,341
Legal services	4,055,102	4,038,642	-	-	4,055,102	4,038,642
Elections	2,418,834	2,142,405	-	-	2,418,834	2,142,405
Financial administration	8,825,650	8,001,174	-	-	8,825,650	8,001,174
Public facilities	74,896,281	71,243,441	-	-	74,896,281	71,243,441
Public safety	103,791,920	83,664,853	-	-	103,791,920	83,664,853
Health and welfare	30,287,821	30,656,288	-	-	30,287,821	30,656,288
Culture and recreation	10,719,438	11,037,207	-	-	10,719,438	11,037,207
Conservation	1,903,911	1,704,745	-	-	1,903,911	1,704,745
Public transportation	89,720,534	81,958,847	-	-	89,720,534	81,958,847
Debt service interest and fiscal charges	28,471,590	19,419,455	-	-	28,471,590	19,419,455
Toll Road	-	-	5,773,776	1,307,118	5,773,776	1,307,118
Total expenses	461,654,126	416,814,128	5,773,776	1,307,118	467,427,902	418,121,246
Increase (decrease) in net position before transfers	15,429,470	47,963,709	(431,646)	991,587	14,997,824	48,955,296
Transfers	8,301,324	-	(8,301,324)	-	-	-
Increase (decrease) in net position	23,730,794	47,963,709	(8,732,970)	991,587	14,997,824	48,955,296
Net Position - beginning	567,995,731	520,032,022	56,671,634	55,680,047	624,667,365	575,712,069
Prior period adjustment	(94,343,780)	-	-	-	(94,343,780)	-
Net Position - Beginning, as restated	473,651,951	520,032,022	56,671,634	55,680,047	530,323,585	575,712,069
Net Position - Ending	\$ 497,382,745	\$ 567,995,731	\$ 47,938,664	\$ 56,671,634	\$ 545,321,409	\$ 624,667,365

However, the County's overall net position decreased from the prior fiscal year. The reasons for this overall decrease 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 \$23,730,794 from the prior fiscal year, in addition to a prior period adjustment of \$94,343,780, attributing to the ending balance of \$497,382,745. As a result of the requirement of GASB 75 to report a total OPEB liability of \$187,705,823, the overall governmental activities experienced a decrease.

The County's total revenues of \$477,083,596 is an increase from the prior year. Property tax revenue accounts for \$235,309,431, or 49.3%, and is a decrease over last year of \$12,810,713. The decrease is primarily due to a newly elected homestead exemption that the Commissioners' Court approved in 2018. Despite the minimal decrease in collections in 2018, Montgomery County continues to see increased population and commercial development, as people continue to relocate to the County. These both contribute greatly to increase appraisal values and subsequent tax collections.

Program revenues of fees, fines, forfeitures, and charges for services comprise \$142,614,217, or 29.9%; and grants and contributions encompass \$88,549,356, or 18.6% of total revenues of governmental activities. Operating Grants and Contributions were \$18,248,825, an increase of \$4,094,989 largely due to the influx of FEMA grant funds received in response to the recovery efforts from Hurricane Harvey. Capital Grants and Contributions experienced an increase in the amount of \$11,447,338 primarily due to an increase of county infrastructure donations.



Expenses for the year totaled \$461,654,126. The Public Transportation function accounted for \$89,720,534, or 19.4% of the total expenses in governmental activities. The increase in spending in the public transportation function of \$7,761,687 is due to several large road construction projects undertaken by the County during the fiscal year. These projects are primarily for widening and improvement of State-owned roads, creating expenditures with no offsetting asset capitalization.

The Public Safety function experienced an increase in expenses of \$20,127,067 over the previous year. The after effects of Hurricane Harvey have been felt by the County and FEMA has given the County grants to assist with the consequences of the hurricane.

The General Administration function experienced an increase in expenses of \$3,904,740 over last year to \$69,064,470. This is primarily due to the increase in the expenses recorded in the county's internal service funds, which are recorded in the General Administration function.

The Public Facilities function expenses increased to \$74,896,281, an increase of \$3,652,840. The increase is primarily due several projects that the County has undertaken for improvements to buildings throughout the County.

The recognition of the County's total OPEB liability of \$187,705,823 has led to increases for every function. The liability was recognized on a pro rata share based on number of employees by function.

### ***Business-type Activities***

For the County's business-type activities, the results for the current year were positive in that overall net position was \$47,938,664. Capital Grants and Contributions of \$3,766,300 comprised 70.5% of total revenues for business-type activities. Included in this amount is the purchase of land parcels as MCTRA is in the process of the expansion of a portion of Tomball Parkway to be used as a toll road. The SH242 Direct Connectors have been in service since July 2016. During fiscal year 2018, MCTRA receipted \$1,405,809 in toll revenue.

The government's ending net position of \$545,321,409 represents a decrease of \$79,345,956 from the prior year's net position, inclusive of the prior period adjustment discussed earlier. The County's change in net position for governmental activities is summarized by the following chart:

**Montgomery County, Texas**  
**Change in Net Position**

	<b>Governmental Activities</b>	
	<b>FY 2018</b>	<b>FY 2017</b>
<i>Governmental funds activity:</i>		
Total revenues	\$ 370,085,504	\$ 389,792,173
Total expenditures	432,989,046	416,033,913
Excess (Deficiency) of revenues over expenditures	(62,903,542)	(26,241,740)
Capital lease financing	255,949	758,256
Issuance of Refunding Bonds	-	47,775,000
Issuance of general obligation bonds	45,670,000	73,725,000
Payment to refunded bond escrow agent	-	(51,269,830)
Premiums on obligations	5,335,327	11,311,438
Transfers	10,289,558	-
Net change in fund balance	(1,352,708)	56,058,124
<i>Government-wide activity:</i>		
Difference between current year's capital outlay expenditures and depreciation expense	1,096,989	(7,820,958)
Expenditures made in addition to the annual required		
Net effect of capital asset sales, donations, trade-ins, etc.	66,480,880	39,515,910
Revenues not reported in funds because they do not provide current-period financial resources	263,304	475,549
Internal Service Funds which are not reported in funds but are reported in government wide activity	(1,232,088)	(2,023,356)
Long-term debt not reported in funds because it does not affect the current period	(29,945,798)	(24,586,008)
Expenses not reported in the funds because they do not use current-period financial resources	(11,579,785)	(13,655,552)
Total change in net position	\$ 23,730,794	\$ 47,963,709

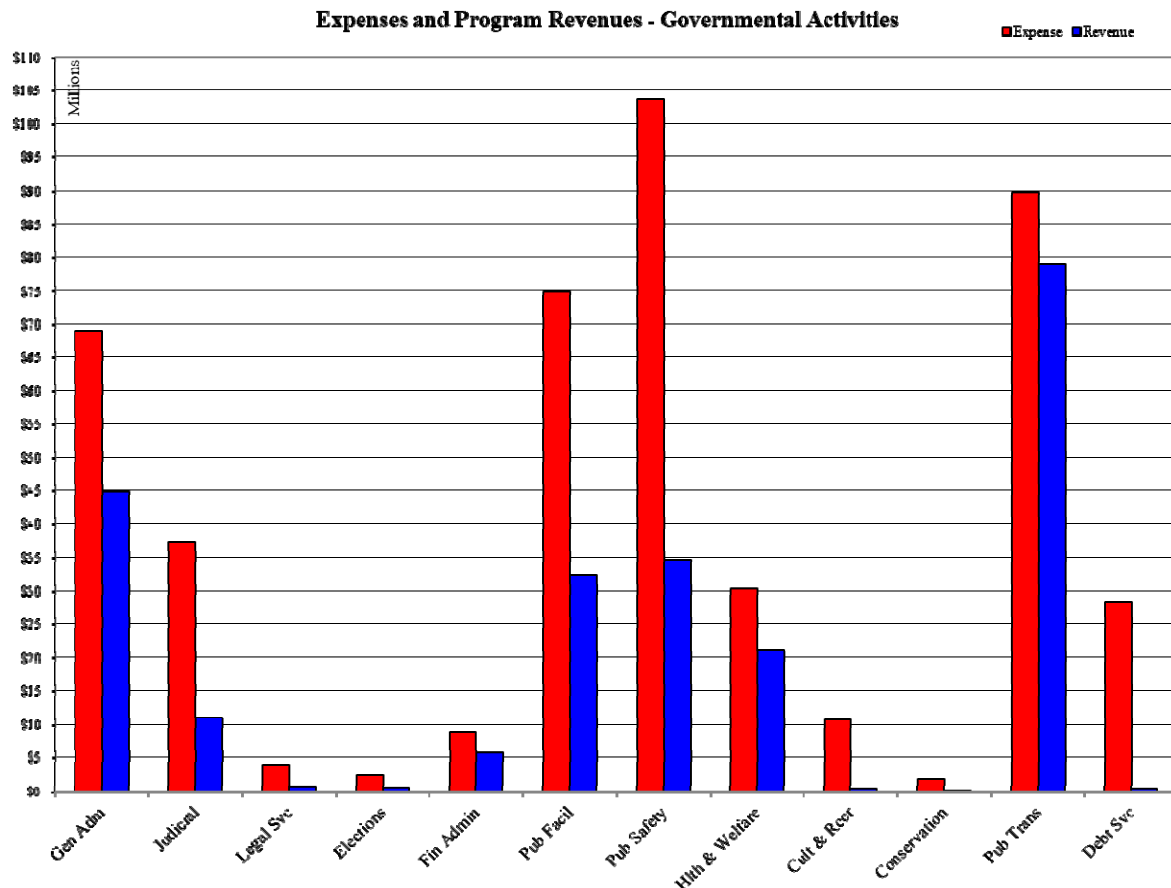
This change in net position begins with the current year's differences between governmental revenues and expenditures of (\$62,903,542) along with other financing sources and uses of \$61,550,834. Differences between capital assets added during the year and the depreciation related to all capital assets recorded, along with the effect of various capital assets transactions, such as dispositions and donations of \$67,577,869 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 of (\$11,316,481). Additionally, long-term debt, whether being issued or retired, has an effect on the change in net position of (\$29,945,798). During the fiscal year, the County issued road bonds and an issuance of refunding debt. The County also reports a net pension liability of (\$22,169,282) on and a total OPEB liability of (\$187,705,823) on the balance sheet.

The overall financial position of the County has deteriorated over the last year. As mentioned earlier, there is a decrease in the County's net position of (\$79,345,956), inclusive of the prior period adjustment. The reason for this drastic change is due to the implementation of GASB 75, reporting of a total OPEB

liability of (\$187,705,823). Moreover, the increase of \$2,333,325 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 the County's near term 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, 2018 for governmental activities.



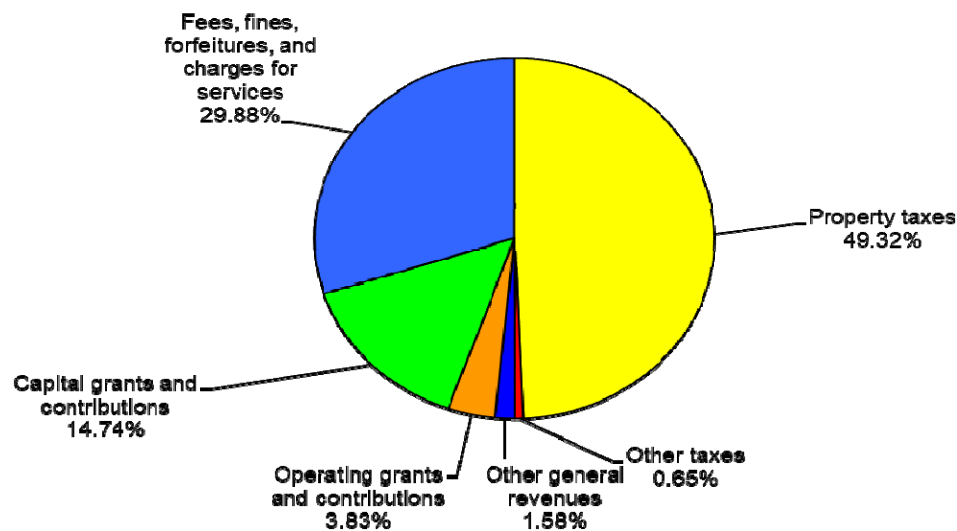
Key elements of the analysis of government-wide program revenues and expenses as they relate to each function reflect the following:

- Program revenues of \$231,163,573 are comprised in large part (34.2%) of public transportation's revenues of \$79,102,445 and general administration's revenues of \$44,755,471 (19.4%). The public safety function comprises 14.9% of program revenues with \$34,549,720, public facilities makes up 14.0% of program revenues with \$32,395,935, and Health and Welfare covers 9.1% of program revenues with \$21,245,677. The expenses of these functions account for 19.4%, 14.9%, 22.4%, 16.2%, and 6.5%, respectively. As expected, general revenues provided the required support and coverage in areas where expenses exceeded revenues.
- The public transportation function experienced an increase in expenses of \$7,761,687 while also realizing an increase in revenues of \$13,038,757. The increase in expenses is the result of an aggressive effort on the part of the Commissioners to complete road way projects, many of which are state-owned, located in the County. The continued and explosive growth in the County,

sparked by the energy boom, provides the impetus for the Commissioners' actions. The 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, 2018.

**Revenues by Source - Governmental Activities**



## GOVERNMENTAL FUND FINANCIAL ANALYSIS

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

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

As of September 30, 2018, the County's governmental funds reported combined ending unassigned fund balances of \$44,851,001 that are available for spending at the County's discretion. The remainder of fund balances are categorized as non-spendable \$618,735, restricted \$151,415,453, committed \$49,933,447 or assigned \$87,202,261 to reflect the varying levels of liquidity.

Total assets and deferred outflows of resources in the General Fund amounted to \$234,152,365, accounting for 49.0% of total governmental fund assets. The total assets of other major funds, which include Road and Bridge Special Revenue Fund (\$20,699,389), the Debt Service Fund (\$16,839,853), the Road Bonds, Series 2016A (\$48,478,277), and the Road Bonds, Series 2018 (\$42,875,690). Together, all major funds account for \$363,048,574 (75.8%) of the County's \$478,550,264 in total assets.

The County's General Fund balance increased by \$1,543,918 during the current fiscal year. Key factors in this increase are as follows:

- The continued growth in the County has contributed to a general increase in charges for services and fees collected in the general fund. In addition, interest rates have managed to rise, contributing to a considerable increase in investment earnings.
- Conservative spending policies and practices of the Commissioners' Court encouraged all aspects of the organization to reduce spending where possible.

The Road and Bridge Special Revenue Fund has a total fund balance of \$13,986,297 which is reported as \$1,666,237 restricted, \$2,054,074 as committed, and \$10,265,986 as assigned. The fund balance increased by \$789,409 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 \$15,756,559 in the Debt Service Fund is presented as fund balance restricted for debt service. The fund balance decreased as a result of the use of funds collected through a Pass-Through Toll Agreement to defease the debt associated with the agreement.

The entire fund balance of the Road Bonds, Series 2016A, \$39,757,804, and Road bonds, Series 2018, \$41,038,687 are classified as restricted and represents amounts that are specifically for Commissioners' Court approved road improvement projects.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The published budget of Montgomery County for fiscal 2018 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 \$235,864,483 and expenditures of \$225,160,409. The General Fund's final budget, as amended, contains revenues and other financing sources of \$255,573,422 and expenditures and other financing uses of \$250,387,374.

The following table presents the changes between the original adopted budget and the final budget for the General Fund as of September 30, 2018.

<b>General Fund Budget Variances Year Ended September 30, 2018</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Variance with Original Budget Positive (Negative)</b>
Revenues:			
Taxes	\$ 178,973,714	\$ 179,297,323	\$ 323,609
Licenses and Permits	2,499,000	2,499,000	-
Fees	16,798,703	16,946,925	148,222
Intergovernmental	3,285,000	5,598,748	2,313,748
Charges for Services	2,733,590	2,975,310	241,720
Interest	737,210	1,004,362	267,152
Contract Reimbursements	14,182,766	15,517,799	1,335,033
Inmate Housing	15,800,000	30,262,645	14,462,645
Fines and Forfeitures	70,000	70,000	-
Miscellaneous	784,500	1,341,310	556,810
Total Revenues	235,864,483	255,513,422	19,648,939
Expenditures:			
General Administration	30,042,500	24,914,218	5,128,282
Judicial	21,972,701	22,601,307	(628,606)
Legal Services	3,364,051	3,627,528	(263,477)
Elections	1,293,766	1,393,791	(100,025)
Financial Administration	11,034,704	14,733,221	(3,698,517)
Public Facilities	53,227,047	69,119,723	(15,892,676)
Public Safety	82,258,242	91,991,718	(9,733,476)
Health and Welfare	9,749,961	10,573,787	(823,826)
Culture and Recreation	9,459,374	9,646,634	(187,260)
Conservation	706,819	727,658	(20,839)
Public Transportation	846,460	1,055,067	(208,607)
Miscellaneous	1,204,784	2,722	1,202,062
Total Expenditures	225,160,409	250,387,374	(25,226,965)
Excess Revenues Over Expenditures	10,704,074	5,126,048	(5,578,026)
Other Financing Sources/(Uses):			
Transfers In	-	9,320,450	9,320,450
Transfers Out	-	(4,583,603)	(4,583,603)
Total Other Financing Sources/(Uses)	-	4,736,847	4,736,847
Net Change in Fund Balances	10,704,074	9,862,895	(841,179)
Fund Balance - Beginning	135,954,866	135,954,866	-
Fund Balance - Ending	\$ 146,658,940	\$ 145,817,761	\$ (841,179)

Final budgeted revenues were higher than originally planned by \$19,648,969. Intergovernmental revenue contained \$2,313,748 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 \$1,335,033 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. One of the agencies, as a response to the Santa Fe school shooting authorized additional personnel, necessitating a contract increase.

The County has entered into agreements with the United States Marshals Service (USMS) and Immigration and Customs Enforcement (ICE) to house federal detainees. Fluctuations in the number of detainees throughout the fiscal year contributed to the increase of \$14,462,645 in the final budget over the original budget.

The originally unanticipated revenue partially offsets the expenditure differences of \$25,226,965 between the original budget and the final amended budget.

Funds that were originally scheduled in prior fiscal years were not included in the original budget for fiscal year 2018. 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 Judicial, Legal, Elections, Health and Welfare, Culture and Recreation, Conservation and Public Transportation functions.

The General Administration function experienced a drop of \$5,128,282 in expenditures between the original and final amended budget. The County budgets its utility costs for the entire county in a cost center and allocates an estimated amount to each department at the beginning of the fiscal year. Fiscal year 2018 marked the third year that the County set aside funds for capital improvements. A budget of \$1,077,086 was established and transferred to an appropriate capital improvement fund as projects were identified.

The Financial Administration function experienced a \$3,698,517 increase from the original budget due to the carryover of funds budgeted to the Enterprise Resource Planning (ERP) from FY 2017 to FY 2018.

A \$9,733,746 increase in the final budget over the original budget for expenditures in the Public Safety function was the result of several factors, including encumbrance carryovers as mentioned above. Also contributing to the budgeted variances for the Public Safety function, is the County's participation in several contracts with the Federal government as well as local agencies for law enforcement services. During the course of the fiscal year, additional inter-local agreements were created with local agencies for the performance of security services. These additional contracts created increased expenditures for the County, but also created an increase in the revenue line supporting the associated expenditure.

The Public Facilities function had final budgeted expenditures \$15,892,676 higher than the original budget. This is directly related to the agreements that the County has entered into with the USMS and ICE for the care and custody of federal inmates, and the increase in the number of those inmates throughout the year.

The Miscellaneous function had a reduction of \$1,202,062 between the adopted and final amended budget. During the 2018 budget process, the County set aside \$1,204,784 as a contingency for operations. Throughout the course of the year, emergency items were presented to the governing body and funding was allocated to the department.

The following table presents the differences between the final amended budget and actual expenditures for the General Fund as of September 30, 2018.

<b>General Fund Budget Variances Year Ended September 30, 2018</b>			
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues:			
Taxes	\$ 179,297,323	\$ 173,321,518	\$ (5,975,805)
Licenses and Permits	2,499,000	2,419,594	(79,406)
Fees	16,946,925	17,920,874	973,949
Intergovernmental	5,598,748	6,856,888	1,258,140
Charges for Services	2,975,310	2,088,266	(887,044)
Investment Earnings	1,004,362	4,403,171	3,398,809
Contract Reimbursements	15,517,799	13,915,469	(1,602,330)
Inmate Housing	30,262,645	30,230,873	(31,772)
Fines and Forfeitures	70,000	106,381	36,381
Miscellaneous	1,341,310	1,125,669	(215,641)
Total Revenues	<u>255,513,422</u>	<u>252,388,703</u>	<u>(3,124,719)</u>
Expenditures:			
General Administration	24,914,218	23,595,004	1,319,214
Judicial	22,601,307	22,118,208	483,099
Legal Services	3,627,528	3,561,884	65,644
Elections	1,393,791	1,379,927	13,864
Financial Administration	14,733,221	8,188,900	6,544,321
Public Facilities	69,119,723	67,875,029	1,244,694
Public Safety	91,991,718	86,259,245	5,732,473
Health and Welfare	10,573,787	10,263,197	310,590
Culture and Recreation	9,646,634	9,502,412	144,222
Conservation	727,658	679,342	48,316
Public Transportation	1,055,067	963,086	91,981
Miscellaneous	2,722	-	2,722
Total Expenditures	<u>250,387,374</u>	<u>234,386,234</u>	<u>16,001,140</u>
Excess Revenues Over Expenditures	<u>5,126,048</u>	<u>18,002,469</u>	<u>12,876,421</u>
Other Financing Sources/(Uses):			
Transfers In	9,320,450	10,227,859	907,409
Transfers Out	(4,583,603)	(26,686,410)	(22,102,807)
Capital Lease Financing	-	-	-
Total Other Financing Sources/(Uses)	<u>4,736,847</u>	<u>(16,458,551)</u>	<u>(21,195,398)</u>
Net Change in Fund Balances	<u>9,862,895</u>	<u>1,543,918</u>	<u>(8,318,977)</u>
Fund Balance - Beginning	<u>135,954,866</u>	<u>135,954,866</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 145,817,761</u>	<u>\$ 137,498,784</u>	<u>\$ (8,318,977)</u>

Budgeted revenues exceeded actual revenues by \$3,124,719. A substantial increase in investment earnings and intergovernmental revenue (\$4,656,949) failed to cover the shortfall in contract reimbursements and taxes (\$7,578,135).



Actual expenditures were \$16,001,140 lower than final budgeted expenditures. The General Administration function contributed \$1,319,214 toward that amount. The County's policy for multiple year grants is to budget the entire grant in the year in which it is awarded, even though all expenditures may not be realized in the initial year. This can lead to a seemingly large, unspent budget. Additionally, funding for capital improvement projects was budgeted in 2018 but not spent during the year and amounted to \$891,893.

All departments in the Public Safety function of the General Fund expended less than was approved in the final amended budget by \$5,732,473. The difference is primarily due to the fact that grants, most notably grants awarded by the Department of Homeland Security, which span multiple County fiscal years or are awarded late in the fiscal year contain monies that are spent in subsequent years. Additionally, unanticipated turnover in the Sheriff's office, which has cost centers in both the Public Safety and Public Facilities functions, left the department with excess salary and benefits funds as well as the supplies needed for those positions.

The Financial Administration function showed actual expenditures less than the final budget by \$6,544,321, primarily due to the County proactively budgeting for the ERP. The County's original timeline anticipated implementation commencing during fiscal year 2018; a contract with the selected vendor was signed in August 2018.

The actual net change in fund balance was \$8,318,977 less than anticipated with the final budget. The Jury Special Revenue Fund received \$10,421,235 more than shown in the final budget. In the Jury Special Revenue Fund the emphasis is on providing a service. That service is in the form of a court system. This fund is not expected in any year to provide enough revenues to adequately fund its own services. Therefore, it is anticipated that the General Fund will service the expenditures of this fund every year. Additionally, the County budgeted funds in both FY 2016 and FY 2017 in the General Fund that were subsequently transferred to the Capital Projects Fund. This transfer totaled \$10,703,783. Transfers in and out simply provide a mechanism to move funds from one self-balancing set of accounts (a fund) to another self-balancing set of accounts.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### ***Capital Assets***

Montgomery County's investment in capital assets for its governmental and business-type activities as of September 30, 2018 amounted to \$927,548,547 (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 \$1,548,156 consisted primarily of building upgrades including security systems, access controls, and HVAC controls for various county buildings.
- Vehicles and other various equipment items were acquired at a cost of \$3,577,249.
- 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 2018 amounted to \$66,610,993.

- Montgomery County continues to grow; it is continually ranked in the top 100 fastest growing counties in the nation<sup>1</sup>. 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 \$59,534,397.
- Expenditures of \$336,332 were incurred for construction that was in progress throughout the year. Projects that were capitalized from ongoing construction throughout the year totaled \$228,119. These include the installation of new partitions at the Convention Center, improvements to the Montgomery County Sheriff Gun Range, and fencing around the Constable Precinct 2 boat storage among other projects.
- Increases in assets for governmental and business-type activities were offset by depreciation expense of \$51,826,902.

**Montgomery County, Texas**  
**Capital Assets**  
**(net of depreciation)**  
**September 30, 2018**  
**with Comparative Totals for September 30, 2017**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
Land	\$ 101,505,483	\$ 90,389,114	\$ -	\$ -	\$ 101,505,483	\$ 90,389,114
Buildings	137,488,177	141,246,489	-	-	137,488,177	141,246,489
Improvements	6,276,358	6,946,499	-	-	6,276,358	6,946,499
Equipment	35,696,698	35,599,611	-	-	35,696,698	35,599,611
Infrastructure	578,490,981	517,850,232	67,945,294	62,599,944	646,436,275	580,450,176
Construction in Progress	145,556	37,343	-	-	145,556	37,343
Total	<u>\$ 859,603,253</u>	<u>\$ 792,069,288</u>	<u>\$ 67,945,294</u>	<u>\$ 62,599,944</u>	<u>\$ 927,548,547</u>	<u>\$ 854,669,232</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, new partitions at the Convention Center and the construction of fencing around the Constable Precinct 2 boat storage. In addition, various construction projects and renovations that are underway in the County include the construction of a concession stand at West Montgomery County Park and batting cages in Willis. 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 63 of this report.

<sup>1</sup> <http://www.census.gov>

### ***Long-Term Debt***

At September 30, 2018, Montgomery County governmental activities had total bonded debt outstanding of \$457,975,000. Commissioners' Court keeps maturity dates confined to no more than 30 years. The County has maintained an underlying rating by Standard & Poor's of "AA+" and an underlying rating by Moody's of "Aaa".

The County issues three types of debt; general obligation bonds are approved by the voters of the County while revenue bonds and certificates of obligation are approved by Commissioners' Court. Of the County's total debt, \$408,885,000 corresponds to general obligation debt, \$87,680,000 is in the form of revenue bonds and \$49,090,000 represents certificates of obligation.

Outstanding debt for governmental activities increased by \$14,435,000. This due to the net effect of the issuance of Road Bonds, Series 2018, a cash defeasance of Revenue Bonds outstanding, and regularly scheduled principal payments.

Outstanding debt for the business-type activities increased by \$87,680,000 due to the issuance of Senior Lien Revenue Bonds specifically issued for the construction for SH 249.

The following table represents the entire long-term debt of the County at September 30, 2018 on a comparative basis.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
General obligation bonds	\$ 408,885,000	\$ 376,370,000	\$ -	\$ -	\$ 408,885,000	\$ 376,370,000
Revenue Bonds	-	16,420,000	87,680,000	-	87,680,000	16,420,000
Certificates of obligation	49,090,000	50,750,000	-	-	49,090,000	50,750,000
Capital Leases	13,953,358	3,777,887	-	-	13,953,358	3,777,887
Premiums, net of discounts	47,755,285	46,503,251	7,778,322	-	55,533,607	46,503,251
Compensated absences	14,021,660	13,941,832	-	-	14,021,660	13,941,832
Medical Obligation	5,148,599	5,213,837	-	-	5,148,599	5,213,837
Worker's Comp Obligation	1,614,908	1,610,050	-	-	1,614,908	1,610,050
Net Pension Liability	22,169,282	48,318,814	-	-	22,169,282	48,318,814
OPEB Liability	187,705,823	81,060,161	-	-	187,705,823	81,060,161
Total	<u>\$ 750,343,915</u>	<u>\$ 643,965,832</u>	<u>\$ 95,458,322</u>	<u>\$ -</u>	<u>\$ 845,802,237</u>	<u>\$ 643,965,832</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 \$12,712,070,819, which is significantly greater than the County's outstanding debt obligation.

Additional information on Montgomery County's long-term debt can be found in Note 9 beginning on page 65 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- The unemployment rate for the County is currently 3.8%<sup>2</sup>, which is lower than the rate of 4.1% a year ago. This compares slightly favorably to the State's average unemployment rate of 4.0%<sup>3</sup> and slightly unfavorably to the national average rate of 3.7%<sup>4</sup>.
- The estimated debt service obligation increased by \$2,527,762 in fiscal year 2019 to \$37,710,678. This increase is primarily due to the County's inclusion of the debt service for debt issued during fiscal year 2018 that was not included in the adopted budget for fiscal year 2018.
- In fiscal year 2016, the County began budgeting for various capital improvements through the annual budget process rather than relying on the issuance of debt. To continue this effort, contained within the fiscal year 2019 budget is funding in the amount of \$1,000,000 for this endeavor.
- The County created a budget office that is dedicated to the task of building 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, 2019.

## **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.

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

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

<sup>4</sup> 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, 2018**

EXHIBIT I

	Governmental Activities	Business -Type Activities	Total
<b>ASSETS:</b>			
Cash	\$ 164,923,139	\$ 17,898,336	\$ 182,821,475
Investments	171,978,019	81,321,175	253,299,194
Cash, Restricted for Retainage	1,405,360	-	1,405,360
Receivables:			
Taxes (net)	7,060,088	-	7,060,088
Accounts (net)	972,182	108,118	1,080,300
Interest	162,584	-	162,584
Internal Balances	19,768,899	(19,768,899)	-
Due from Other Governments	39,079,602	-	39,079,602
Prepaid Items	618,735	-	618,735
Capital Assets, net of accumulated depreciation:			
Land	101,505,483	-	101,505,483
Buildings	137,488,177	-	137,488,177
Improvements	6,276,358	-	6,276,358
Equipment	35,696,698	-	35,696,698
Infrastructure	578,490,981	67,945,294	646,436,275
Construction in Progress	145,556	-	145,556
Total Assets	<u>1,265,571,861</u>	<u>147,504,024</u>	<u>1,413,075,885</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows from Pensions and OPEB	17,051,012	-	17,051,012
Deferred Charge on Refunding	12,541,084	-	12,541,084
Total Deferred Outflows of Resources	<u>29,592,096</u>	<u>-</u>	<u>29,592,096</u>
<b>LIABILITIES:</b>			
Accounts Payable	27,360,922	3,354,548	30,715,470
Retainage Payable	2,437,839	569,824	3,007,663
Accrued Interest Payable	2,239,111	182,666	2,421,777
Due to Other Governments	7,919	-	7,919
Unearned Revenue	9,929,502	-	9,929,502
Noncurrent Liabilities:			
Due within one year	33,728,141	-	33,728,141
Due in more than one year	716,308,202	95,458,322	811,766,524
Total Liabilities	<u>792,011,636</u>	<u>99,565,360</u>	<u>891,576,996</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows from Pensions	5,769,576	-	5,769,576
Total Deferred Inflows of Resources	<u>5,769,576</u>	<u>-</u>	<u>5,769,576</u>
<b>NET POSITION:</b>			
Net investment in capital assets	559,976,686	44,945,936	604,922,622
Restricted for:			
Capital Projects	43,097,490	-	43,097,490
Debt Service	29,778,219	-	29,778,219
Unrestricted	(135,469,650)	2,992,728	(132,476,922)
Total Net Position	<u>\$ 497,382,745</u>	<u>\$ 47,938,664</u>	<u>\$ 545,321,409</u>

See accompanying notes to the financial statements.

**MONTGOMERY COUNTY, TEXAS**  
**Statement of Activities**  
**Year Ended September 30, 2018**

EXHIBIT II

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Fees, Fines, Forfeitures, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
Current:								
General Administration	\$ 69,064,470	\$ 44,732,374	\$ 23,097	\$ -	\$ (24,308,999)	\$ -	\$ (24,308,999)	
Judicial	37,498,575	9,628,757	1,589,512	-	(26,280,306)	-	(26,280,306)	
Legal Services	4,055,102	606,306	147,280	-	(3,301,516)	-	(3,301,516)	
Elections	2,418,834	204	504,774	-	(1,913,856)	-	(1,913,856)	
Financial Administration	8,825,650	5,664,153	-	-	(3,161,497)	-	(3,161,497)	
Public Facilities	74,896,281	32,319,163	68,172	8,600	(42,500,346)	-	(42,500,346)	
Public Safety	103,791,920	21,723,535	11,973,391	852,794	(69,242,200)	-	(69,242,200)	
Health and Welfare	30,287,821	17,565,029	3,568,025	112,623	(9,042,144)	-	(9,042,144)	
Culture and Recreation	10,719,438	276,036	112,952	-	(10,330,450)	-	(10,330,450)	
Conservation	1,903,911	186,637	-	-	(1,717,274)	-	(1,717,274)	
Public Transportation	89,720,534	9,912,023	261,622	68,928,800	(10,618,089)	-	(10,618,089)	
Debt Service Interest and Fiscal Charges	28,471,590	-	-	397,714	(28,073,876)	-	(28,073,876)	
Total Governmental Activities	\$ 461,654,126	\$ 142,614,217	\$ 18,248,825	\$ 70,300,331	(230,490,553)	-	(230,490,553)	
<b>Business-type activities:</b>								
Toll Road	\$ 5,773,776	\$ 1,405,809	\$ -	\$ 3,766,300	-	(601,667)	(601,667)	
Total business-type activities	\$ 5,773,776	\$ 1,405,809	\$ -	\$ 3,766,300	-	(601,667)	(601,667)	
<b>General Revenues:</b>								
Property Taxes					235,309,431	-	235,309,431	
Other Taxes					156,363	-	156,363	
Mixed Beverage Taxes					2,403,262	-	2,403,262	
Bingo Taxes					130,926	-	130,926	
Vehicle Weight Tax					404,605	-	404,605	
Investment Earnings					7,144,114	170,021	7,314,135	
Gain on Sale of Capital Assets					371,322	-	371,322	
Transfers					8,301,324	(8,301,324)	-	
Total General Revenues and Transfers					254,221,347	(8,131,303)	246,090,044	
Change in Net Position					23,730,794	(8,732,970)	14,997,824	
Net Position - Beginning					567,995,731	56,671,634	624,667,365	
Prior Period Adjustment					(94,343,780)	-	(94,343,780)	
Net Position - Beginning, as Restated					473,651,951	56,671,634	530,323,585	
Net Position - Ending					\$ 497,382,745	\$ 47,938,664	\$ 545,321,409	

See accompanying notes to the financial statements.

**MONTGOMERY COUNTY, TEXAS**

**Balance Sheet**

**Governmental Funds**

**September 30, 2018**

	General	Road and Bridge	Debt Service
<b><u>ASSETS:</u></b>			
Cash	\$ 90,802,642	\$ 2,256,985	\$ 12,543,360
Investments	84,954,001	16,819,947	1,975,814
Cash, Restricted for Retainage	-	-	-
Receivables:			
Taxes (net)	5,199,343	734,897	1,125,848
Accounts (net)	315,471	113,939	-
Interest	162,584	-	-
Due from Other Funds	45,126,313	378,502	1,194,831
Due from Other Governments	7,592,011	395,119	-
Prepaid Items	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 234,152,365</u></b>	<b><u>\$ 20,699,389</u></b>	<b><u>\$ 16,839,853</u></b>
<b><u>LIABILITIES:</u></b>			
Accounts Payable	\$ 13,001,268	\$ 2,262,178	\$ -
Retainage Payable	-	-	-
Due to Other Funds	73,368,259	3,699,328	-
Due to Other Governments	7,630	-	-
Unearned Revenue	5,186,287	-	-
Total liabilities	<u>91,563,444</u>	<u>5,961,506</u>	<u>-</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable Revenue: Property Taxes	5,090,137	751,586	1,083,294
Total Deferred inflows of resources	<u>5,090,137</u>	<u>751,586</u>	<u>1,083,294</u>
<b><u>FUND BALANCES:</u></b>			
Nonspendable	-	-	-
Restricted	2,121,503	1,666,237	15,756,559
Committed	15,443,950	2,054,074	-
Assigned	75,082,330	10,265,986	-
Unassigned	44,851,001	-	-
Total Fund Balances	<u>137,498,784</u>	<u>13,986,297</u>	<u>15,756,559</u>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>	<b><u>\$ 234,152,365</u></b>	<b><u>\$ 20,699,389</u></b>	<b><u>\$ 16,839,853</u></b>

See accompanying notes to the financial statements.



## EXHIBIT III

Road Bonds Series 2016A	Road Bonds Series 2018	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 41,209,311	\$ 16,491,750	\$ 163,304,048
48,476,352	-	19,751,905	171,978,019
1,921	1,402,354	1,085	1,405,360
-	-	-	-
-	-	-	7,060,088
4	264,025	55,221	748,660
-	-	-	162,584
-	-	47,581,807	94,281,453
-	-	31,004,187	38,991,317
-	-	618,735	618,735
<u>\$ 48,478,277</u>	<u>\$ 42,875,690</u>	<u>\$ 115,504,690</u>	<u>\$ 478,550,264</u>
\$ 4,296,603	\$ 349,958	\$ 6,516,872	\$ 26,426,879
1,886,480	84,691	466,668	2,437,839
2,537,390	1,402,354	17,794,880	98,802,211
-	-	289	7,919
-	-	4,743,215	9,929,502
<u>8,720,473</u>	<u>1,837,003</u>	<u>29,521,924</u>	<u>137,604,350</u>
-	-	-	6,925,017
-	-	-	6,925,017
-	-	618,735	618,735
39,757,804	41,038,687	51,074,663	151,415,453
-	-	32,435,423	49,933,447
-	-	1,853,945	87,202,261
-	-	-	44,851,001
<u>39,757,804</u>	<u>41,038,687</u>	<u>85,982,766</u>	<u>334,020,897</u>
<u>\$ 48,478,277</u>	<u>\$ 42,875,690</u>	<u>\$ 115,504,690</u>	<u>\$ 478,550,264</u>



**MONTGOMERY COUNTY, TEXAS**  
**Reconciliation of the Balance Sheet of the Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2018**

Total fund balances - governmental funds (page 35) \$ 334,020,897

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  
depreciation) consist of:

Land	\$ 101,505,483	
Buildings	137,488,177	
Improvements	6,276,358	
Equipment	35,696,698	
Infrastructure	578,490,981	
Construction in Progress	<u>145,556</u>	
Total Capital Assets, Net		859,603,253

Property taxes earned that are not available to pay for  
current-period expenditures are deferred in the funds. 6,925,017

Internal Service Funds are used by management to charge the costs 18,523,003  
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. This is net of assets and liabilities,  
excluding capital assets.

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	\$ (2,239,109)	
Bonds and capital leases payable, net	(519,376,071)	
OPEB Liability	(187,705,823)	
Deferred charge on refunding	12,541,084	
Deferred amounts for pensions and OPEB	11,281,436	
Net Pension Liability	(22,169,282)	
Compensated absences	<u>(14,021,660)</u>	
Total future period liabilities		<u>(721,689,425)</u>
Net position of governmental activities		<u><u>\$ 497,382,745</u></u>

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, 2018**

	General	Road and Bridge	Debt Service
<b>REVENUES:</b>			
Taxes	\$ 173,321,518	\$ 24,948,390	\$ 37,288,174
Licenses and Permits	2,419,594	7,162,580	-
Fees	17,920,874	-	-
Intergovernmental	6,856,888	184,544	397,714
Charges for Services	2,088,266	75,658	-
Investment Earnings	4,403,171	342,920	159,805
Contract Reimbursements	13,915,469	512,275	-
Inmate Housing	30,230,873	-	-
Fines and Forfeitures	106,381	1,995,222	-
Miscellaneous	1,125,669	764,435	-
<b>TOTAL REVENUES</b>	<b>252,388,703</b>	<b>35,986,024</b>	<b>37,845,693</b>
<b>EXPENDITURES:</b>			
Current:			
General Administration	23,595,004	-	-
Judicial	22,118,208	-	-
Legal Services	3,561,884	-	-
Elections	1,379,927	-	-
Financial Administration	8,188,900	-	-
Public Facilities	67,875,029	749,988	-
Public Safety	86,259,245	-	-
Health and Welfare	10,263,197	166,621	-
Culture and Recreation	9,502,412	-	-
Conservation	679,342	1,060,868	-
Public Transportation	963,086	34,738,830	-
Capital Projects	-	-	-
Debt Service:			
Principal Retirement	-	-	31,887,580
Interest and Fiscal Charges	-	-	19,891,807
Issuance Costs	-	-	7,500
<b>TOTAL EXPENDITURES</b>	<b>234,386,234</b>	<b>36,716,307</b>	<b>51,786,887</b>
Excess (Deficiency) Revenues Over Expenditures	<b>18,002,469</b>	<b>(730,283)</b>	<b>(13,941,194)</b>
<b>OTHER FINANCING SOURCES/(USES):</b>			
Transfers In	10,227,859	1,367,134	907,409
Transfers Out	(26,686,410)	(103,393)	-
Capital Lease Financing	-	255,949	-
Issuance of General Obligation Debt	-	-	540,470
Premium on General Obligation Debt Issued	-	-	-
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<b>(16,458,551)</b>	<b>1,519,690</b>	<b>1,447,879</b>
Net Change in Fund Balances	1,543,918	789,407	(12,493,315)
Fund Balances at Beginning of Year	135,954,866	13,196,890	28,249,874
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 137,498,784</b>	<b>\$ 13,986,297</b>	<b>\$ 15,756,559</b>

See accompanying notes to the financial statements.

## EXHIBIT IV

Road Bonds Series 2016A	Road Bonds Series 2018	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 235,558,082
-	-	-	9,582,174
-	-	2,700,312	20,621,186
-	-	16,854,352	24,293,498
-	-	3,068,339	5,232,263
1,117,021	328,529	792,668	7,144,114
-	-	16,881,149	31,308,893
-	-	-	30,230,873
-	-	1,867,968	3,969,571
-	-	254,746	2,144,850
1,117,021	328,529	42,419,534	370,085,504
-	-	1,570,167	25,165,171
-	-	13,387,144	35,505,352
-	-	273,138	3,835,022
-	-	841,760	2,221,687
-	-	-	8,188,900
-	-	-	68,625,017
-	-	14,511,577	100,770,822
-	-	18,396,869	28,826,687
-	-	117,716	9,620,128
-	-	-	1,740,210
-	-	2,019,319	37,721,235
31,840,107	9,293,985	17,387,122	58,521,214
-	-	-	31,887,580
-	274,020	-	20,165,827
-	186,694	-	194,194
31,840,107	9,754,699	68,504,812	432,989,046
(30,723,086)	(9,426,170)	(26,085,278)	(62,903,542)
-	-	25,863,583	38,365,985
-	-	(1,286,624)	(28,076,427)
-	-	-	255,949
-	45,129,530	-	45,670,000
-	5,335,327	-	5,335,327
-	50,464,857	24,576,959	61,550,834
(30,723,086)	41,038,687	(1,508,319)	(1,352,708)
70,480,890	-	87,491,085	335,373,605
\$ 39,757,804	\$ 41,038,687	\$ 85,982,766	\$ 334,020,897



**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, 2018**

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

Net change in fund balances - total governmental funds (page 39)	\$ (1,352,708)
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Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,096,989
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The net effect of various miscellaneous transactions involving capital assets.	66,480,880
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	263,304
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The issuance of long-term debt (e.g., bonds, leases) provides

current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(29,945,798)
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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.	(1,232,088)
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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	\$	(79,827)	
Bond interest owed but not yet paid		(507,329)	
Amortization of deferred amounts		2,924,854	
Net Pension Liability and Deferred Amounts Related to Pension		(1,818,348)	
OPEB Liability and Deferred Amounts Related to OPEB		(12,099,135)	
		(11,579,785)	

Change in net position of governmental activities	\$ 23,730,794
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See accompanying notes to the financial statements.

**MONTGOMERY COUNTY, TEXAS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**General Fund**  
**Year Ended September 30, 2018**

EXHIBIT V  
Page 1 of 2

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Taxes	\$ 178,973,714	\$ 179,297,323	\$ 173,321,518	\$ (5,975,805)
Licenses and Permits	2,499,000	2,499,000	2,419,594	(79,406)
Fees	16,798,703	16,946,925	17,920,874	973,949
Intergovernmental	3,285,000	5,598,748	6,856,888	1,258,140
Charges for Services	2,733,590	2,975,310	2,088,266	(887,044)
Investment Earnings	737,210	1,004,362	4,403,171	3,398,809
Contract Reimbursements	14,182,766	15,517,799	13,915,469	(1,602,330)
Inmate Housing	15,800,000	30,262,645	30,230,873	(31,772)
Fines and Forfeitures	70,000	70,000	106,381	36,381
Miscellaneous	784,500	1,341,310	1,125,669	(215,641)
<b><u>TOTAL REVENUES</u></b>	<b><u>235,864,483</u></b>	<b><u>255,513,422</u></b>	<b><u>252,388,703</u></b>	<b><u>(3,124,719)</u></b>
<b><u>EXPENDITURES:</u></b>				
Current:				
General Administration	30,042,500	24,914,218	23,595,004	1,319,214
Judicial	21,972,701	22,601,307	22,118,208	483,099
Legal Services	3,364,051	3,627,528	3,561,884	65,644
Elections	1,293,766	1,393,791	1,379,927	13,864
Financial Administration	11,034,704	14,733,221	8,188,900	6,544,321
Public Facilities	53,227,047	69,119,723	67,875,029	1,244,694
Public Safety	82,258,242	91,991,718	86,259,245	5,732,473
Health and Welfare	9,749,961	10,573,787	10,263,197	310,590
Culture and Recreation	9,459,374	9,646,634	9,502,412	144,222
Conservation	706,819	727,658	679,342	48,316
Public Transportation	846,460	1,055,067	963,086	91,981
Miscellaneous	1,204,784	2,722	-	2,722
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>225,160,409</u></b>	<b><u>250,387,374</u></b>	<b><u>234,386,234</u></b>	<b><u>16,001,140</u></b>
Excess Revenues Over Expenditures	10,704,074	5,126,048	18,002,469	12,876,421
<b><u>OTHER FINANCING SOURCES/ (USES):</u></b>				
Transfers In	-	9,320,450	10,227,859	907,409
Transfers Out	-	(4,583,603)	(26,686,410)	(22,102,807)
<b><u>TOTAL OTHER FINANCING SOURCES/(USES)</u></b>	<b><u>-</u></b>	<b><u>4,736,847</u></b>	<b><u>(16,458,551)</u></b>	<b><u>(21,195,398)</u></b>
Net Change in Fund Balances	10,704,074	9,862,895	1,543,918	(8,318,977)
Fund Balances at Beginning of Year	135,954,866	135,954,866	135,954,866	-
<b><u>FUND BALANCES AT END OF YEAR</u></b>	<b><u>\$ 146,658,940</u></b>	<b><u>\$ 145,817,761</u></b>	<b><u>\$ 137,498,784</u></b>	<b><u>\$ (8,318,977)</u></b>

See accompanying notes to the financial statements.



**MONTGOMERY COUNTY, TEXAS**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget (GAAP Basis) and Actual**  
**Road and Bridge Fund**  
**Year Ended September 30, 2018**

EXHIBIT V  
Page 2 of 2

	<u>Road and Bridge Fund</u>			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Taxes	\$ 25,632,925	\$ 25,632,925	\$ 24,948,390	\$ (684,535)
Licenses and Permits	6,620,000	6,620,000	7,162,580	542,580
Intergovernmental	135,000	135,000	184,544	49,544
Charges for Services	-	181,082	75,658	(105,424)
Investment Earnings	135,000	135,000	342,920	207,920
Contract Reimbursements	-	508,279	512,275	3,996
Fines and Forfeitures	2,000,000	2,000,000	1,995,222	(4,778)
Miscellaneous	-	603,479	764,435	160,956
<b><u>TOTAL REVENUES</u></b>	<u>34,522,925</u>	<u>35,815,765</u>	<u>35,986,024</u>	<u>170,259</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
Public Facilities	816,614	989,388	749,988	239,400
Health and Welfare	-	166,621	166,621	-
Conservation	777,252	1,217,422	1,060,868	156,554
Public Transportation	32,929,058	47,610,097	34,738,830	12,871,267
<b><u>TOTAL EXPENDITURES</u></b>	<u>34,522,924</u>	<u>49,983,528</u>	<u>36,716,307</u>	<u>13,267,221</u>
Excess (Deficiency) Revenues Over Expenditures	<u>1</u>	<u>(14,167,763)</u>	<u>(730,283)</u>	<u>13,437,480</u>
<b><u>OTHER FINANCING SOURCES/ (USES):</u></b>				
Transfers In	-	1,401,414	1,367,134	(34,280)
Transfers Out	-	(103,393)	(103,393)	-
Capital Lease Financing	-	255,949	255,949	-
<b><u>TOTAL OTHER FINANCING SOURCES/(USES)</u></b>	<u>-</u>	<u>1,553,970</u>	<u>1,519,690</u>	<u>(34,280)</u>
Net Change in Fund Balances	1	(12,613,793)	789,407	13,403,200
Fund Balances at Beginning of Year	13,196,890	13,196,890	13,196,890	-
<b><u>FUND BALANCES AT END OF YEAR</u></b>	<u>\$ 13,196,891</u>	<u>\$ 583,097</u>	<u>\$ 13,986,297</u>	<u>\$ 13,403,200</u>

See accompanying notes to the financial statements.



**MONTGOMERY COUNTY, TEXAS**

**Statement of Net Position**

**Proprietary Funds**

**September 30, 2018**

EXHIBIT VI

	Enterprise Fund	
	Toll Road	Internal Service
	Authority	Funds
<b><u>ASSETS:</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 17,898,336	\$ 1,619,091
Investments	81,321,175	-
Accounts	108,118	223,522
Due from other funds	-	24,668,159
Due from other governments	-	88,285
Total Current Assets	<u>99,327,629</u>	<u>26,599,057</u>
Capital Assets (net of accumulated depreciation):		
Buildings	-	776,510
Improvements	-	239
Equipment	-	28,770
Infrastructure	67,945,294	-
Total Capital Assets	<u>67,945,294</u>	<u>805,519</u>
Total Assets	<u>167,272,923</u>	<u>27,404,576</u>
<b><u>LIABILITIES:</u></b>		
Current Liabilities:		
Accounts Payable	3,354,548	934,043
Accrued interest payable	182,666	-
Retainage payable	569,824	-
Claims payable	-	500,000
Due to other funds	19,768,899	378,502
Total Current Liabilities	<u>23,875,937</u>	<u>1,812,545</u>
Noncurrent Liabilities		
Claims Payable	-	6,263,507
Due in More than One Year	95,458,322	-
Total Noncurrent Liabilities	<u>95,458,322</u>	<u>6,263,507</u>
Total Liabilities	<u>119,334,259</u>	<u>8,076,052</u>
<b><u>NET POSITION:</u></b>		
Net Investment in Capital Assets	44,945,936	805,519
Unrestricted	2,992,728	18,523,005
Total Net Position	<u>\$ 47,938,664</u>	<u>\$ 19,328,524</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, 2018**

EXHIBIT VII

	<u>Enterprise Fund</u>	
	<u>Toll Road Authority</u>	<u>Internal Service Funds</u>
<b><u>OPERATING REVENUES:</u></b>		
Charges for Service	\$ 1,405,809	\$ 37,290,225
Miscellaneous	-	2,736,412
Total Operating Revenues	<u>1,405,809</u>	<u>40,026,637</u>
<b><u>OPERATING EXPENSES:</u></b>		
Supplies	-	8,015
Services	2,209,806	37,857,054
Miscellaneous	-	844,661
Depreciation and Amortization	830,236	43,900
Total Operating Expenses	<u>3,040,042</u>	<u>38,753,630</u>
Operating Income (Loss)	(1,634,233)	1,273,007
<b><u>NON-OPERATING REVENUES</u></b>		
Investment Earnings	170,021	-
Interest and fiscal charges	(2,071,823)	-
Bond issuance costs	(661,911)	-
Loss of disposal of capital assets	(516,862)	-
Total Non-Operating Revenues	<u>(3,080,575)</u>	<u>-</u>
Income (Loss) before capital contributions and transfers	(4,714,808)	1,273,007
Capital Contributions	3,766,300	-
Transfer In	-	227,263
Transfer Out	<u>(7,784,462)</u>	<u>(2,732,358)</u>
Change in Net Position	(8,732,970)	(1,232,088)
Total net position - beginning	<u>56,671,634</u>	<u>20,560,612</u>
Total net position - ending	<u>\$ 47,938,664</u>	<u>\$ 19,328,524</u>

See accompanying notes to the financial statements.

**MONTGOMERY COUNTY, TEXAS**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended September 30, 2018**

EXHIBIT VIII

	Enterprise Fund	
	Toll Road Authority	Internal Service Funds
Cash flows from operating activities:		
Receipts from customers	\$ 1,297,691	\$ 40,622,029
Payments to vendors	1,416,245	-
Receipts from others	-	902,003
Benefits Paid	-	(37,800,765)
Net cash provided by operating activities	<u>2,713,936</u>	<u>3,723,267</u>
Cash flows from noncapital financing activities:		
Internal receipts from other funds	11,959,971	-
Intergovernmental contributions	31,766	11,957
Transfer to other funds	(7,784,462)	(2,505,095)
Net cash provided (used) by noncapital financing activities	<u>4,207,275</u>	<u>(2,493,138)</u>
Cash flows from capital and related financing activities:		
Capital contributions	3,766,300	-
Proceeds from capital debt	95,726,540	-
Purchase of capital assets	(6,960,666)	-
Interest paid on capital debt	(1,889,157)	-
Bond issuance costs	(661,911)	-
Net cash provided by capital financing activities	<u>89,981,106</u>	<u>-</u>
Cash flows from investing activities:		
Purchase of investments	(81,321,175)	-
Interest received	170,021	-
Net cash used by investing activities	<u>(81,151,154)</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>15,751,163</u>	<u>1,230,129</u>
Cash and cash equivalents - beginning	<u>2,147,173</u>	<u>388,962</u>
Cash and cash equivalents - ending	<u>\$ 17,898,336</u>	<u>\$ 1,619,091</u>
Reconciliation of operating income (loss) to net cash provided in operating activities:		
Operating income (loss)	\$ (1,634,233)	\$ 1,273,007
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Decrease in due from other funds	-	465,207
Depreciation expense	830,236	43,900
(Increase) decrease in accounts receivable	(108,118)	1,496,946
Decrease in intergovernmental receivable	-	449
Increase in accounts payable	3,056,227	508,996
Decrease in claims payable	-	(65,238)
Increase in retainage payable	569,824	-
Total adjustments	<u>4,348,169</u>	<u>2,450,260</u>
Net cash provided by operating activities	<u>\$ 2,713,936</u>	<u>\$ 3,723,267</u>
Schedule of non-cash capital and related financing activities:		
Contributions of capital assets - Governmental Funds	\$ 3,766,300	\$ -

See accompanying notes to the financial statements.

**MONTGOMERY COUNTY, TEXAS**  
**Statement of Assets and Liabilities**  
**Fiduciary Funds**  
**As of September 30, 2018**

EXHIBIT IX

	<u>Agency Funds</u>
<b><u>ASSETS:</u></b>	
Cash	\$ 21,658,558
Accounts Receivable	<u>2,111,827</u>
 <b><u>TOTAL ASSETS</u></b>	 <b><u>\$ 23,770,385</u></b>
 <b><u>LIABILITIES:</u></b>	
Due to Others	<u>\$ 23,770,385</u>
 <b><u>TOTAL LIABILITIES</u></b>	 <b><u>\$ 23,770,385</u></b>

See accompanying notes to the financial statements.

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

**A) REPORTING ENTITY:**

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

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

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

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

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

**Montgomery County Toll Road Authority:**

The Montgomery County Toll Road Authority was created by the Commissioners' Court of the County in August 2006. The Toll Road Authority serves all citizens of the County and is governed by the members of Commissioners' Court and is funded entirely by the County. The Toll Road Authority was incorporated under the provisions of Texas Transportation Code Act, Chapter 431 with the purpose to aid in the planning, design, improvement and financing of transportation projects throughout Montgomery County. The Authority is reported as an enterprise fund and does issue separate financial statements, which are available at on the County's website.

**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, 2018**

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. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

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

GASB Statement No. 85, *Omnibus 2017*, will enhance consistency in the application of accounting and financial reporting requirements. Consistent reporting will improve the usefulness of information for users of financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, will enhance the comparability of financial statements by providing accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

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



**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

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

**Government-wide Statements**

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

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

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

**Fund-level Statements**

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

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

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

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

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

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

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

The County reports the following *major governmental funds*:

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

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

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

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

**Road Bonds Series 2018 Fund** is used to account for the County's issuance of \$45,670,000 in bonds that are being used to finance improvements to various roads within the County.

The County reports the following *nonmajor governmental funds*:

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

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

**MONTGOMERY COUNTY, TEXAS**  
**Notes to the Financial Statements**  
**September 30, 2018**

The County reports the following *proprietary funds*:

**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.

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

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

**2. Receivables**

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

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

**3. Inter-fund Transactions**

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

**4. Prepaid Items**

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

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

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 \$5,000 and have a useful life in excess of five years. Buildings and building improvements require a cost of at least \$5,000 and a useful life in excess of 5 years. Land and construction in progress are not depreciated. The policy applied to infrastructure acquisitions requires a cost of at least \$10,000 and a useful life in excess of five years. Infrastructure assets include county-owned roads, drainage improvements, bridges, signals, and runways. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value on the date of donation.

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

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

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

**6. Payables**

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

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources until then. The County has the following items that qualify for reporting in this category.

- Deferred Charges on Refundings – result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – recognized in the subsequent year.
- Difference in projected and actual earnings on pension assets – amortized on a closed basis over a 5 year period.
- Changes in actual assumptions used to determine pension liability and expected and actual experiences amortized over the weighted average remaining service life of all participants in the respective qualified pension plan.

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

- Changes in actuarial assumptions and expected and actual experiences used to determine OPEB liability – amortized over the weighted average remaining service life of all participants in the respective OPEB plan.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time. The County has the following items that qualify for reporting in this category.

- Difference in Expected and Actual Pension Experience – recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Unavailable Revenue – Property Taxes – recognized in the period the amount becomes available.

**8. Unearned Revenue**

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

**9. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they incurred.

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

**10. Fund Balances**

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

The County reports fund balances in five classifications:

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

**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.

## **MONTGOMERY COUNTY, TEXAS**

### **Notes to the Financial Statements**

**September 30, 2018**

**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 rebate due and remit the amount due at least every five years. There were no arbitrage rebate payments made during fiscal year 2018.

#### **13. Net Position/Fund Balance (restricted)**

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

## **MONTGOMERY COUNTY, TEXAS**

### **Notes to the Financial Statements**

**September 30, 2018**

#### **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. OPEB**

The County's OPEB plan has been determined using the flow of economic resources measurement focus and the full accrual basis of accounting. This includes for purposes of measuring the OPEB liability, deferred outflows, OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no assets as this is a pay-as-you-go plan.

#### **16. 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.

#### **17. Program Revenues**

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as actual program revenues.

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

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

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

Capital outlay	\$ 51,786,434
Depreciation expense	(50,689,445)
	<hr/>
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities	<hr/> \$ 1,096,989 <hr/>

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

*“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.	\$ 170,722
--	------------

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.	66,310,158
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Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$ 66,480,880
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*“The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”* The details of this difference are as follows:

Debt issued or incurred:	
Issuance of General Obligation debt	\$ (45,670,000)
Premium on bonds issued, net	(5,335,327)
Capital lease financing	(12,771,043)
Principal repayments:	
General Obligation debt	13,155,000
Revenue debt	16,420,000
Certificates of Obligation debt	1,660,000
Capital leases	2,595,572
Net adjustment to decrease net changes in fund balances-total governmental	\$ (29,945,798)

*“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	\$ (79,827)
Accrued interest	(507,329)
Amortization of charge on refunding bonds	(1,466,012)
Amortization of bond discounts	(25,320)
Amortization of bond premiums	4,416,186
Decrease of Net Pension Liability, net of related deferred inflow and outflow amounts	(1,818,348)
Increase of Other Post-Employment Benefits, net of related deferred inflow amounts	(12,099,135)

Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities	\$ (11,579,785)
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**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

**NOTE 3- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:**

**A) BUDGETS AND BUDGETARY ACCOUNTING:**

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

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

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

For fiscal year 2018, 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 2018, budget amendments totaling \$161,385,887 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 2018, supplemental appropriations were approved in the amounts of \$24,309,305, \$10,674,541, and \$255,948 for grants received, intergovernmental contracts executed, and capital leases approved, respectively.

**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, 2018, the County’s bank balance (collected funds) was \$188,623,270. 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.

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

**B) INVESTMENTS:**

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

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

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

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

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

As of September 30, 2018, the Count's governmental activities had the following investments:

<u>Fair Value Measurements Using</u>						
	September 30, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
<i>Investments Measured at Cost:</i>						
FICA Program	\$ 13,594,400	\$ -	\$ -	7.89%	1	AAAm
<i>Investments Measured at Amortized Cost</i>						
Lone Star Government Overnight Fund	408,928	-	-	0.24%	28	AAAm
TEXPOOL	1,142,518	-	-	0.66%	28	AAAm
Money Market Funds - BPIF	2,802,324	-	-	1.63%	30	AAAm
Money Market Funds - AIM	3,246,840	-	-	1.89%	32	AAAm
Money Market Funds - ICT	609,888	-	-	0.28%	19	AAAm
US Government Agency Securities	21,869,798	-	-	12.72%	0	AA+
<i>Investments Measured at Net Asset Value (NAV), Fair Value:</i>						
TexSTAR	3,701,371	-	-	2.15%	32	AAA
TEXCLASS	10,383,237	-	-	6.04%	52	AAA
LOGIC	88,324,071	-	-	51.36%	31	AAAm
<i>Investments Subject to Fair Value Level:</i>						
Certificates of Deposit - Raymond James	4,500,000	-	4,500,000	2.70%	127	Not Rated
US Government Agency Securities	21,394,644	-	21,394,644	12.44%	0	AA+
<b>Total Value</b>	<b>\$ 171,978,019</b>	<b>\$ -</b>	<b>\$ 25,894,644</b>	<b>100.00%</b>		
<b>Portfolio Weighted Average Maturity</b>					<b>25</b>	

**MONTGOMERY COUNTY, TEXAS**  
**Notes to the Financial Statements**  
**September 30, 2018**

As of September 30, 2018, the Count's business-type activities had the following investments:

Fair Value Measurement					
	September 30, 2018	Significant Other Observable Inputs (Level 2)	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
<i>Investments Measured at Amortized Cost:</i>					
Money Market Funds	\$ 3,660,747	\$ -	5.00%	1	AAAm
<i>Investments Subject to Fair Value Level:</i>					
U.S. Treasury Notes	5,999,958	5,999,958	7.00%	869	Not Rated
<i>Investments Measured at Cost:</i>					
Master Repurchase Agreements	71,660,470	-	88.00%	686	Not Rated
<b>Total Value</b>	<b>\$ 81,321,175</b>	<b>\$ 5,999,958</b>	<b>100.00%</b>		
<b>Portfolio Weighted Average Maturity</b>				<b>670</b>	

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

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

*Master Repurchase Agreements* are measured at cost and are exempt for fair value reporting.

*Money Market Funds* are measured at amortized cost and are exempt for fair value reporting.

The TexPool and Lone Star investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

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

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

*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 \$0.4667 per \$100, which means that the County has a tax margin of \$0.3333 per \$100, and could raise up to \$169,477,328 in additional taxes from the present assessed valuation of \$50,848,283,277 before the limit is reached.

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

	<b>Taxes Receivable</b>	<b>Less: Allowance for Uncollectables</b>	<b>Net Taxes Receivable</b>
General Fund	\$5,305,452	\$ 106,109	\$5,199,343
Road & Bridge Fund	749,895	14,998	734,897
Debt Service Fund	1,148,823	22,975	1,125,848
Total Receivable	<u>\$7,204,170</u>	<u>\$144,082</u>	<u>\$7,060,088</u>

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

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

**NOTE 6- DUE FROM OTHER GOVERNMENTS:**

At September 30, 2018, the following amounts were recorded as due to the County:

	<b>Federal</b>	<b>State</b>	<b>Local</b>	<b>Total</b>
General Fund	\$ 3,567,932	\$ 1,086,635	\$2,937,444	\$ 7,592,011
Road & Bridge Fund	-	218,316	176,803	395,119
Other Governmental Funds	6,890,106	23,835,159	278,922	31,004,187
Total Due from Governments	<u>\$10,458,038</u>	<u>\$ 25,140,110</u>	<u>\$3,393,169</u>	<u>\$ 38,991,317</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:**

<u>Primary Government Governmental Activities</u>	<b><u>Beginning Balance</u></b>	<b><u>Additions <sup>(1)</sup></u></b>	<b><u>Deletions <sup>(1)</sup></u></b>	<b><u>Ending Balance</u></b>
Land <sup>(2)</sup>	\$ 90,389,114	\$ 11,116,369	<sup>(2)</sup> \$ -	\$ 101,505,483
Construction in Progress	37,343	336,332	(228,119)	145,556
Total Capital Assets not being depreciated	90,426,457	11,452,701	( 228,119)	101,651,039
Buildings <sup>(3)</sup>	214,929,285	1,548,156	-	216,477,441
Improvements <sup>(3)</sup>	23,746,112	458,022	-	24,204,134
Equipment <sup>(2)(3)</sup>	115,251,070	11,276,396	<sup>(2)</sup> (18,975,918)	107,551,548
Infrastructure	1,400,448,322	97,343,451	(492,965)	1,497,298,808
Total Capital Assets being depreciated	1,754,374,789	110,626,025	(19,468,883)	1,845,531,931
Less accumulated depreciation for:				
Buildings	(73,682,796)	(5,306,468)	-	(78,989,264)
Improvements	(16,799,613)	(1,128,163)	-	(17,927,776)
Equipment	(79,651,459)	(7,699,147)	15,495,756	(71,854,850)
Infrastructure	(882,598,090)	(36,594,670)	384,933	(918,807,827)
Total Depreciation	<u>(1,052,731,958)</u>	<u>(50,728,448)</u>	<u>15,880,689</u>	<u>(1,087,579,717)</u>
Total Capital Assets, net of Accumulated depreciation	<u>\$ 792,069,288</u>	<u>\$ 71,350,278</u>	<u>\$ (3,816,313)</u>	<u>\$ 859,603,253</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 \$73,443,333 and \$9,326,086 in land and equipment respectively.

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

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

**Depreciation Expense:**

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

Governmental activities:	
General Administration	\$ 3,029,908
Judicial	188,054
Legal Services	71,091
Elections	143,599
Financial Administration	11,514
Public Facilities	1,642,963
Public Safety	4,368,130
Health and Welfare	1,505,696
Culture and Recreation	766,130
Conservation	26,263
Public Transportation	38,936,097
Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets	39,003
Total depreciation expense-governmental activities	<u>\$50,728,448</u>

**B) Business- type Activities:**

<u>Primary Government Business-type Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Infrastructure	\$ 65,822,406	\$ 6,960,666	\$ (516,862)	\$ 72,266,210
Total Capital Assets being depreciated	65,822,406	6,443,804	(516,862)	72,266,210
Less accumulated depreciation for:				
Infrastructure	(3,222,462)	(1,098,454)	-	(4,320,916)
Total Depreciation	(3,222,462)	(1,098,454)	-	(4,320,916)
Total Capital Assets, net of Accumulated depreciation	<u>\$ 62,599,944</u>	<u>\$ 5,862,212</u>	<u>\$ (516,862)</u>	<u>\$ 67,945,294</u>

**Depreciation Expense:**

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

Business-type Activities:	
Toll Road	\$ 1,098,454
Total depreciation expense-governmental activities	<u>\$ 1,098,454</u>

**C) CONSTRUCTION COMMITMENTS:**

The County has entered into contracts for the construction, renovation, and improvement of real property. As of September 30, 2018, the County had contracts for various projects in the amount of \$86,986,622 and have paid to date \$33,782,213.

As of September 30, 2018, contracts entered into by the Montgomery County Toll Road Authority (business-type activities) for the SH 249 project amount to \$55,968,425 and have paid to date \$5,698,236.

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

**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	\$ 8,061,966
Road and Bridge Fund	2,054,074
Road Bonds 2016A	34,976,930
Road Bonds 2018	12,467,659
Other Non-Major	14,669,892
Internal Service Funds	211
Enterprise Fund	57,203,903
Total Encumbrances	<u>\$129,434,635</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, 2018, the following amounts were due to other governments:

<u>Fund</u>	<u>State</u>	<u>Total</u>
General	\$7,630	\$7,630
Other Non-Major	289	289
Total	<u>\$7,919</u>	<u>\$7,919</u>

**B) UNEARNED REVENUES:**

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

At September 30, 2018, unearned revenues are presented below:

<u>Fund</u>	<u>Unearned Fees</u>
General	\$5,186,287
Other Non-Major	4,743,215
Total	<u>\$9,929,502</u>

**NOTE 9- LONG-TERM DEBT:**

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

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

**A) BONDED DEBT:**

A summary of the outstanding governmental bonded debt, at September 30, 2018 is presented:

	<b>Interest Rate (%)</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Bonds Outstanding</b>
<b>GENERAL OBLIGATION BONDS:</b>				
Refunding Bonds, Series 2010	4.00-5.00	2010	2030	\$ 28,175,000
Refunding Bonds, Series 2012	2.00-5.00	2012	2026	22,405,000
Refunding Bonds, Series 2014	1.75-2.27	2014	2020	13,030,000
Refunding Bonds, Series 2014A	5.00	2014	2025	68,815,000
Refunding Bonds, Series 2016	3.00-5.00	2016	2027	58,925,000
Road Bonds, Series 2016	2.00-5.00	2016	2027	52,660,000
Refunding Bonds, Series 2016A	3.00-5.00	2017	2030	46,220,000
Road Bonds, Series 2016A	4.00-5.00	2017	2042	72,985,000
Road Bonds, Series 2018	4.00-5.00	2018	2043	45,670,000
<b>TOTAL GENERAL OBLIGATION BONDS</b>				<b>\$408,885,000</b>
<b>CERTIFICATES OF OBLIGATION:</b>				
Series 2010	3.00-5.40	2010	2039	25,185,000
Series 2012	2.00-5.00	2012	2032	11,765,000
Series 2012A	2.00-5.00	2012	2023	12,140,000
<b>TOTAL CERTIFICATES OF OBLIGATION</b>				<b>\$49,090,000</b>
<b>TOTAL BONDED DEBT</b>				<b>\$457,975,000</b>

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

The Toll Road Project has been financed with senior lien revenue bonds. The proceeds from such bonds, including the interest earned, are being used to finance the construction and the related debt service.

The outstanding business-type bonded debt at September 30, 2018 is as follows:

	<b>Interest Rate (%)</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Bonds Outstanding</b>
<b>SENIOR LIEN REVENUE BONDS:</b>				
Series 2018	5.00	2018	2048	\$ 87,680,000
<b>TOTAL SENIOR LIEN REVENUE BONDS</b>				<b>\$ 87,680,000</b>
<b>TOTAL BONDED DEBT</b>				<b>\$ 87,680,000</b>

**B) CHANGES IN LONG-TERM DEBT:**

The following schedule illustrates changes in the County's Governmental Long-Term Liabilities and Business-Type Liabilities for the year ended September 30, 2018. For each category, management has presented the portion that will be due within one year.



**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

	<b>Beginning</b>		<b>Provisions</b>	<b>Ending</b>	<b>Due Within</b>
<b>Governmental Activities:</b>	<b>Balance</b>	<b>Additions</b>	<b>(Reductions)</b>	<b>Balance</b>	<b>One Year</b>
Bonds payable:					
General Obligation	\$ 376,370,000	\$45,670,000	\$ (13,155,000)	\$408,885,000	\$15,025,000
Revenue Bonds	16,420,000	-	(16,420,000)	-	-
Certificates of Obligation	50,750,000	-	( 1,660,000)	49,090,000	1,715,000
Less deferred amounts:					
Issuance discounts	(332,893)	-	25,321	(307,572)	-
Issuance Premiums	46,836,144	5,335,327	(4,416,186)	47,755,285	-
Total bonds payable	490,043,251	51,005,327	(35,625,865)	505,422,713	16,740,000
Capital leases	3,777,887	12,771,043	(2,595,572)	13,953,358	2,374,456
Workers' Comp Obligation	1,610,050	830,137	(825,279)	1,614,908	500,000
Medical Obligation	5,213,837	20,927,075	(20,992,313)	5,148,599	5,148,599
Total OPEB Liability <sup>(1)</sup>	175,403,941	27,642,488	(15,340,606)	187,705,823	-
Net Pension Liability	48,318,814	37,184,548	(63,334,081)	22,169,282	
Compensated absences	13,941,832	9,490,182	(9,410,354)	14,021,660	8,965,086
Total Long-term Liabilities	\$ 643,965,832	\$217,010,032	\$(110,939,521)	\$750,036,343	\$33,728,141

- (1) Per GASB 75, beginning balance for Total OPEB Liability includes the restatement of the Total OPEB Liability as of 2017. See Notes 1B and 20 for information regarding the implementation of GASB 75.

Internal Service Funds predominantly serve the governmental funds. Accordingly, long term liabilities, including Workers' Compensation and Medical, reported in those funds are included as part of the above totals for governmental activities. At year end, \$1,614,908 for Workers' Compensation obligation and \$5,148,599 for Medical obligation were included in the above amounts. Since medical claims are typically resolved within 60 days after occurrence, the entire claims liability is due within one year.

At year end, \$1,751,864 of special revenue funds compensated absences is included in the above amounts. The remaining balance of \$12,269,796 will be liquidated by the general fund. In prior years, compensated absences have been liquidated by the County's general fund and special revenue funds. The OPEB obligation will be liquidated by the general fund. In prior years, the OPEB obligation was liquidated by the general fund.

	<b>Beginning</b>		<b>Provisions</b>	<b>Ending</b>	<b>Due Within</b>
<b>Business-Type Activities:</b>	<b>Balance</b>	<b>Additions</b>	<b>(Reductions)</b>	<b>Balance</b>	<b>One Year</b>
Bonds payable:					
Senior Lien Revenue Bonds	\$ -	\$87,680,000	\$ -	\$ 87,680,000	\$ -
Unamortized Premium	-	8,046,540	(268,218)	7,778,322	-
Total bonds payable	-	95,726,540	(268,218)	95,458,322	-
Total Long-term Liabilities	\$ -	\$95,726,540	\$ (268,218)	\$ 95,458,322	\$ -

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

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

The following table lists the debt requirements, by debt type for governmental activities:

<b>Maturity</b>	<b>General Obligation Bonds</b>		<b>Certificates of Obligation</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 15,025,000	\$ 18,757,356	\$ 1,715,000	\$ 2,197,830
2020	15,585,000	18,220,569	1,770,000	2,142,236
2021	18,580,000	17,480,263	810,000	2,099,727
2022	19,625,000	16,530,138	1,665,000	2,051,686
2023	19,570,000	15,556,513	2,785,000	1,963,192
2024-2028	114,685,000	61,705,990	15,120,000	7,857,484
2029-2033	110,245,000	33,006,318	15,365,000	4,268,031
2034-2038	47,440,000	16,128,350	8,070,000	1,603,260
2039-2043	48,130,000	4,446,713	1,790,000	48,330
<b>Total</b>	<b>\$408,885,000</b>	<b>\$201,832,210</b>	<b>\$ 49,090,000</b>	<b>\$ 24,231,776</b>

The following table lists the debt requirements, by debt type for business-type activities:

<b>Maturity</b>	<b>Revenue Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2019	\$ -	\$ 4,384,000
2020	-	4,384,000
2021	-	4,384,000
2022	-	4,384,000
2023	500,000	4,384,000
2024-2028	8,945,000	21,058,250
2029-2033	13,075,000	18,315,000
2034-2038	16,685,000	14,702,750
2039-2043	21,295,000	10,093,000
2044-2048	27,180,000	4,209,500
<b>Total</b>	<b>\$ 87,680,000</b>	<b>\$ 90,298,500</b>

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

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

On January 9, 2018 the County authorized the use of available funds received through the Pass Through Toll Agreement to defease the remaining outstanding debt as it relates to the Pass Through Toll Program. This resulted in the defeasance of \$12,565,000 of Pass-Through Toll Revenue & Limited Tax Bonds, Series 2009 and \$3,855,000 of Pass-Through Toll Revenue & Limited Tax Bonds, Series 2010 by funds being placed in an irrevocable escrow account to provide for the future debt service payments.

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As of September 30, 2018, defeased but outstanding debt from prior year refunding transactions consisted of the following:

<b><u>Series</u></b>	<b><u>Amount</u></b>
Unlimited Tax Road Bonds, Series 2006B	\$ 20,195,000
Unlimited Tax Road Bonds, Series 2008B	34,705,000
Pass-Through Toll Revenue Bonds, Series 2009	2,905,000
Pass-Through Toll Revenue Bonds, Series 2010	4,905,000
Pass-Through Toll Refunding Bonds, Series 2012	15,880,000
Certificates of Obligation, Series 2010A	1,960,000
Refunding Bonds, Series 2010	15,205,000
<b>Total Defeased but Outstanding</b>	<b>\$ 95,755,000</b>

**E) FUTURE BORROWING:**

In November 2015, the voters of Montgomery County approved the issuance of \$280 million in unlimited tax road bonds to fund road improvements throughout the County. The County issued a total of \$190.4 million of these road bonds. This leaves the remaining authorized amount at \$89.6 million to be issued in subsequent periods.

**F) CONDUIT DEBT OBLIGATIONS:**

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

**Harris County Health Facilities Development Corporation-** The corporation issues bonds if there is a public benefit or purpose that is necessary or convenient for health care, research, or education. Its activity is included in this disclosure because its bonds have been issued for the benefit of organizations located in Montgomery County. As of February 28, 2018, there were nine (9) series of bonds outstanding with an aggregate principal payable of \$740,301,000. The bonds will be repaid from sources defined in the various underlying financing agreements between the corporation and the entities for whose benefit the bonds were issued.

**Harris County Cultural Education Facilities Finance Corporation-** The corporation issues bonds for the purpose of defraying expansion costs, for Space Center Houston projects, Houston Livestock Show and Rodeo projects, Baylor College of Medicine, Memorial Hermann Healthcare System, Methodist Hospital System, Texas Medical Center projects, and the Young Men's Christian Association (YMCA) of the Greater Houston Area and others. Its activity is included in this disclosure because its bonds have been issued for the benefit of organizations located in Montgomery County. As of February 28, 2018 there were forty-nine (49) series of Bonds outstanding with an aggregate principal payable of \$4,449,288,713. The Bonds will be repaid from payments required to be made under loan agreements between the issuing entity and the aforementioned parties.

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

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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 \$12,771,043 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, 2018 and the funds from which they will be paid are as shown below:

<b>Year</b>	<b>General</b>	<b>Special Revenue</b>	
<b>Ending</b>	<b>Fund</b>	<b>Funds</b>	<b>Total</b>
2019	\$ 2,020,377	\$ 885,896	\$ 2,906,273
2020	1,959,354	474,846	2,434,200
2021	1,959,355	88,868	2,048,223
2022	1,959,355		1,959,355
2023	1,959,354		1,959,354
2024-2025	3,918,710		3,918,710
Total Minimum Lease Payments	13,776,505	1,449,610	15,226,115
Less: amount representing interest	1,201,650	71,107	1,272,757
Present value-minimum lease payments	<u>\$12,574,855</u>	<u>\$ 1,378,503</u>	<u>\$ 13,953,358</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, 2018 was as follows:

	<b>Receivables</b>	<b>Payables</b>
General Fund	\$ 45,126,313	\$ 73,368,259
Road and Bridge Fund	378,502	3,699,328
Debt Service Fund	1,194,831	-
Road Bonds Series 2016A Fund	-	2,537,390
Road Bonds Series 2018 Fund	-	1,402,354
Non-major Governmental Funds	47,581,807	17,794,880
Internal Service Funds	24,668,159	378,502
Enterprise Fund	-	19,768,899
Total	<u>\$ 118,949,612</u>	<u>\$ 118,949,612</u>

**MONTGOMERY COUNTY, TEXAS**

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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, 2018 were:

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 10,227,859	\$ 26,686,410
Road and Bridge Fund	1,367,134	103,393
Debt Service Fund	907,409	-
Non-major Governmental Funds	25,863,583	1,286,624
Internal Service Funds	227,263	2,732,358
Enterprise Fund	-	7,784,462
Total	<u>\$ 38,593,248</u>	<u>\$ 38,593,247</u>

Although inter-fund activity is reported in the fund financial statements, it has been eliminated in the government-wide financial statements. There is a difference between transfers in and out that is due to rounding.

**MONTGOMERY COUNTY, TEXAS****Notes to the Financial Statements****September 30, 2018****NOTE 11- FUND BALANCES:**

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

	General	Road & Bridge	Debt Service	Road Bonds Series 2016A	Road Bonds Series 2018	Other Governmental Funds	Total Governmental Funds
<b>Non-Spendable</b>							
Prepaid	\$ -	\$ -	\$ -	\$ -	-	\$ 618,735	\$ 618,735
<b>Total Non-Spendable</b>	-	-	-	-	-	<b>618,735</b>	<b>618,735</b>
<b>Restricted for:</b>							
Capital Projects	-	-	-	39,757,804	41,038,687	29,541,441	110,337,932
Debt Service	-	-	15,756,559	-	-	-	15,756,559
General Admin	-	-	-	-	-	5,672,126	5,672,126
Financial Admin	-	-	-	-	-	-	-
Conservation	-	-	-	-	-	-	-
Judicial	223,555	-	-	-	-	1,533,960	1,757,515
Legal Services	4,903	-	-	-	-	406,773	411,676
Elections	-	-	-	-	-	310,553	310,553
Public Facilities	-	-	-	-	-	-	-
Public Safety	1,705,810	-	-	-	-	7,990,520	9,696,330
Health & Welfare	173,391	-	-	-	-	4,848,728	5,022,119
Culture & Recreation	13,844	-	-	-	-	110,596	124,440
Public Transportation	-	1,666,237	-	-	-	659,966	2,326,203
<b>Total Restricted</b>	<b>2,121,503</b>	<b>1,666,237</b>	<b>15,756,559</b>	<b>39,757,804</b>	<b>41,038,687</b>	<b>51,074,663</b>	<b>151,415,453</b>
<b>Committed for:</b>							
Capital Projects	891,893	-	-	-	-	32,423,537	33,315,430
General Admin	866,023	-	-	-	-	-	866,023
Financial Admin	7,035,110	-	-	-	-	-	7,035,110
Conservation	-	4,494	-	-	-	-	4,494
Public Facilities	1,436,835	4,339	-	-	-	-	1,441,174
Public Safety	4,698,451	-	-	-	-	-	4,698,451
Judicial	139,380	-	-	-	-	11,886	151,266
Legal Services	11,030	-	-	-	-	-	11,030
Elections	11,686	-	-	-	-	-	11,686
Culture & Recreation	84,605	-	-	-	-	-	84,605
Health & Welfare	262,760	-	-	-	-	-	262,760
Public Transportation	6,177	2,045,241	-	-	-	-	2,051,418
<b>Total Committed</b>	<b>15,443,950</b>	<b>2,054,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,435,423</b>	<b>49,933,447</b>
<b>Assigned to:</b>							
OPEB Obligation	75,082,330	-	-	-	-	-	75,082,330
Judicial	-	-	-	-	-	1,853,945	1,853,945
Public Transportation	-	10,265,986	-	-	-	-	10,265,986
<b>Total Assigned</b>	<b>75,082,330</b>	<b>10,265,986</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,853,945</b>	<b>87,202,261</b>
<b>Unassigned</b>	<b>44,851,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,851,001</b>
<b>Total Fund Balances</b>	<b>\$137,498,784</b>	<b>\$ 13,986,297</b>	<b>\$ 15,756,559</b>	<b>\$ 39,757,804</b>	<b>41,038,687</b>	<b>\$ 85,982,766</b>	<b>\$334,020,897</b>

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

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

The County also leases office space at the East Montgomery County Community Development Building to Lakewood Family Practice and/or Dr. N. K. Karimjee, for a period of eighty-four months. The original term of this lease was through July 1, 2014 and was amended to renew through July 2021. The monthly rent of \$3,500 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 \$2,660,776, less accumulated depreciation of \$733,308.

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:

<b><u>Year Ending</u></b>	
<b><u>September 30,</u></b>	
2019	107,550
2020	106,950
2021	81,650
2022	39,900
Total Future Lease Payments	<u>\$ 336,050</u>

**NOTE 13- RISK MANAGEMENT:**

**A) EMPLOYEE HEALTH BENEFITS:**

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

The plan is funded to discharge liabilities as they become due. Claims incurred and reported, but not paid at September 30, 2018, were \$563,139. Claims incurred but not reported (IBNR) at September 30, 2018, are estimated to be \$4,585,460. Estimates are not based on actuarial calculations, but rather on historical trends. Both amounts have been recorded as expenditures in the Self Insurance Medical Fund, an internal service fund, and a liability has been established.

**MONTGOMERY COUNTY, TEXAS**

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Changes in the health claims liability for the two fiscal years ended September 30, 2018 and September 30, 2017 are as follows:

	<b><u>2018</u></b>	<b><u>2017</u></b>
Unpaid claims, beginning of year	\$ 5,213,837	\$ 3,616,159
Incurred claims (includes IBNR)	20,927,075	21,719,722
Claim payments	(20,992,313)	(20,122,044)
Unpaid claims, end of year	<b><u>\$ 5,148,599</u></b>	<b><u>\$ 5,213,837</u></b>

During the year ended September 30, 2018, the plan received contributions in the amounts of \$29,220,306 and \$2,671,031 from the employer and employees, respectively. The contributions made by employees included contributions by qualified retirees and certain former employees covered by the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). In addition to the claim payments made, the plan also expended \$1,198,316 in administrative costs and \$2,489,186 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 2018.

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, 2018, the County expended \$91,898 for administrative costs and \$294,256 for excess loss insurance premiums.

Changes in the Workers' Compensation liability for the two fiscal years ended September 30, 2018 and September 30, 2017 are detailed below:

	<b><u>2018</u></b>	<b><u>2017</u></b>
Unpaid claims, beginning of year	\$ 1,610,050	\$ 1,347,167
Current year claims and changes in estimates (includes IBNR)	830,137	979,783
Claim payments	(825,279)	(716,900)
Unpaid claims, end of year	<b><u>\$1,614,908</u></b>	<b><u>\$1,610,050</u></b>

**C) PROPERTY, CASUALTY AND BOILER COVERAGE:**

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

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



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

The County paid \$485,265 in premiums in fiscal year 2018, and recorded the expenditure in the Accident Liability Fund. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

**D) GENERAL AND OTHER LIABILITY COVERAGES:**

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

Effective December 1, 2003, the County began participating in an individual public entity risk pool, for the coverages listed in subsections B, C, and D above, to transfer certain risks associated with property, casualty, liability and workers' compensation. In addition to those coverages, the County purchased an additional aggregate reinsurance policy. The aggregate coverage loss fund is written on a claims-made basis and is capped at \$1,800,000 for the fiscal year. Note 16 describes the County's obligation under liability claims for 2018.

**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 760 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

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

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

Inactive employees or beneficiaries currently receiving benefits	885
Inactive employees entitled to but not yet receiving benefits	1,523
Active employees	2,338

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 \$15,579,849 for the months of the calendar year 2017.

The deposit rate payable by the employee members for calendar year 2017 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, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Payroll growth	3.25%
Real rate of return	5.25%
Long-term investment return	8.0%

The actuarial assumptions that determined the total pension liability as of December 31, 2017 were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016. In addition, mortality rates were based on the following mortality tables:

Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Disabled retirees	130% of the Rp-2014 Disabled annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

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.

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The numbers shown are based on January 2018 information for a 10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon.

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equities	11.50%	4.55%
Private Equity	16.00%	7.55%
Global Equities	1.50%	4.85%
International Equities --Developed	11.00%	4.55%
International Equities - Emerging	8.00%	5.55%
Investment - Grade Bonds	3.00%	0.75%
Strategic Credit	8.00%	4.12%
Direct Lending	10.00%	8.06%
Distressed Debt	2.00%	6.30%
REIT Equities	2.00%	4.05%
Master Limited Partnerships	3.00%	6.00%
Private Real Estate Partnerships	6.00%	6.25%
Hedge Funds	18.00%	4.10%
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.

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**Notes to the Financial Statements**

**September 30, 2018**

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, 2016	<u>\$454,061,823</u>	<u>\$405,743,008</u>	<u>\$48,318,815</u>
Changes for the year:			
Service cost	16,423,336	-	16,423,336
Interest	37,357,960	-	37,357,960
Effects of plan changes	-	-	-
Effect of economic/demographic gains or losses	1,078,188	-	1,078,188
Effect of assumptions changes or inputs	1,244,964	-	1,244,964
Refund of contributions	(988,187)	(988,187)	-
Benefit payments	(17,931,716)	(17,931,716)	-
Administrative expense	-	(311,951)	311,951
Member contributions	-	7,638,026	(7,638,026)
Net investment income	-	59,293,448	(59,293,448)
Employer contributions	-	15,579,849	(15,579,849)
Other changes	-	54,609	(54,609)
Net changes	<u>\$ 37,184,545</u>	<u>\$ 63,334,078</u>	<u>(\$26,149,533)</u>
Balances at December 31, 2017	<u>\$491,246,368</u>	<u>\$469,077,086</u>	<u>\$22,169,282</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>\$91,175,370</u>	<u>\$22,169,282</u>	<u>\$(35,486,498)</u>

**G) PENSION EXPENSE AND DEFERRED OUTFLOWS/ (INFLOWS) OF RESOURCES  
RELATED TO PENSIONS:**

For the fiscal year ended September 30, 2018, the County recognized pension expense of \$17,656,136. At September 30, 2018, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,460,185	\$ 1,898,066
Changes of assumptions	3,139,580	-
Net difference between projected and actual earnings	-	3,871,510
Contributions made subsequent to measurement date	12,248,499	-
	<u>\$ 16,848,264</u>	<u>\$ 5,769,576</u>

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

The \$12,248,499 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, 2019. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30, 2018

2019	\$	4,281,166
2020		3,244,004
2021		(4,222,614)
2022		(4,859,559)
2023		387,190
Total	\$	<u>(1,169,811)</u>

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

**A) PLAN DESCRIPTION:**

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

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

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

Inactive employees or beneficiaries currently receiving benefits	361
Inactive employees entitled to but not yet receiving benefits	-
Active employees	1,999

**D) TOTAL OPEB LIABILITY:**

The County's total OPEB liability of \$187,705,823 was measured as of September 30, 2018, and was determined by an actuarial valuation as of that date.

**MONTGOMERY COUNTY, TEXAS**  
**Notes to the Financial Statements**  
**September 30, 2018**

The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40%
Salary Increases	3.25%
Discount Rate	3.83%

Mortality rates were based on MP-2018. There was no change in the underlying mortality table, which is the RPH-2014 Employee and Healthy Annuitant mortality table.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at 9/30/2017	<u>\$175,403,940</u>
Changes for the year:	
Service Cost	8,336,459
Interest	6,975,183
Differences between expected and actual experience	231,712
Changes in Assumptions/Inputs	-
Change in Benefit Terms	-
Benefit payments	(3,241,471)
Administrative Expense	-
Net Changes	<u>12,301,883</u>
Balance at 9/30/2018	<u>\$ 187,705,823</u>

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.83 percent) or 1-percentage-point higher (4.83 percent) than the current discount rate:

	1% Decrease (2.83%)	Current Discount Rate (3.83%)	1% Increase (4.83%)
Total OPEB Liability	\$229,710,065	\$187,705,823	\$155,415,936

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Rate	1% Increase
Total OPEB Liability	\$151,027,601	\$187,705,823	\$237,756,803

E) **OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB:**

For the year ended September 30, 2018, the County recognized OPEB expense of \$15,340,606. At September 30, 2018, the County reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 202,748

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30, 2018	
2019	\$ 28,964
2020	28,964
2021	28,964
2022	28,964
2023	28,964
Thereafter	57,928
Total	<u>\$ 202,748</u>

**NOTE 16- CONTINGENT LIABILITIES:**

A) **GENERAL LIABILITIES:**

For fiscal year 2018, the County participated in a public entity risk pool, to which certain losses arising from liability claims were transferred. The premium for this coverage, \$319,049, was recorded in the Accident Liability Fund, as part of the Internal Service Funds. In addition, the County expended \$154,619 for damages in connection with eighteen (18) 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

**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

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 \$413,475 for legal counsel to defend existing claims. These costs are accounted for in the Accident Liability Fund. The County intends to vigorously contest all the cases, and legal counsel is of the opinion that the County will prevail in all cases which may have a material effect on the financial position of the County. For additional information on the County's coverage amounts see Note 13-D.

**NOTE 17- TAX ABATEMENTS:**

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

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

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

For the fiscal year ended September 30, 2018, the County abated property taxes totaling \$2,276,553 under this program which includes twenty (20) entities.

**NOTE 18- NEW ACCOUNTING PRONOUNCEMENTS:**

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

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement



**MONTGOMERY COUNTY, TEXAS**

**Notes to the Financial Statements**

**September 30, 2018**

information for certain component units. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2020.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, will improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of this statement will be effective for the County for the fiscal year ending September 30, 2020.

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

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

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

**NOTE 19- SUBSEQUENT EVENTS:**

On November 1, 2018, Commissioners Court issued Unlimited Tax Road Bonds, Series 2018B in the amount of \$89,010,000 and Unlimited Tax Refunding Bonds, Series 2018 in the amount of \$26,965,000. 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 Refunding Bonds will be used to refund and defease certain outstanding obligations.

**NOTE 20- PRIOR PERIOD ADJUSTMENT:**

Net Position at September 30, 2017 was restated for the inclusion of the Total OPEB Liability, as the County implemented GASB 75. Details of this adjustment are as follows:

	Governmental Activities Net Position
Beginning fund balance and net position, as previously reported	\$ 567,995,731
Inclusion of Total OPEB Liability	(94,343,780)
Beginning fund alance and net position, as restated	<u>\$ 473,651,951</u>

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

	2015	2016	2017	2018
Total Pension Liability				
Service Cost	\$ 13,961,075	\$ 14,877,252	\$ 16,207,504	\$ 16,423,336
Interest	29,231,819	31,734,340	34,011,062	37,357,960
Effect of plan changes	-	(3,634,696)	419,483	-
Effect of economic/demographic gains or losses	1,603,366	(3,796,129)	40,860	1,078,188
Effect of assumptions changes or inputs	-	4,204,219	-	1,244,964
Benefit Payments, including refunds of employee contributions	(13,944,641)	(15,341,208)	(16,391,080)	(18,919,903)
Net change in total pension liability	30,851,619	28,043,778	34,287,829	37,184,545
Total pension liability - beginning	360,878,598	391,730,217	419,773,994	454,061,823
Total pension liability - ending	<u>\$ 391,730,217</u>	<u>\$ 419,773,995</u>	<u>\$ 454,061,823</u>	<u>\$ 491,246,368</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 12,941,853	\$ 18,689,688	\$ 15,909,431	\$ 15,579,849
Contributions - employee	6,328,534	6,694,227	7,100,748	7,638,026
Net Investment income	22,791,347	(5,580,229)	27,516,524	59,293,448
Benefit payments, including refunds of employee contributions	(13,944,641)	(15,341,208)	(16,391,080)	(18,919,903)
Administrative expenses	(272,575)	(266,281)	(299,286)	(311,951)
Other	200,508	(135,551)	344,834	54,609
Net change in plan fiduciary net position	28,045,026	4,060,646	34,181,171	63,334,078
Plan Fiduciary Net Position - beginning	339,456,166	367,501,192	371,561,838	405,743,008
Plan Fiduciary Net Position - ending	<u>\$ 367,501,192</u>	<u>\$ 371,561,838</u>	<u>\$ 405,743,009</u>	<u>\$ 469,077,086</u>
County's net pension liability - ending	<u>\$ 24,229,025</u>	<u>\$ 48,212,157</u>	<u>\$ 48,318,814</u>	<u>\$ 22,169,282</u>
Plan fiduciary net position as a percentage of the total pension liability	93.81%	88.51%	89.36%	95.49%
Covered - employee payroll	\$ 105,475,573	\$ 111,570,445	\$ 118,329,101	\$ 126,975,182
County's net pension liability as a percentage of covered payroll	22.97%	43.21%	40.83%	17.46%

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

**MONTGOMERY COUNTY, TEXAS**  
**Required Supplementary Information**  
**Schedule of County Contributions**

	2015	2016	2017	2018
Actuarially determined contribution	\$ 11,834,359	\$ 12,194,650	\$ 12,105,067	\$ 13,751,412
Actual Employer Contribution	12,941,853	18,689,688	15,909,431	15,579,849
Contribution deficiency (excess)	<u>\$ (1,107,494)</u>	<u>\$ (6,495,039)</u>	<u>\$ (3,804,363)</u>	<u>\$ (1,828,437)</u>
Covered payroll	\$ 105,475,573	\$ 111,570,445	\$ 126,429,336	\$ 129,014,477
Contributions as a percentage of covered payroll	12.30%	16.80%	12.60%	12.08%

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	8.8 years
Asset valuation method	5 year smoothed market
Inflation	2.75%
Salary increases	Varies by age and service. 4.9% average over career, including inflation
Investment rate of return	8.00%, net of administrative and investment expense
Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the MP-2014 Ultimate scale after 2014.
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the MP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

The amounts presented for the fiscal year were determined as of the County's fiscal year end, September 30. 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 Changes in the County's Total OPEB Liability and Related Ratios**

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 8,336,459
Interest	6,975,183
Changes of benefit terms	-
Differences between expected and actual experience	231,712
Changes in assumptions or other inputs	-
Benefit payments	<u>(3,241,471)</u>
Net change in total OPEB liability	12,301,883
Total OPEB liability - beginning	175,403,940
Total OPEB liability - ending	<u><u>\$ 187,705,823</u></u>
Covered- employee payroll	\$ 116,286,612
Total OPEB liability as a percentage of covered-employee payroll	161.40%
Notes to Schedule:	
Changes in benefit terms:	None
Changes of assumptions:	Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:
	2018 3.83%

The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, September 30. 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.

## **SUPPLEMENTARY INFORMATION**



**MONTGOMERY COUNTY, TEXAS**

**General Fund**

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

**September 30, 2018**

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	General Fund
<b><u>ASSETS:</u></b>	
Cash	\$ 90,802,642
Investments	84,954,001
Receivables:	
Taxes (net)	5,199,343
Accounts (net)	315,471
Interest	162,584
Due from Other Funds	45,126,313
Due from Other Governments	7,592,011
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 234,152,365</u></b>
<b><u>LIABILITIES:</u></b>	
Accounts Payable	\$ 13,001,268
Due to Other Funds	73,368,259
Due to Other Governments	7,630
Unearned Revenue	5,186,287
Total liabilities	<b><u>91,563,444</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>	
Unavailable revenue: property taxes	5,090,137
Total deferred inflows of resources	<b><u>5,090,137</u></b>
<b><u>FUND BALANCES:</u></b>	
Restricted	2,121,503
Committed	15,443,950
Assigned	75,082,330
Unassigned	46,257,677
Total Fund Balances	<b><u>138,905,460</u></b>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>	<b><u>\$ 235,559,041</u></b>

**MONTGOMERY COUNTY, TEXAS**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>TAXES:</u></b>				
Ad Valorem Current	\$ 175,523,714	\$ 175,523,714	\$ 169,032,188	\$ (6,491,526)
Ad Valorem Delinquent	1,360,000	1,360,000	1,500,242	140,242
Penalty and Interest	1,240,000	1,240,000	1,621,458	381,458
Miscellaneous Taxes	850,000	1,173,609	1,167,630	(5,979)
Total Taxes	178,973,714	179,297,323	173,321,518	(5,975,805)
<b><u>LICENSES AND PERMITS:</u></b>				
Beer Licenses	175,000	175,000	210,767	35,767
Trial Fees	4,000	4,000	2,331	(1,669)
Park Fees	125,000	125,000	141,346	16,346
Health Permits	500,000	500,000	556,890	56,890
Recycle Center Permits	-	-	1,750	1,750
Animal Control Transport	20,000	20,000	18,730	(1,270)
Food Service Permits	550,000	550,000	600,425	50,425
Alarm Permits	1,100,000	1,100,000	866,590	(233,410)
Hazardous Waste Mgmt Fees	25,000	25,000	20,765	(4,235)
Total Licenses and Permits	2,499,000	2,499,000	2,419,594	(79,406)
<b><u>FEES:</u></b>				
County Judge	13,000	13,000	14,536	1,536
County Sheriff	421,000	350,000	378,926	28,926
County Attorney	85,000	80,000	87,051	7,051
County Clerk	3,632,615	3,627,700	3,811,270	183,570
Tax Assessor-Collector	5,320,603	5,320,603	5,660,553	339,950
District Clerk	1,582,932	1,610,355	1,720,237	109,882
Justice of the Peace	4,913,953	4,929,652	5,151,346	221,694
Constable	505,000	475,000	443,750	(31,250)
Voter Registration	100	100	204	104
Criminal Justice Fees	324,500	540,515	653,001	112,486
Total Fees	16,798,703	16,946,925	17,920,874	973,949
<b><u>INTERGOVERNMENTAL:</u></b>				
Federal Grants	-	1,037,288	1,838,790	801,502
State Grants	-	1,102,744	795,320	(307,424)
Other	3,285,000	3,458,716	4,222,778	764,062
Total Intergovernmental	3,285,000	5,598,748	6,856,888	1,258,140



**MONTGOMERY COUNTY, TEXAS**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

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Page 2 of 2

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>CHARGES FOR SERVICES</u></b>	<u>2,733,590</u>	<u>2,975,310</u>	<u>2,088,266</u>	<u>(887,044)</u>
<b><u>INVESTMENT EARNINGS</u></b>	<u>737,210</u>	<u>1,004,362</u>	<u>4,403,171</u>	<u>3,398,809</u>
<b><u>CONTRACT REIMBURSEMENTS</u></b>	<u>14,182,766</u>	<u>15,517,799</u>	<u>13,915,469</u>	<u>(1,602,330)</u>
<b><u>INMATE HOUSING</u></b>	<u>15,800,000</u>	<u>30,262,645</u>	<u>30,230,873</u>	<u>(31,772)</u>
<b><u>FINES AND FORFEITURES</u></b>	<u>70,000</u>	<u>70,000</u>	<u>106,381</u>	<u>36,381</u>
<b><u>MISCELLANEOUS:</u></b>				
Lease of Facility	19,500	19,500	22,625	3,125
Commissions	290,000	369,017	366,265	(2,752)
Other	475,000	952,793	736,779	(216,014)
Total Miscellaneous	<u>784,500</u>	<u>1,341,310</u>	<u>1,125,669</u>	<u>(215,641)</u>
<b><u>TOTAL REVENUES</u></b>	<u>235,864,483</u>	<u>255,513,422</u>	<u>252,388,703</u>	<u>(3,124,719)</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers In	-	9,320,450	10,227,859	907,409
Capital Lease Financing	-	-	-	-
<b><u>TOTAL OTHER FINANCING SOURCES</u></b>	<u>-</u>	<u>9,320,450</u>	<u>10,227,859</u>	<u>907,409</u>
<b><u>TOTAL REVENUES AND OTHER FINANCING SOURCES</u></b>	<u>\$ 235,864,483</u>	<u>\$ 264,833,872</u>	<u>\$ 262,616,562</u>	<u>\$ (2,217,310)</u>

**MONTGOMERY COUNTY, TEXAS**

**General Fund**

**Schedule of Expenditures and Other Financing Uses**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>GENERAL ADMINISTRATION:</u></b>				
County Judge:				
Salaries	\$ 401,668	\$ 395,369	\$ 394,662	\$ 707
Employee Benefits	124,624	118,854	117,299	1,555
Supplies	4,550	5,475	5,034	441
Contract Services	39,331	49,561	44,441	5,120
Total County Judge	<u>570,173</u>	<u>569,259</u>	<u>561,436</u>	<u>7,823</u>
Human Resources:				
Salaries	396,722	377,005	375,967	1,038
Employee Benefits	146,254	141,254	133,808	7,446
Supplies	9,600	14,450	14,278	172
Contract Services	52,592	52,411	45,456	6,955
Total Human Resources	<u>605,168</u>	<u>585,120</u>	<u>569,509</u>	<u>15,611</u>
Risk Management:				
Salaries	602,243	536,761	531,685	5,076
Employee Benefits	220,807	210,807	189,978	20,829
Supplies	30,510	39,510	27,202	12,308
Contract Services	80,957	67,384	59,720	7,664
Capital Outlay	10,360	10,360	10,360	-
Total Risk Management	<u>944,877</u>	<u>864,822</u>	<u>818,945</u>	<u>45,877</u>
County Clerk:				
Salaries	1,600,047	1,552,287	1,544,119	8,168
Employee Benefits	722,089	705,089	684,979	20,110
Supplies	45,350	40,443	28,465	11,978
Contract Services	27,325	27,325	23,562	3,763
Total County Clerk	<u>2,394,811</u>	<u>2,325,144</u>	<u>2,281,125</u>	<u>44,019</u>
Collections:				
Salaries	262,685	257,572	257,303	269
Employee Benefits	119,553	119,553	118,406	1,147
Supplies	25,700	23,254	22,740	514
Contract Services	72,467	70,913	65,602	5,311
Total Collections	<u>480,405</u>	<u>471,292</u>	<u>464,051</u>	<u>7,241</u>
Permits:				
Salaries	315,945	314,469	314,391	78
Benefits	141,369	141,369	134,286	7,083
Supplies	12,000	10,099	9,938	161
Services	6,920	6,841	5,963	878
Total Permits	<u>476,234</u>	<u>472,778</u>	<u>464,578</u>	<u>8,200</u>

**MONTGOMERY COUNTY, TEXAS**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>GENERAL ADMINISTRATION(cont'd)</u></b>				
Veterans' Service:				
Salaries	173,606	173,606	173,605	1
Employee Benefits	68,196	68,196	68,060	136
Supplies	1,552	1,963	1,465	498
Contract Services	2,347	7,636	7,492	144
Total Veterans' Service	<u>245,701</u>	<u>251,401</u>	<u>250,622</u>	<u>779</u>
Information Technology:				
Salaries	2,410,279	2,265,525	2,247,140	18,385
Employee Benefits	827,465	804,215	760,317	43,898
Supplies	1,355,289	1,333,774	1,252,889	80,885
Contract Services	1,493,637	1,585,975	1,558,778	27,197
Capital Outlay	541,689	444,554	375,810	68,744
Total Information Technology	<u>6,628,359</u>	<u>6,434,043</u>	<u>6,194,934</u>	<u>239,109</u>
Purchasing Agent:				
Salaries	809,069	787,014	783,976	3,038
Employee Benefits	306,825	291,825	283,143	8,682
Supplies	17,465	202,346	197,152	5,194
Contract Services	10,392	187,434	187,434	-
Total Purchasing Agent	<u>1,143,751</u>	<u>1,468,619</u>	<u>1,451,705</u>	<u>16,914</u>
County-Wide:				
Salaries	500,000	-	-	-
Employee Benefits	4,233,000	4,233,000	4,233,000	-
Supplies	727,000	550,500	549,285	1,215
Contract Services	10,015,935	5,801,952	5,761,435	40,517
Capital Outlay	1,077,086	886,288	(5,621)	891,909
Total County-Wide	<u>16,553,021</u>	<u>11,471,740</u>	<u>10,538,099</u>	<u>933,641</u>
<b><u>TOTAL GENERAL ADM</u></b>	<u>30,042,500</u>	<u>24,914,218</u>	<u>23,595,004</u>	<u>1,319,214</u>
<b><u>JUDICIAL:</u></b>				
County Court No1:				
Salaries	368,806	368,806	368,804	2
Employee Benefits	118,077	118,077	114,742	3,335
Supplies	5,374	5,374	4,098	1,276
Contract Services	6,410	6,410	3,950	2,460
Total County Court No1	<u>498,667</u>	<u>498,667</u>	<u>491,594</u>	<u>7,073</u>
County Court No2:				
Salaries	642,790	638,267	638,009	258
Employee Benefits	217,473	217,473	211,579	5,894
Supplies	3,804	11,037	10,105	932
Contract Services	10,105	9,105	7,174	1,931
Total County Court No2	<u>874,172</u>	<u>875,882</u>	<u>866,867</u>	<u>9,015</u>

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>JUDICIAL(cont'd)</u></b>				
County Court No3:				
Salaries	574,470	574,470	574,469	1
Employee Benefits	181,455	181,455	175,803	5,652
Supplies	9,170	9,170	6,134	3,036
Contract Services	8,969	8,544	8,447	97
Total County Court No3	<u>774,064</u>	<u>773,639</u>	<u>764,853</u>	<u>8,786</u>
County Court No4:				
Salaries	376,143	376,143	376,142	1
Employee Benefits	119,539	119,539	116,064	3,475
Supplies	8,155	4,607	4,495	112
Contract Services	6,650	6,719	5,906	813
Total County Court No4	<u>510,487</u>	<u>507,008</u>	<u>502,607</u>	<u>4,401</u>
County Court No5:				
Salaries	365,541	363,482	363,250	232
Employee Benefits	117,427	117,427	111,576	5,851
Supplies	9,830	5,860	3,824	2,036
Contract Services	6,334	6,334	3,608	2,726
Total County Court No5	<u>499,132</u>	<u>493,103</u>	<u>482,258</u>	<u>10,845</u>
Judicial Technology:				
Supplies	386,559	369,065	368,571	494
Services	172,351	149,165	133,646	15,519
Capital Outlay	210,000	160,488	153,957	6,531
Total Judicial Technology	<u>768,910</u>	<u>678,718</u>	<u>656,174</u>	<u>22,544</u>
District Attorney:				
Salaries	7,636,296	8,038,259	7,907,296	130,963
Employee Benefits	2,630,180	2,695,949	2,633,331	62,618
Supplies	150,068	184,315	176,891	7,424
Contract Services	286,148	309,994	304,184	5,810
Capital Outlay	92,066	18,540	15,122	3,418
Total District Attorney	<u>10,794,758</u>	<u>11,247,057</u>	<u>11,036,824</u>	<u>210,233</u>
District Clerk:				
Salaries	2,304,652	2,211,196	2,204,305	6,891
Employee Benefits	1,120,768	1,095,768	1,056,789	38,979
Supplies	56,876	57,522	56,454	1,068
Contract Services	29,413	30,202	29,597	605
Total District Clerk	<u>3,511,709</u>	<u>3,394,688</u>	<u>3,347,145</u>	<u>47,543</u>

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>JUDICIAL(cont'd)</u></b>				
Justice of Peace Pct 1:				
Salaries	546,170	538,961	538,961	-
Employee Benefits	199,054	196,979	194,139	2,840
Supplies	10,350	10,350	9,857	493
Contract Services	31,272	84,940	75,220	9,720
Total Justice of Peace Pct 1	786,846	831,230	818,177	13,053
Justice of Peace Pct 2:				
Salaries	345,871	322,641	318,805	3,836
Employee Benefits	136,123	129,123	119,997	9,126
Supplies	7,040	8,718	8,212	506
Contract Services	18,715	79,935	71,254	8,681
Total Justice of Peace Pct 2	507,749	540,417	518,268	22,149
Justice of Peace Pct 3:				
Salaries	708,058	706,098	703,804	2,294
Employee Benefits	320,108	320,178	317,225	2,953
Supplies	13,791	13,791	13,762	29
Contract Services	20,288	21,625	19,157	2,468
Total Justice of Peace Pct 3	1,062,245	1,061,692	1,053,948	7,744
Justice of Peace Pct 4:				
Salaries	578,153	576,367	576,366	1
Employee Benefits	260,619	254,635	253,793	842
Supplies	9,603	9,603	8,882	721
Contract Services	24,578	78,053	70,252	7,801
Total Justice of Peace Pct 4	872,953	918,658	909,293	9,365
Justice of Peace Pct 5:				
Salaries	352,745	352,745	352,744	1
Employee Benefits	137,287	137,287	137,088	199
Supplies	9,362	9,362	9,316	46
Contract Services	11,615	35,806	30,809	4,997
Total Justice of Peace Pct 5	511,009	535,200	529,957	5,243
Veterans Treatment Court:				
Salaries	-	99,008	56,576	42,432
Employee Benefits	-	37,103	19,703	17,400
Supplies	-	3,913	3,239	674
Contract Services	-	105,324	60,725	44,599
Total Veterans Treatment Court	-	245,348	140,243	105,105
<b><u>TOTAL JUDICIAL</u></b>	<b><u>21,972,701</u></b>	<b><u>22,601,307</u></b>	<b><u>22,118,208</u></b>	<b><u>483,099</u></b>
<b><u>LEGAL SERVICES:</u></b>				
County Attorney:				
Salaries	2,323,638	2,349,880	2,331,048	18,832
Employee Benefits	793,397	808,744	786,713	22,031
Supplies	47,380	87,514	85,520	1,994
Contract Services	70,136	212,922	190,135	22,787
Total County Attorney	3,234,551	3,459,060	3,393,416	65,644
Alternate Dispute Resolution:				
Contract Services	129,500	168,468	168,468	-
Total Alternate Dispute Resolution	129,500	168,468	168,468	-
<b><u>TOTAL LEGAL SERVICES</u></b>	<b><u>3,364,051</u></b>	<b><u>3,627,528</u></b>	<b><u>3,561,884</u></b>	<b><u>65,644</u></b>

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>ELECTIONS:</u></b>				
Salaries	819,247	873,227	873,226	1
Employee Benefits	281,566	265,446	256,925	8,521
Supplies	44,650	82,965	82,636	329
Contract Services	148,303	172,153	167,140	5,013
<b><u>TOTAL ELECTIONS</u></b>	<b><u>1,293,766</u></b>	<b><u>1,393,791</u></b>	<b><u>1,379,927</u></b>	<b><u>13,864</u></b>
<b><u>FINANCIAL ADMINISTRATION:</u></b>				
County Auditor:				
Salaries	1,579,521	1,579,521	1,461,024	118,497
Employee Benefits	606,163	606,163	561,920	44,243
Supplies	23,200	28,343	27,576	767
Contract Services	51,670	53,855	48,238	5,617
Total County Auditor	<u>2,260,554</u>	<u>2,267,882</u>	<u>2,098,758</u>	<u>169,124</u>
Budget Officer:				
Salaries	198,575	128,037	73,157	54,880
Employee Benefits	73,170	53,170	21,798	31,372
Supplies	4,700	4,650	4,328	322
Contract Services	10,935	10,935	1,301	9,634
Total County Auditor	<u>287,380</u>	<u>196,792</u>	<u>100,584</u>	<u>96,208</u>
Financial Technology:				
Supplies	-	591	591	-
Services	-	381,770	9,400	372,370
Capital Outlay	3,331,029	6,429,527	649,311	5,780,216
Total Financial Technology	<u>3,331,029</u>	<u>6,811,888</u>	<u>659,302</u>	<u>6,152,586</u>
County Treasurer:				
Salaries	493,318	481,953	481,952	1
Employee Benefits	176,702	173,177	173,177	-
Supplies	8,700	8,700	7,481	1,219
Contract Services	16,934	17,313	15,444	1,869
Total County Treasurer	<u>695,654</u>	<u>681,143</u>	<u>678,054</u>	<u>3,089</u>
Tax Assessor-Collector:				
Salaries	2,830,921	2,754,592	2,749,004	5,588
Employee Benefits	1,280,796	1,260,796	1,221,672	39,124
Supplies	142,945	104,392	71,126	33,266
Contract Services	205,425	245,905	200,569	45,336
Capital Outlay	-	409,831	409,831	-
Total Tax Assessor-Collector	<u>4,460,087</u>	<u>4,775,516</u>	<u>4,652,202</u>	<u>123,314</u>
<b><u>TOTAL FINANCIAL ADM</u></b>	<b><u>11,034,704</u></b>	<b><u>14,733,221</u></b>	<b><u>8,188,900</u></b>	<b><u>6,448,113</u></b>
<b><u>PUBLIC FACILITIES:</u></b>				
Custodial Services:				
Salaries	2,034,596	2,034,596	1,931,651	102,945
Employee Benefits	837,063	817,063	785,826	31,237
Supplies	334,334	334,569	334,569	-
Contract Services	71,630	74,728	72,952	1,776
Capital Outlay	-	23,891	23,879	12
Total Custodial Services	<u>3,277,623</u>	<u>3,284,847</u>	<u>3,148,877</u>	<u>135,970</u>

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<b><u>PUBLIC FACILITIES (cont'd):</u></b>	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance with Final Budget</u></b>
Building Maintenance:				
Salaries	2,512,621	2,446,374	2,405,692	40,682
Employee Benefits	1,015,918	1,002,601	972,185	30,416
Supplies	1,133,744	1,459,472	1,414,405	45,067
Contract Services	363,715	1,167,364	1,165,179	2,185
Capital Outlay	87,311	117,433	109,295	8,138
Total Building Maintenance	<u>5,113,309</u>	<u>6,193,244</u>	<u>6,066,756</u>	<u>126,488</u>
Jail:				
Salaries	14,657,022	14,138,133	13,702,839	435,294
Employee Benefits	6,337,231	6,013,642	5,700,193	313,449
Supplies	1,553,370	1,415,956	1,407,844	8,112
Contract Services	21,257,458	36,738,011	36,597,310	140,701
Capital Outlay	-	20,206	20,206	-
Total Jail	<u>43,805,081</u>	<u>58,325,948</u>	<u>57,428,392</u>	<u>897,556</u>
Convention Center Complex:				
Salaries	466,541	464,570	464,569	1
Employee Benefits	193,775	192,926	192,415	511
Supplies	150,006	155,984	152,304	3,680
Contract Services	220,712	502,204	421,716	80,488
Total Civic Center	<u>1,031,034</u>	<u>1,315,684</u>	<u>1,231,004</u>	<u>84,680</u>
<b><u>TOTAL PUBLIC FACILITIES</u></b>	<b><u>53,227,047</u></b>	<b><u>69,119,723</u></b>	<b><u>67,875,029</u></b>	<b><u>1,244,694</u></b>
<b><u>PUBLIC SAFETY:</u></b>				
Fire Marshal:				
Salaries	1,024,271	1,031,646	1,017,520	14,126
Employee Benefits	361,253	362,722	358,731	3,991
Supplies	100,930	117,524	91,282	26,242
Contract Services	38,930	32,958	27,732	5,226
Capital Outlay	-	5,183	5,179	4
Total Fire Marshal	<u>1,525,384</u>	<u>1,550,033</u>	<u>1,500,444</u>	<u>49,589</u>
Constable Pct 1:				
Salaries	2,721,485	2,848,299	2,782,776	65,523
Employee Benefits	990,093	1,014,493	983,678	30,815
Supplies	169,203	314,284	222,024	92,260
Contract Services	60,681	148,023	123,946	24,077
Capital Outlay	219,491	341,255	338,343	2,912
Total Constable Pct 1	<u>4,160,953</u>	<u>4,666,354</u>	<u>4,450,767</u>	<u>215,587</u>

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**Schedule of Expenditures and Other Financing Uses**  
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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>PUBLIC SAFETY (cont'd):</u></b>				
Constable Pct 2:				
Salaries	1,265,352	1,319,187	1,278,963	40,224
Employee Benefits	431,331	446,190	432,681	13,509
Supplies	66,654	124,399	76,627	47,772
Contract Services	33,345	48,873	37,236	11,637
Capital Outlay	-	37,146	37,146	-
Total Constable Pct 2	1,796,682	1,975,795	1,862,653	113,142
Constable Pct 3:				
Salaries	3,213,903	3,362,255	3,320,463	41,792
Employee Benefits	1,200,224	1,228,421	1,202,550	25,871
Supplies	237,536	347,218	325,688	21,530
Contract Services	93,223	107,800	99,594	8,206
Capital Outlay	179,895	195,255	190,433	4,822
Total Constable Pct 3	4,924,781	5,240,949	5,138,728	102,221
Constable Pct 4:				
Salaries	2,543,871	2,593,358	2,541,674	51,684
Employee Benefits	943,507	946,696	915,530	31,166
Supplies	174,235	260,150	234,726	25,424
Contract Services	80,019	94,605	92,492	2,113
Capital Outlay	206,397	383,983	315,772	68,211
Total Constable Pct 4	3,948,029	4,278,792	4,100,194	178,598
Constable Pct 5:				
Salaries	1,925,567	2,081,999	1,986,384	95,615
Employee Benefits	697,093	727,346	691,249	36,097
Supplies	126,352	161,959	129,875	32,084
Contract Services	43,245	45,074	38,714	6,360
Capital Outlay	122,331	257,379	251,423	5,956
Total Constable Pct 5	2,914,588	3,273,757	3,097,645	176,112
Sheriff:				
Salaries	32,641,785	33,798,309	32,619,762	1,178,547
Employee Benefits	12,811,384	12,843,487	12,358,599	484,888
Supplies	3,939,475	4,446,999	3,894,455	552,544
Contract Services	2,512,894	4,042,519	3,655,675	386,844
Capital Outlay	3,818,975	5,662,801	4,685,593	977,208
Total Sheriff	55,724,513	60,794,115	57,214,084	3,580,031



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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>PUBLIC SAFETY(cont'd)</u></b>				
Juvenile Services:				
Salaries	3,575,493	3,566,955	3,513,268	53,687
Employee Benefits	1,553,397	1,561,935	1,522,331	39,604
Supplies	82,585	91,285	89,663	1,622
Contract Services	100,059	568,653	334,430	234,223
Total Juvenile Services	<u>5,311,534</u>	<u>5,788,828</u>	<u>5,459,692</u>	<u>329,136</u>
Adult Services:				
Supplies	21,000	14,500	12,356	2,144
Contract Services	125	9,771	9,297	474
Capital Outlay	-	5,000	4,996	4
Total Adult Services	<u>21,125</u>	<u>29,271</u>	<u>26,649</u>	<u>2,622</u>
Emergency Management:				
Salaries	293,901	326,777	317,331	9,446
Employee Benefits	103,363	118,239	112,459	5,780
Supplies	3,889	369,677	197,978	171,699
Contract Services	10,806	236,199	154,078	82,121
Capital Outlay	-	1,252,886	543,455	709,431
Total Emergency Management	<u>411,959</u>	<u>2,303,778</u>	<u>1,325,301</u>	<u>978,477</u>
Law Enforcement Technology:				
Supplies	831,604	755,980	755,979	1
Capital Outlay	571,103	1,218,079	1,211,186	6,893
Total Law Enforcement Technology	<u>1,402,707</u>	<u>1,974,059</u>	<u>1,967,165</u>	<u>6,894</u>
Department of Public Safety:				
Salaries	77,658	77,658	77,658	-
Employee Benefits	37,879	37,879	37,819	60
Supplies	450	450	446	4
Total Dept of Public Safety	<u>115,987</u>	<u>115,987</u>	<u>115,923</u>	<u>64</u>
<b><u>TOTAL PUBLIC SAFETY</u></b>	<u>82,258,242</u>	<u>91,991,718</u>	<u>86,259,245</u>	<u>5,732,473</u>
<b><u>HEALTH AND WELFARE:</u></b>				
Medical:				
Contract Services	90,000	90,000	90,000	-
Mental Health:				
Contract Services	261,525	261,525	215,790	45,735

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>HEALTH AND WELFARE:</u></b>				
Environmental Health:				
Salaries	1,487,152	1,477,594	1,477,594	-
Employee Benefits	542,738	542,738	533,068	9,670
Supplies	30,000	25,769	11,983	13,786
Contract Services	69,311	71,272	53,163	18,109
Total Environmental Health	2,129,201	2,117,373	2,075,808	41,565
Forensic Services:				
Salaries	757,925	762,154	756,450	5,704
Employee Benefits	229,410	219,515	213,386	6,129
Supplies	86,100	91,389	72,178	19,211
Contract Services	514,774	778,980	747,631	31,349
Capital Outlay	700	54,580	53,692	888
Total Forensic Services	1,588,909	1,906,618	1,843,337	63,281
Animal Control:				
Salaries	570,874	570,874	561,965	8,909
Employee Benefits	270,580	268,580	262,935	5,645
Supplies	60,450	63,303	60,931	2,372
Contract Services	88,182	87,724	85,468	2,256
Total Animal Control	990,086	990,481	971,299	19,182
Animal Shelter:				
Salaries	1,761,150	1,609,840	1,609,840	-
Employee Benefits	810,617	706,899	706,898	1
Supplies	883,000	1,050,802	968,681	82,121
Contract Services	62,700	215,468	213,238	2,230
Capital Outlay	-	419,977	373,300	46,677
Total Animal Shelter	3,517,467	4,002,986	3,871,957	131,029
Child Welfare:				
Salaries	-	18,753	13,950	4,803
Supplies	30,500	28,467	25,338	3,129
Contract Services	81,950	87,261	86,194	1,067
Total Child Welfare	112,450	134,481	125,482	8,999
MCCD County Appropriation:				
Contract Services	950	950	151	799
Welfare:				
Contract Services	1,059,373	1,069,373	1,069,373	-
<b><u>TOTAL HEALTH/WELFARE</u></b>	<b><u>9,749,961</u></b>	<b><u>10,573,787</u></b>	<b><u>10,263,197</u></b>	<b><u>310,590</u></b>

**MONTGOMERY COUNTY, TEXAS**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>CULTURE AND RECREATION:</u></b>				
Memorial Library:				
Salaries	5,635,951	5,404,343	5,368,531	35,812
Employee Benefits	2,471,351	2,429,813	2,344,615	85,198
Supplies	599,196	606,097	605,923	174
Contract Services	357,876	640,186	631,992	8,194
Capital Outlay	300,000	452,026	452,026	-
Total Memorial Library	<u>9,364,374</u>	<u>9,532,465</u>	<u>9,403,087</u>	<u>129,378</u>
Historical Commission:				
Contract Services	45,000	64,169	49,325	14,844
Capital Outlay	50,000	50,000	50,000	-
Total Historical Commission	<u>95,000</u>	<u>114,169</u>	<u>99,325</u>	<u>14,844</u>
<b><u>TOTAL CULTURE AND RECREATION</u></b>	<b><u>9,459,374</u></b>	<b><u>9,646,634</u></b>	<b><u>9,502,412</u></b>	<b><u>144,222</u></b>
<b><u>CONSERVATION:</u></b>				
Extension Agent:				
Salaries	439,577	438,358	422,193	16,165
Employee Benefits	210,812	200,812	172,315	28,497
Supplies	16,810	17,867	17,398	469
Contract Services	39,620	70,621	67,436	3,185
<b><u>TOTAL CONSERVATION</u></b>	<b><u>706,819</u></b>	<b><u>727,658</u></b>	<b><u>679,342</u></b>	<b><u>48,316</u></b>
<b><u>PUBLIC TRANSPORTATION:</u></b>				
Airport Maintenance:				
Salaries	431,067	424,932	423,609	1,323
Employee Benefits	164,717	159,717	156,637	3,080
Supplies	44,264	112,731	103,647	9,084
Contract Services	206,412	299,547	274,696	24,851
Capital Outlay	-	58,140	4,497	53,643
<b><u>TOTAL PUBLIC TRANSPORTATION</u></b>	<b><u>846,460</u></b>	<b><u>1,055,067</u></b>	<b><u>963,086</u></b>	<b><u>91,981</u></b>
<b><u>MISCELLANEOUS:</u></b>				
Contingency	1,204,784	2,722	-	2,722
<b><u>TOTAL MISCELLANEOUS</u></b>	<b><u>1,204,784</u></b>	<b><u>2,722</u></b>	<b><u>-</u></b>	<b><u>2,722</u></b>
<b><u>TOTAL EXPENDITURES</u></b>				
<b><u>GENERAL FUND</u></b>	<b><u>225,160,409</u></b>	<b><u>250,387,374</u></b>	<b><u>234,386,234</u></b>	<b><u>15,904,932</u></b>

**MONTGOMERY COUNTY, TEXAS**  
**General Fund**  
**Schedule of Expenditures and Other Financing Uses**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

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Page 11 of 11

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>OTHER FINANCING USES:</u></b>				
Transfers Out:				
To Attorney Administration	-	9,340	33,000	(23,660)
To FEMA Disaster Grants	-	106,360	106,360	-
To Jury	-	178,765	10,600,000	(10,421,235)
To Road and Bridge	-	1,022,912	988,632	34,280
To Juvenile Probation	-	553	553	-
To Court Reporter Service	-	-	150,000	(150,000)
To Courthouse Security	-	-	162,000	(162,000)
To Records Management County	-	-	525,000	(525,000)
To Debt Service	-	-	907,409	(907,409)
To Accident and Liability	-	227,263	227,263	-
To Self Insurance	-	756,000	-	756,000
To Jail 13-14	-	754,666	754,666	-
To Capital Projects	-	1,527,744	12,231,527	(10,703,783)
<b><u>TOTAL OTHER FINANCING USES</u></b>	<u>-</u>	<u>4,583,603</u>	<u>26,686,410</u>	<u>(22,102,807)</u>
<b><u>TOTAL EXPENDITURES AND OTHER FINANCING USES</u></b>	<u>\$ 225,160,409</u>	<u>\$ 254,970,977</u>	<u>\$ 261,072,644</u>	<u>\$ (6,197,875)</u>

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**MONTGOMERY COUNTY, TEXAS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**September 30, 2018**

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	Special Revenue	Capital Projects	Total
<b><u>ASSETS:</u></b>			
Cash	\$ 11,225,683	\$ 5,266,067	\$ 16,491,750
Investments	2,543,957	17,207,948	19,751,905
Cash, Restricted for Retainage	-	1,085	1,085
Receivables:			
Accounts (net)	55,221	-	55,221
Due from Other Funds	14,806,413	32,775,394	47,581,807
Due from Other Governments	12,333,606	18,670,581	31,004,187
Prepaid Items	618,735	-	618,735
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 41,583,615</u></b>	<b><u>\$ 73,921,075</u></b>	<b><u>\$ 115,504,690</u></b>

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

<b><u>LIABILITIES:</u></b>			
Accounts Payable	\$ 4,152,858	\$ 2,364,014	\$ 6,516,872
Retainage Payable	125,375	341,293	466,668
Due to Other Funds	8,544,090	9,250,790	17,794,880
Due to Other Governments	289	-	289
Unearned Revenue	4,743,215	-	4,743,215
Total Liabilities	<u>17,565,827</u>	<u>11,956,097</u>	<u>29,521,924</u>

**FUND BALANCES:**

Nonspendable	618,735	-	618,735
Restricted	21,533,222	29,541,441	51,074,663
Committed	11,886	32,423,537	32,435,423
Assigned	1,853,945	-	1,853,945
Total Fund Balances	<u>24,017,788</u>	<u>61,964,978</u>	<u>85,982,766</u>

**TOTAL LIABILITIES AND**  
**FUND BALANCES**

<b><u>\$ 41,583,615</u></b>	<b><u>\$ 73,921,075</u></b>	<b><u>\$ 115,504,690</u></b>
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**MONTGOMERY COUNTY, TEXAS**

**Nonmajor Governmental Funds**

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

**Year Ended September 30, 2018**

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	Special Revenue	Capital Projects	Totals
<b><u>REVENUES:</u></b>			
Fees	\$ 2,700,312	\$ -	\$ 2,700,312
Intergovernmental	16,854,352	-	16,854,352
Charges for Service:	3,068,339	-	3,068,339
Investment Earnings	261,309	531,359	792,668
Contract Reimbursements	16,881,149	-	16,881,149
Fines and Forfeitures	1,867,968	-	1,867,968
Miscellaneous	208,986	45,760	254,746
<b><u>TOTAL REVENUES</u></b>	<b><u>41,842,415</u></b>	<b><u>577,119</u></b>	<b><u>42,419,534</u></b>
<b><u>EXPENDITURES:</u></b>			
Current:			
General Administration	1,570,167	-	1,570,167
Judicial	13,387,144	-	13,387,144
Legal Services	273,138	-	273,138
Elections	841,760	-	841,760
Public Safety	14,511,577	-	14,511,577
Health and Welfare	18,396,869	-	18,396,869
Culture and Recreation	117,716	-	117,716
Public Transportation	2,019,319	-	2,019,319
Capital Projects	-	17,387,122	17,387,122
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>51,117,690</u></b>	<b><u>17,387,122</u></b>	<b><u>68,504,812</u></b>
(Deficiency) Revenues Over Expenditures	<u>(9,275,275)</u>	<u>(16,810,003)</u>	<u>(26,085,278)</u>
<b><u>OTHER FINANCING SOURCES/(USES)</u></b>			
Transfers In	11,732,413	14,131,170	25,863,583
Transfers Out	<u>(1,094,708)</u>	<u>(191,916)</u>	<u>(1,286,624)</u>
<b><u>TOTAL OTHER FINANCING SOURCES/(USES)</u></b>	<b><u>10,637,705</u></b>	<b><u>13,939,254</u></b>	<b><u>24,576,959</u></b>
Net Change in Fund Balances	1,362,430	(2,870,749)	(1,508,319)
Fund Balances at Beginning of Year	<u>22,655,358</u>	<u>64,835,727</u>	<u>87,491,085</u>
<b><u>FUND BALANCES AT END OF YEAR</u></b>	<b><u>\$ 24,017,788</u></b>	<b><u>\$ 61,964,978</u></b>	<b><u>\$ 85,982,766</u></b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



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

**Montgomery County Grant Fund** – to account for funds expended and received for grants received from the Department of Homeland Security.

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

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

**Vital Records Preservation Fund** – to account for fees collected for birth and death certificates. The funds are used for preservation of those records.

**MONTGOMERY COUNTY, TEXAS**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**September 30, 2018**

	Attorney Administration	Forfeitures	FEMA Disaster Grants	Jury	Sheriff Commissary
<b><u>ASSETS:</u></b>					
Cash	\$ 4,477	\$ 1,958,137	\$ -	\$ 26,255	\$ 1,017,585
Investments, at Fair Value	-	-	-	-	-
Receivables:					
Accounts	5	-	-	14,775	-
Due from Other Funds	-	-	-	2,205,636	-
Due from Other Governments	-	-	6,672,465	210,409	-
Prepaid Items	-	-	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 4,482</u></b>	<b><u>\$ 1,958,137</u></b>	<b><u>\$ 6,672,465</u></b>	<b><u>\$ 2,457,075</u></b>	<b><u>\$ 1,017,585</u></b>

**LIABILITIES AND FUND BALANCES:**

<b><u>LIABILITIES:</u></b>					
Accounts Payable	\$ 483	\$ 9,205	\$ 139,905	\$ 573,453	\$ 7,840
Retainage Payable	-	-	-	-	-
Due to Other Funds	928	36,704	5,642,162	-	28,849
Due to Other Governments	-	-	-	-	-
Unearned Revenue	-	-	-	17,791	-
Total Liabilities	<u>1,411</u>	<u>45,909</u>	<u>5,782,067</u>	<u>591,244</u>	<u>36,689</u>

**FUND BALANCES:**

Nonspendable	-	-	-	-	-
Restricted	3,071	1,912,228	890,398	-	980,896
Committed	-	-	-	11,886	-
Assigned	-	-	-	1,853,945	-
Total Fund Balances	<u>3,071</u>	<u>1,912,228</u>	<u>890,398</u>	<u>1,865,831</u>	<u>980,896</u>

**TOTAL LIABILITIES AND  
FUND BALANCES**

<b><u>\$ 4,482</u></b>	<b><u>\$ 1,958,137</u></b>	<b><u>\$ 6,672,465</u></b>	<b><u>\$ 2,457,075</u></b>	<b><u>\$ 1,017,585</u></b>
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Memorial Library	Community Development	Memo Totals from Page 113	Memo Totals from Page 115	Memo Totals from Page 117	Totals
\$ -	\$ -	\$ 5,534,611	\$ 612,105	\$ 2,072,513	\$ 11,225,683
-	-	984,178	-	1,559,779	2,543,957
-	13,550	267	-	26,624	55,221
112,868	984,888	9,414,521	1,685,411	403,089	14,806,413
-	393,741	4,742,509	85,691	228,791	12,333,606
-	-	618,735	-	-	618,735
<u>\$ 112,868</u>	<u>\$ 1,392,179</u>	<u>\$ 21,294,821</u>	<u>\$ 2,383,207</u>	<u>\$ 4,290,796</u>	<u>\$ 41,583,615</u>
\$ 2,272	\$ 227,232	\$ 3,007,345	\$ 52,120	\$ 133,003	\$ 4,152,858
-	125,375	-	-	-	125,375
-	-	184,434	96,797	2,554,216	8,544,090
-	997,710	-	-	289	289
-	-	3,727,714	-	-	4,743,215
<u>2,272</u>	<u>1,350,317</u>	<u>6,919,493</u>	<u>148,917</u>	<u>2,687,508</u>	<u>17,565,827</u>
-	-	618,735	-	-	618,735
110,596	41,862	13,756,593	2,234,290	1,603,288	21,533,222
-	-	-	-	-	11,886
-	-	-	-	-	1,853,945
<u>110,596</u>	<u>41,862</u>	<u>14,375,328</u>	<u>2,234,290</u>	<u>1,603,288</u>	<u>24,017,788</u>
<u>\$ 112,868</u>	<u>\$ 1,392,179</u>	<u>\$ 21,294,821</u>	<u>\$ 2,383,207</u>	<u>\$ 4,290,796</u>	<u>\$ 41,583,615</u>

**MONTGOMERY COUNTY, TEXAS**

**Nonmajor Special Revenue Funds**

**Combining Balance Sheet**

**September 30, 2018**

	Law Library	Juvenile Probation	Records Management and Preservation	Pre-Trial Diversion
<b><u>ASSETS:</u></b>				
Cash	\$ 144,766	\$ 884,749	\$ 4,372,890	\$ -
Investments	291,898	-	-	-
Receivables:				
Accounts	197	70	-	-
Due from Other Funds	-	1,452,426	700,848	66,693
Due from Other Governments	28,000	349,446	51,605	-
Prepaid Items	-	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 464,861</u></b>	<b><u>\$ 2,686,691</u></b>	<b><u>\$ 5,125,343</u></b>	<b><u>\$ 66,693</u></b>

**LIABILITIES AND FUND BALANCES:**

**LIABILITIES:**

Accounts Payable	\$ 29,458	\$ 132,446	\$ 23,074	\$ 422
Retainage Payable	-	-	-	-
Due to Other Funds	28,630	-	-	37,264
Unearned Revenue	-	-	-	-
Total Liabilities	<u>58,088</u>	<u>132,446</u>	<u>23,074</u>	<u>37,686</u>

**FUND BALANCES:**

Nonspendable	-	-	-	-
Restricted	406,773	2,554,245	5,102,269	29,007
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>406,773</u>	<u>2,554,245</u>	<u>5,102,269</u>	<u>29,007</u>

**TOTAL LIABILITIES AND**

<b><u>FUND BALANCES</u></b>	<b><u>\$ 464,861</u></b>	<b><u>\$ 2,686,691</u></b>	<b><u>\$ 5,125,343</u></b>	<b><u>\$ 66,693</u></b>
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Airport Grants	Mental Health Facility	Records Management County	Records Management District Clerk	Memo Totals to Page 111
\$ -	\$ -	\$ -	\$ 132,206	\$ 5,534,611
692,280	-	-	-	984,178
-	-	-	-	267
-	7,045,955	124,010	24,589	9,414,521
46,519	4,248,628	14,321	3,990	4,742,509
618,735	-	-	-	618,735
<u>\$ 1,357,534</u>	<u>\$ 11,294,583</u>	<u>\$ 138,331</u>	<u>\$ 160,785</u>	<u>\$ 21,294,821</u>
\$ 9,324	\$ 2,760,003	\$ 10,498	\$ 42,120	\$ 3,007,345
-	-	-	-	-
118,540	-	-	-	184,434
-	3,727,714	-	-	3,727,714
<u>127,864</u>	<u>6,487,717</u>	<u>10,498</u>	<u>42,120</u>	<u>6,919,493</u>
618,735	-	-	-	618,735
610,935	4,806,866	127,833	118,665	13,756,593
-	-	-	-	-
-	-	-	-	-
<u>1,229,670</u>	<u>4,806,866</u>	<u>127,833</u>	<u>118,665</u>	<u>14,375,328</u>
<u>\$ 1,357,534</u>	<u>\$ 11,294,583</u>	<u>\$ 138,331</u>	<u>\$ 160,785</u>	<u>\$ 21,294,821</u>

**MONTGOMERY COUNTY, TEXAS**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**September 30, 2018**

	Digital Preservation County and District	District Clerk Record Preservation	Court Guardianship	Court Reporter
<b><u>ASSETS:</u></b>				
Cash	\$ 164,714	\$ 80,366	\$ -	\$ -
Investments	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Due from Other Funds	99,734	59,349	149,526	145,126.00
Due from Other Governments	7,840	7,985	1,780	12,345
Prepaid Items	-	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 272,288</u></b>	<b><u>\$ 147,700</u></b>	<b><u>\$ 151,306</u></b>	<b><u>\$ 157,471</u></b>

**LIABILITIES AND FUND BALANCES:**

<b><u>LIABILITIES:</u></b>				
Accounts Payable	\$ -	\$ -	\$ 3,633.00	\$ 8,819
Retainage Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,633</u>	<u>8,819</u>

**FUND BALANCES:**

Nonspendable	-	-	-	-
Restricted	272,288	147,700	147,673	148,652
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>272,288</u>	<u>147,700</u>	<u>147,673</u>	<u>148,652</u>

**TOTAL LIABILITIES AND**

<b><u>FUND BALANCES</u></b>	<b><u>\$ 272,288</u></b>	<b><u>\$ 147,700</u></b>	<b><u>\$ 151,306</u></b>	<b><u>\$ 157,471</u></b>
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Courthouse Security	Court Technology County and District	Justice Court Building Security	Justice Court Technology	Juvenile Case Manager	Bond Supervision	Memo Totals to Page 111
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 367,025	\$ 612,105
-	-	-	-	-	-	-
-	-	-	-	-	-	-
84,084	31,149	187,592	676,656	213,280	38,915.00	1,685,411
25,032	1,517	3,110	12,464	13,618	-	85,691
-	-	-	-	-	-	-
<u>\$ 109,116</u>	<u>\$ 32,666</u>	<u>\$ 190,702</u>	<u>\$ 689,120</u>	<u>\$ 226,898</u>	<u>\$ 405,940</u>	<u>\$ 2,383,207</u>
\$ 26,837	\$ 1,402	\$ -	\$ 61	\$ 3,661	\$ 7,707	\$ 52,120
-	-	-	-	-	-	-
-	-	-	-	-	96,797	96,797
-	-	-	-	-	-	-
<u>26,837</u>	<u>1,402</u>	<u>-</u>	<u>61</u>	<u>3,661</u>	<u>104,504</u>	<u>148,917</u>
-	-	-	-	-	-	-
82,279	31,264	190,702	689,059	223,237	301,436	2,234,290
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>82,279</u>	<u>31,264</u>	<u>190,702</u>	<u>689,059</u>	<u>223,237</u>	<u>301,436</u>	<u>2,234,290</u>
<u>\$ 109,116</u>	<u>\$ 32,666</u>	<u>\$ 190,702</u>	<u>\$ 689,120</u>	<u>\$ 226,898</u>	<u>\$ 405,940</u>	<u>\$ 2,383,207</u>

**MONTGOMERY COUNTY, TEXAS**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**September 30, 2018**

	Adult Probation Basic Supervision	Adult Probation Community Corrections	Adult Probation Mental Impairments
<b><u>ASSETS:</u></b>			
Cash	\$ 1,318,398	\$ 316,873	\$ 125,855
Investments	1,088,875	-	-
Receivables:			
Accounts	26,624	-	-
Due from Other Funds	37,263	-	360
Due from Other Governments	512	935	-
Prepaid Items	-	-	-
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 2,471,672</u></b>	<b><u>\$ 317,808</u></b>	<b><u>\$ 126,215</u></b>
<b><u>LIABILITIES AND FUND BALANCES:</u></b>			
<b><u>LIABILITIES:</u></b>			
Accounts Payable	\$ 88,184	\$ 231	\$ 555
Retainage Payable	-	-	-
Due to Other Funds	1,327,999	203,215	70,511
Due to Other Governments	-	-	289
Deferred Revenue	-	-	-
Total Liabilities	<u>1,416,183</u>	<u>203,446</u>	<u>71,355</u>
<b><u>FUND BALANCES:</u></b>			
Nonspendable	-	-	-
Restricted	1,055,489	114,362	54,860
Committed	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>1,055,489</u>	<u>114,362</u>	<u>54,860</u>
<b><u>TOTAL LIABILITIES AND</u></b>			
<b><u>FUND BALANCES</u></b>	<b><u>\$ 2,471,672</u></b>	<b><u>\$ 317,808</u></b>	<b><u>\$ 126,215</u></b>

Contract Elections Services	Montgomery County Grant Fund	HAVA Grant Fund	Federal ARRA Grants	Vital Records Preservation Fund	Memo Totals to Page 111
\$ 311,387	\$ -	\$ -	\$ -	\$ -	\$ 2,072,513
470,904	-	-	-	-	1,559,779
-	-	-	-	-	26,624
-	-	269,851	76,665	18,950	403,089
-	225,606	-	-	1,738	228,791
-	-	-	-	-	-
<u>\$ 782,291</u>	<u>\$ 225,606</u>	<u>\$ 269,851</u>	<u>\$ 76,665</u>	<u>\$ 20,688</u>	<u>\$ 4,290,796</u>
\$ 3,989	\$ 10,715	\$ -	\$ 27,634	\$ 1,695	\$ 133,003
-	-	-	-	-	-
737,600	214,891	-	-	-	2,554,216
-	-	-	-	-	289
-	-	-	-	-	-
<u>741,589</u>	<u>225,606</u>	<u>-</u>	<u>27,634</u>	<u>1,695</u>	<u>2,687,508</u>
-	-	-	-	-	-
40,702	-	269,851	49,031	18,993	1,603,288
-	-	-	-	-	-
-	-	-	-	-	-
<u>40,702</u>	<u>-</u>	<u>269,851</u>	<u>49,031</u>	<u>18,993</u>	<u>1,603,288</u>
<u>\$ 782,291</u>	<u>\$ 225,606</u>	<u>\$ 269,851</u>	<u>\$ 76,665</u>	<u>\$ 20,688</u>	<u>\$ 4,290,796</u>

**MONTGOMERY COUNTY, TEXAS**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2018**

	Attorney Administration	Forfeitures	FEMA Disaster Grants	Jury	Sheriff Commissary
<b><u>REVENUES:</u></b>					
Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	5,048,193	676,410	-
Charges for Services	8,001	-	-	416,587	762,313
Investment Earnings	140	30,875	-	1,921	19,521
Contract Reimbursements	-	-	-	458,773	-
Fines and Forfeitures	-	1,174,869	-	693,099	-
Miscellaneous	-	-	-	-	-
<b><u>TOTAL REVENUES</u></b>	<b><u>8,141</u></b>	<b><u>1,205,744</u></b>	<b><u>5,048,193</u></b>	<b><u>2,246,790</u></b>	<b><u>781,834</u></b>
<b><u>EXPENDITURES:</u></b>					
General Administration	39,520	-	-	-	-
Judicial	-	-	-	12,842,418	-
Legal Services	-	-	-	-	-
Elections	-	-	-	-	-
Public Safety	-	834,991	4,346,019	-	867,207
Health and Welfare	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Public Transportation	-	-	-	-	-
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>39,520</u></b>	<b><u>834,991</u></b>	<b><u>4,346,019</u></b>	<b><u>12,842,418</u></b>	<b><u>867,207</u></b>
Excess (Deficiency) Revenues Over Expenditures	<u>(31,379)</u>	<u>370,753</u>	<u>702,174</u>	<u>(10,595,628)</u>	<u>(85,373)</u>
<b><u>OTHER FINANCING SOURCES/ (USES):</u></b>					
Transfers In	33,000	-	106,360	10,600,000	-
Transfers Out	-	-	(25,000)	(5,121)	-
<b><u>TOTAL OTHER FINANCING SOURCES/(USES)</u></b>	<b><u>33,000</u></b>	<b><u>-</u></b>	<b><u>81,360</u></b>	<b><u>10,594,879</u></b>	<b><u>-</u></b>
Net Change in Fund Balances	<u>1,621</u>	<u>370,753</u>	<u>783,534</u>	<u>(749)</u>	<u>(85,373)</u>
Fund Balances at Beginning of Year	<u>1,450</u>	<u>1,541,475</u>	<u>106,864</u>	<u>1,866,580</u>	<u>1,066,269</u>
<b><u>FUND BALANCES AT END OF YEAR</u></b>	<b><u>\$ 3,071</u></b>	<b><u>\$ 1,912,228</u></b>	<b><u>\$ 890,398</u></b>	<b><u>\$ 1,865,831</u></b>	<b><u>\$ 980,896</u></b>

Memorial Library	Community Development	Memo Totals from Page 121	Memo Totals from Page 123	Memo Totals from Page 125	Totals
\$ -	\$ -	\$ 1,151,163	\$ 1,421,814	\$ 127,335	\$ 2,700,312
-	3,692,867	4,531,648	-	2,905,234	16,854,352
-	-	11,625	-	1,869,813	3,068,339
-	-	90,988	12,040	105,824	261,309
-	-	16,422,376	-	-	16,881,149
-	-	-	-	-	1,867,968
110,718	36,373	10,487	-	51,408	208,986
110,718	3,729,240	22,218,287	1,433,854	5,059,614	41,842,415
-	-	1,528,952	-	1,695	1,570,167
-	-	-	544,726	-	13,387,144
-	-	273,138	-	-	273,138
-	-	-	-	841,760	841,760
-	-	2,542,142	972,276	4,948,942	14,511,577
-	3,706,652	14,690,217	-	-	18,396,869
117,716	-	-	-	-	117,716
-	-	2,019,319	-	-	2,019,319
117,716	3,706,652	21,053,768	1,517,002	5,792,397	51,117,690
(6,998)	22,588	1,164,519	(83,148)	(732,783)	(9,275,275)
-	-	525,553	312,000	155,500	11,732,413
-	-	(907,409)	(1,678)	(155,500)	(1,094,708)
-	-	(381,856)	310,322	-	10,637,705
(6,998)	22,588	782,663	227,174	(732,783)	1,362,430
117,594	19,274	13,592,665	2,007,116	2,336,071	22,655,358
\$ 110,596	\$ 41,862	\$ 14,375,328	\$ 2,234,290	\$ 1,603,288	\$ 24,017,788

**MONTGOMERY COUNTY, TEXAS**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2018**

	Law Library	Juvenile Probation	Records Management and Preservation	Pre-Trial Diversion
<b><u>REVENUES:</u></b>				
Fees	\$ 297,471	\$ -	\$ 620,599	\$ 42,750
Intergovernmental	-	2,753,423	-	-
Charges for Services	-	11,625	-	-
Investment Earnings	6,504	15,685	66,780	-
Contract Reimbursements	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	10,487	-	-	-
<b><u>TOTAL REVENUES</u></b>	<b><u>314,462</u></b>	<b><u>2,780,733</u></b>	<b><u>687,379</u></b>	<b><u>42,750</u></b>
<b><u>EXPENDITURES:</u></b>				
General Administration	-	-	765,094	74,228
Judicial	-	-	-	-
Legal Services	273,138	-	-	-
Elections	-	-	-	-
Public Safety	-	2,542,142	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Public Transportation	-	-	-	-
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>273,138</u></b>	<b><u>2,542,142</u></b>	<b><u>765,094</u></b>	<b><u>74,228</u></b>
Excess (Deficiency) Revenues Over Expenditures	<u>41,324</u>	<u>238,591</u>	<u>(77,715)</u>	<u>(31,478)</u>
<b><u>OTHER FINANCING SOURCES/ (USES):</u></b>				
Transfers In	-	553	-	-
Transfers Out	-	-	-	-
<b><u>TOTAL OTHER FINANCING SOURCES/(USES)</u></b>	<b><u>-</u></b>	<b><u>553</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Net Change in Fund Balances	41,324	239,144	(77,715)	(31,478)
Fund Balances at Beginning of Year	<u>365,449</u>	<u>2,315,101</u>	<u>5,179,984</u>	<u>60,485</u>
<b><u>FUND BALANCES AT END OF YEAR</u></b>	<b><u>\$ 406,773</u></b>	<b><u>\$ 2,554,245</u></b>	<b><u>\$ 5,102,269</u></b>	<b><u>\$ 29,007</u></b>

Airport Grants	Mental Health Facility	Records Management County	Records Management District Clerk	Memo Totals to Page 119
\$ -	\$ -	\$ 159,243	\$ 31,100	\$ 1,151,163
1,778,225	-	-	-	4,531,648
-	-	-	-	11,625
-	-	-	2,019	90,988
-	16,422,376	-	-	16,422,376
-	-	-	-	-
-	-	-	-	10,487
1,778,225	16,422,376	159,243	33,119	22,218,287
-	-	617,581	72,049	1,528,952
-	-	-	-	-
-	-	-	-	273,138
-	-	-	-	-
-	-	-	-	2,542,142
-	14,690,217	-	-	14,690,217
-	-	-	-	-
2,019,319	-	-	-	2,019,319
2,019,319	14,690,217	617,581	72,049	21,053,768
(241,094)	1,732,159	(458,338)	(38,930)	1,164,519
-	-	525,000	-	525,553
-	(907,409)	-	-	(907,409)
-	(907,409)	525,000	-	(381,856)
(241,094)	824,750	66,662	(38,930)	782,663
1,470,764	3,982,116	61,171	157,595	13,592,665
\$ 1,229,670	\$ 4,806,866	\$ 127,833	\$ 118,665	\$ 14,375,328

**MONTGOMERY COUNTY, TEXAS**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2018**

	Digital Preservation County and District	District Clerk Record Preservation	Court Guardianship	Court Reporter
<b><u>REVENUES:</u></b>				
Fees	\$ 81,029	\$ 85,494	\$ 26,303	\$ 110,195
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	2,516	1,227	-	-
Contract Reimbursements	-	-	-	-
Fines and Forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b><u>TOTAL REVENUES</u></b>	<b><u>83,545</u></b>	<b><u>86,721</u></b>	<b><u>26,303</u></b>	<b><u>110,195</u></b>
<b><u>EXPENDITURES:</u></b>				
General Administration	-	-	-	-
Judicial	-	98,590	16,927	113,181
Legal Services	-	-	-	-
Elections	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Public Transportation	-	-	-	-
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>-</u></b>	<b><u>98,590</u></b>	<b><u>16,927</u></b>	<b><u>113,181</u></b>
Excess (Deficiency) Revenues Over Expenditures	83,545	(11,869)	9,376	(2,986)
<b><u>OTHER FINANCING SOURCES/ (USES):</u></b>				
Transfers In	-	-	-	150,000
Transfers Out	-	-	-	-
<b><u>TOTAL OTHER FINANCING SOURCES/(USES)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>150,000</u></b>
Net Change in Fund Balances	83,545	(11,869)	9,376	147,014
Fund Balances at Beginning of Year	188,743	159,569	138,297	1,638
<b><u>FUND BALANCES AT END OF YEAR</u></b>	<b><u>\$ 272,288</u></b>	<b><u>\$ 147,700</u></b>	<b><u>\$ 147,673</u></b>	<b><u>\$ 148,652</u></b>



Courthouse Security	Court Technology County and District	Justice Court Building Security	Justice Court Technology	Juvenile Case Manager	Bond Supervision	Memo Totals to Page 119
\$ 275,759	\$ 13,754	\$ 35,813	\$ 143,372	\$ 154,413	\$ 495,682	\$ 1,421,814
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	8,297	12,040
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
275,759	13,754	35,813	143,372	154,413	503,979	1,433,854
-	-	-	-	-	-	-
-	11,811	-	39,824	264,393	-	544,726
-	-	-	-	-	-	-
-	-	-	-	-	-	-
362,850	-	-	-	-	609,426	972,276
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
362,850	11,811	-	39,824	264,393	609,426	1,517,002
(87,091)	1,943	35,813	103,548	(109,980)	(105,447)	(83,148)
162,000	-	-	-	-	-	312,000
-	-	-	(1,678)	-	-	(1,678)
162,000	-	-	(1,678)	-	-	310,322
74,909	1,943	35,813	101,870	(109,980)	(105,447)	227,174
7,370	29,321	154,889	587,189	333,217	406,883	2,007,116
\$ 82,279	\$ 31,264	\$ 190,702	\$ 689,059	\$ 223,237	\$ 301,436	\$ 2,234,290

**MONTGOMERY COUNTY, TEXAS**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2018**

	Adult Probation Basic Supervision	Adult Probation Community Corrections	Adult Probation Mental Impairments
<b><u>REVENUES:</u></b>			
Fees	\$ 106,647	\$ -	\$ -
Intergovernmental	1,128,477	615,585	201,131
Charges for Services	1,869,813	-	-
Investment Earnings	47,253	-	-
Contract Reimbursements	-	-	-
Fines and Forfeitures	-	-	-
Miscellaneous	51,408	-	-
<b><u>TOTAL REVENUES</u></b>	<b><u>3,203,598</u></b>	<b><u>615,585</u></b>	<b><u>201,131</u></b>
<b><u>EXPENDITURES:</u></b>			
General Administration	-	-	-
Judicial	-	-	-
Legal Services	-	-	-
Elections	-	-	-
Public Safety	3,510,402	716,301	222,187
Health and Welfare	-	-	-
Culture and Recreation	-	-	-
Public Transportation	-	-	-
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>3,510,402</u></b>	<b><u>716,301</u></b>	<b><u>222,187</u></b>
Excess (Deficiency) Revenues Over Expenditures	<u>(306,804)</u>	<u>(100,716)</u>	<u>(21,056)</u>
<b><u>OTHER FINANCING SOURCES/ (USES):</u></b>			
Transfers In	-	104,000	51,500
Transfers Out	<u>(155,500)</u>	<u>-</u>	<u>-</u>
<b><u>TOTAL OTHER FINANCING SOURCES/(USES)</u></b>	<b><u>(155,500)</u></b>	<b><u>104,000</u></b>	<b><u>51,500</u></b>
Net Change in Fund Balances	<u>(462,304)</u>	<u>3,284</u>	<u>30,444</u>
Fund Balances at Beginning of Year	<u>1,517,793</u>	<u>111,078</u>	<u>24,416</u>
<b><u>FUND BALANCES AT END OF YEAR</u></b>	<b><u>\$ 1,055,489</u></b>	<b><u>\$ 114,362</u></b>	<b><u>\$ 54,860</u></b>

Contract Elections Services	Montgomery County Grant Fund	HAVA Grant Fund	Federal ARRA Grant	Vital Records Preservation Fund	Memo Totals to Page 119
\$ -	\$ -	\$ -	\$ -	\$ 20,688	\$ 127,335
459,989	500,052	-	-	-	2,905,234
-	-	-	-	-	1,869,813
58,571	-	-	-	-	105,824
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	51,408
518,560	500,052	-	-	20,688	5,059,614
-	-	-	-	1,695	1,695
-	-	-	-	-	-
-	-	-	-	-	-
841,760	-	-	-	-	841,760
-	500,052	-	-	-	4,948,942
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
841,760	500,052	-	-	1,695	5,792,397
(323,200)	-	-	-	18,993	(732,783)
-	-	-	-	-	155,500
-	-	-	-	-	(155,500)
-	-	-	-	-	-
(323,200)	-	-	-	18,993	(732,783)
363,902	-	269,851	49,031	-	2,336,071
\$ 40,702	\$ -	\$ 269,851	\$ 49,031	\$ 18,993	\$ 1,603,288

**MONTGOMERY COUNTY, TEXAS**  
**Attorney Administration Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

C-3

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Charges for Service	\$ 12,050	\$ 12,050	\$ 8,001	\$ (4,049)
Investment Earnings	-	-	140	140
Total Revenues	12,050	12,050	8,141	(3,909)
<b><u>EXPENDITURES:</u></b>				
General Administration:				
Salaries	20,963	28,751	28,001	750
Employee Benefits	9,779	11,331	11,190	141
Supplies	100	100	-	100
Contract Services	525	525	329	196
Total Expenditures	31,367	40,707	39,520	1,187
Excess (Deficiency) Revenues Over Expenditures	(19,317)	(28,657)	(31,379)	(2,722)
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers In	-	9,340	33,000	42,340
<b>TOTAL OTHER FINANCING SOURCES</b>	-	9,340	33,000	42,340
Net Change in Fund Balance	(19,317)	(19,317)	1,621	39,618
Fund Balance at Beginning of Year	1,450	1,450	1,450	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ (17,867)</u>	<u>\$ (17,867)</u>	<u>\$ 3,071</u>	<u>\$ 39,618</u>

**MONTGOMERY COUNTY, TEXAS**

**Forfeitures Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

C-4

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>REVENUES:</u></b>				
Investment Earnings	\$ -	\$ 10,000	\$ 30,875	\$ 20,875
Fines and Forfeitures	822,309	1,662,976	1,174,869	(488,107)
Total Revenues	<u>822,309</u>	<u>1,672,976</u>	<u>1,205,744</u>	<u>(467,232)</u>
<b><u>EXPENDITURES:</u></b>				
Public Safety:				
Salaries	37,500	72,587	64,186	8,401
Employee Benefits	10,257	21,619	16,960	4,659
Supplies	359,972	635,805	401,974	233,831
Contract Services	162,580	643,859	253,124	390,735
Capital Outlay	252,000	391,277	98,747	292,530
Total Expenditures	<u>822,309</u>	<u>1,765,147</u>	<u>834,991</u>	<u>930,156</u>
Net Change in Fund Balance	-	(92,171)	370,753	462,924
Fund Balance at Beginning of Year	<u>1,541,475</u>	<u>1,541,475</u>	<u>1,541,475</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 1,541,475</u>	<u>\$ 1,449,304</u>	<u>\$ 1,912,228</u>	<u>\$ 462,924</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, 2018**

C-5

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Federal Grants	\$ -	\$ 8,801,843	\$ 4,636,108	\$ (4,165,735)
State Grants	-	334,291	412,085	\$ 77,794
Total Revenues	-	9,136,134	5,048,193	(4,087,941)
<b><u>EXPENDITURES:</u></b>				
Health and Welfare:				
Salaries	-	70,365	69,615	750
Employee Benefits	-	35,093	34,660	433
Supplies	-	558,548	551,410	7,138
Contract Services	-	12,085,971	3,309,128	8,776,843
Capital Outlay	-	381,206	381,206	-
Total Expenditures	-	13,131,183	4,346,019	8,785,164
Excess Revenues (Deficiencies) over Expenditures	-	(3,995,049)	702,174	4,697,223
<b><u>OTHER FINANCING</u></b>				
<b><u>SOURCES/ (USES):</u></b>				
Transfers In	-	106,360	106,360	-
Transfers Out	-	(25,000)	(25,000)	-
<b>TOTAL OTHER FINANCING</b>				
<b>SOURCES/ (USES)</b>	-	81,360	81,360	-
Net Change in Fund Balance	-	(3,888,689)	783,534	4,697,223
Fund Balance at Beginning of Year	106,864	106,864	106,864	-
<b><u>FUND BALANCE AT</u></b>				
<b><u>END OF YEAR</u></b>	\$ 106,864	\$ (3,781,825)	\$ 890,398	\$ 4,697,223

**MONTGOMERY COUNTY, TEXAS**

**Jury Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

C-6

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State Grants	\$ 450,000	\$ 450,000	\$ 676,410	\$ 226,410
Charges for Services	385,000	385,000	416,587	31,587
Investment Earnings	400	400	1,921	1,521
Contract Reimbursements	644,386	644,386	458,773	(185,613)
Fines and Forfeitures	600,000	680,265	693,099	12,834
Total Revenues	<u>2,079,786</u>	<u>2,160,051</u>	<u>2,246,790</u>	<u>86,739</u>
<b><u>EXPENDITURES:</u></b>				
Judicial:				
Salaries	3,255,161	3,194,166	3,169,166	25,000
Employee Benefits	1,190,971	1,179,100	1,140,872	38,228
Supplies	65,767	72,861	63,636	9,225
Contract Services	8,199,017	8,549,808	8,427,735	122,073
Capital Outlay	-	42,574	41,009	1,565
Total Expenditures	<u>12,710,916</u>	<u>13,038,509</u>	<u>12,842,418</u>	<u>196,091</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(10,631,130)</u>	<u>(10,878,458)</u>	<u>(10,595,628)</u>	<u>282,830</u>
<b><u>OTHER FINANCING SOURCES/(USES):</u></b>				
Transfers In	-	178,765	10,600,000	10,421,235
Transfers Out	-	(5,121)	(5,121)	-
<b>TOTAL OTHER FINANCING SOURCES /(USES)</b>	<u>-</u>	<u>173,644</u>	<u>10,594,879</u>	<u>10,421,235</u>
Net Change in Fund Balance	(10,631,130)	(10,704,814)	(749)	10,704,065
Fund Balance at Beginning of Year	<u>1,866,580</u>	<u>1,866,580</u>	<u>1,866,580</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u><u>\$ (8,764,550)</u></u>	<u><u>\$ (8,838,234)</u></u>	<u><u>\$ 1,865,831</u></u>	<u><u>\$ 10,704,065</u></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, 2018**

C-7

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>REVENUES:</u></b>				
Charges for Services	\$ 760,360	\$ 976,332	\$ 762,313	\$ (214,019)
Investment Earnings	-	-	19,521	19,521
Total Revenues	<u>760,360</u>	<u>976,332</u>	<u>781,834</u>	<u>(194,498)</u>
<b><u>EXPENDITURES:</u></b>				
Public Safety:				
Salaries	-	152,584	59,607	92,977
Employee Benefits	-	63,388	25,235	38,153
Supplies	483,000	455,292	455,292	-
Contract Services	112,360	178,229	178,229	-
Capital Outlay	165,000	165,000	148,844	16,156
Total Expenditures	<u>760,360</u>	<u>1,014,493</u>	<u>867,207</u>	<u>147,286</u>
Net Change in Fund Balance	-	(38,161)	(85,373)	(47,212)
Fund Balance at Beginning of Year	<u>1,066,269</u>	<u>1,066,269</u>	<u>1,066,269</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 1,066,269</u>	<u>\$ 1,028,108</u>	<u>\$ 980,896</u>	<u>\$ (47,212)</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, 2018**

C-8

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Miscellaneous	\$ -	\$ 110,718	\$ 110,718	\$ -
Total Revenues	-	110,718	110,718	-
<b><u>EXPENDITURES:</u></b>				
Culture and Recreation:				
Supplies	-	37,051	20,251	16,800
Contract Services	-	11,559	-	11,559
Capital Outlay	-	165,407	97,465	67,942
Total Expenditures	-	214,017	117,716	96,301
Net Change in Fund Balance	-	(103,299)	(6,998)	96,301
Fund Balance at Beginning of Year	117,594	117,594	117,594	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 117,594</u>	<u>\$ 14,295</u>	<u>\$ 110,596</u>	<u>\$ 96,301</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, 2018**

C-9

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Federal Grants	\$ 3,188,979	\$ 3,363,044	\$ 3,692,867	\$ 329,823
Miscellaneous	-	1,026,874	36,373	(990,501)
Total Revenues	<u>3,188,979</u>	<u>4,389,918</u>	<u>3,729,240</u>	<u>(660,678)</u>
<b><u>EXPENDITURES:</u></b>				
Health and Welfare:				
Salaries	371,254	451,169	424,394	26,775
Employee Benefits	130,072	151,147	142,669	8,478
Supplies	10,250	11,940	3,576	8,364
Contract Services	2,643,903	7,267,586	3,070,737	4,196,849
Capital Outlay	3,500	198,797	65,276	133,521
Total Expenditures	<u>3,158,979</u>	<u>8,080,639</u>	<u>3,706,652</u>	<u>4,373,987</u>
Net Change in Fund Balance	-	(3,690,721)	22,588	3,713,309
Fund Balance at Beginning of Year	<u>19,274</u>	<u>19,274</u>	<u>19,274</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 19,274</u>	<u>\$ (3,671,447)</u>	<u>\$ 41,862</u>	<u>\$ 3,713,309</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, 2018**

C-10

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>REVENUES:</u></b>				
Fees	\$ 292,973	\$ 292,973	\$ 297,471	\$ 4,498
Investment Earnings	-	-	6,504	6,504
Miscellaneous	-	-	10,487	10,487
Total Revenues	<u>292,973</u>	<u>292,973</u>	<u>314,462</u>	<u>21,489</u>
<b><u>EXPENDITURES:</u></b>				
Legal Services:				
Salaries	126,354	126,354	125,563	791
Employee Benefits	47,786	47,786	47,593	193
Supplies	17,500	17,162	8,975	8,187
Contract Services	41,059	41,622	30,849	10,773
Capital Outlay	60,274	60,274	60,158	116
Total Expenditures	<u>292,973</u>	<u>293,198</u>	<u>273,138</u>	<u>20,060</u>
(Deficiency) Revenues Over Expenditures	<u>-</u>	<u>(225)</u>	<u>41,324</u>	<u>41,549</u>
Net Change in Fund Balance	-	(225)	41,324	41,549
Fund Balance at Beginning of Year	<u>365,449</u>	<u>365,449</u>	<u>365,449</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 365,449</u>	<u>\$ 365,224</u>	<u>\$ 406,773</u>	<u>\$ 41,549</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, 2018**

C-11

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Federal Grants	\$ -	\$ -	\$ -	\$ -
State Grants	-	2,933,868	2,753,423	(180,445)
Charges for Services	-	-	11,625	11,625
Investment Earnings	-	-	15,685	15,685
Total Revenues	-	2,933,868	2,780,733	(153,135)
<b><u>EXPENDITURES:</u></b>				
Public Safety:				
Salaries	-	2,294,269	1,069,768	1,224,501
Benefits	-	1,007,943	467,028	540,915
Supplies	-	119,700	69,644	50,056
Contract Services	-	1,797,485	935,702	861,783
Capital Outlay	-	1,157,536	-	1,157,536
Total Expenditures	-	6,376,933	2,542,142	3,834,791
Excess (Deficiency) Revenues Over Expenditures	-	(3,443,065)	238,591	3,681,656
<b><u>OTHER FINANCING</u></b>				
<b><u>SOURCES:</u></b>				
Transfers In	-	553	553	-
<b>TOTAL OTHER FINANCING</b>				
<b>SOURCES</b>	-	553	553	-
Net Change in Fund Balance	-	(3,442,512)	239,144	3,681,656
Fund Balance at Beginning of Year	2,315,101	2,315,101	2,315,101	-
<b><u>FUND BALANCE AT</u></b>				
<b><u>END OF YEAR</u></b>	\$ 2,315,101	\$ (1,127,411)	\$ 2,554,245	\$ 3,681,656

**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, 2018**

C-12

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ 502,926	\$ 535,576	\$ 620,599	\$ 85,023
Investment Earnings	-	-	66,780	66,780
Total Revenues	<u>502,926</u>	<u>535,576</u>	<u>687,379</u>	<u>151,803</u>
<b><u>EXPENDITURES:</u></b>				
General Administration:				
Salaries	276,540	276,540	240,266	36,274
Employee Benefits	111,316	111,316	103,005	8,311
Supplies	12,400	12,400	11,439	961
Contract Services	102,670	505,815	410,384	95,431
Total Expenditures	<u>502,926</u>	<u>906,071</u>	<u>765,094</u>	<u>140,977</u>
Net Change in Fund Balance	-	(370,495)	(77,715)	292,780
Fund Balance at Beginning of Year	<u>5,179,984</u>	<u>5,179,984</u>	<u>5,179,984</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u><u>\$ 5,179,984</u></u>	<u><u>\$ 4,809,489</u></u>	<u><u>\$ 5,102,269</u></u>	<u><u>\$ 292,780</u></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, 2018**

C-13

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>REVENUES:</u></b>				
Fees	\$ 118,033	\$ 118,033	\$ 42,750	\$ (75,283)
Total Revenues	<u>118,033</u>	<u>118,033</u>	<u>42,750</u>	<u>(75,283)</u>
<b><u>EXPENDITURES:</u></b>				
General Administration:				
Salaries	26,737	65,323	56,185	9,138
Employee Benefits	5,533	16,947	15,566	1,381
Supplies	24,794	24,794	-	24,794
Contract Services	10,969	10,969	2,477	8,492
Total Expenditures	<u>68,033</u>	<u>118,033</u>	<u>74,228</u>	<u>43,805</u>
Net Change in Fund Balance	50,000	-	(31,478)	(31,478)
Fund Balance at Beginning of Year	<u>60,485</u>	<u>60,485</u>	<u>60,485</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 110,485</u>	<u>\$ 60,485</u>	<u>\$ 29,007</u>	<u>\$ (31,478)</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, 2018**

C-14

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Federal Grants	\$ -	\$ -	\$ 1,731,706	\$ 1,731,706
State Grants	-	100,000	46,519	(53,481)
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>100,000</u>	<u>1,778,225</u>	<u>1,678,225</u>
<b><u>EXPENDITURES:</u></b>				
Public Transportation:				
Capital Outlay	<u>50,000</u>	<u>8,133,396</u>	<u>2,019,319</u>	<u>6,114,077</u>
Total Expenditures	<u>50,000</u>	<u>8,133,396</u>	<u>2,019,319</u>	<u>6,114,077</u>
Net Change in Fund Balance	(50,000)	(8,033,396)	(241,094)	7,792,302
Fund Balance at Beginning of Year	<u>1,470,764</u>	<u>1,470,764</u>	<u>1,470,764</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 1,420,764</u>	<u>\$ (6,562,632)</u>	<u>\$ 1,229,670</u>	<u>\$ 7,792,302</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, 2018**

C-15

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Contract Reimbursement	\$ 15,417,450	\$ 16,994,512	\$ 16,422,376	\$ (572,136)
Total Revenues	15,417,450	16,994,512	16,422,376	(572,136)
<b><u>EXPENDITURES:</u></b>				
Health and Welfare:				
Contract Services	13,545,311	14,788,459	14,427,261	361,198
Capital Outlay - Building	-	333,914	262,956	70,958
Total Expenditures	13,545,311	15,122,373	14,690,217	361,198
Excess Revenues Over Expenditures	1,872,139	1,872,139	1,732,159	(210,938)
<b><u>OTHER FINANCING (USES):</u></b>				
Transfers out		-	(907,409)	(907,409)
<b>TOTAL OTHER FINANCING (USES)</b>	-	-	(907,409)	(907,409)
Net Change in Fund Balance	1,872,139	1,872,139	824,750	(1,118,347)
Fund Balance at Beginning of Year	3,982,116	3,982,116	3,982,116	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 5,854,255</u>	<u>\$ 5,854,255</u>	<u>\$ 4,806,866</u>	<u>\$ (1,118,347)</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, 2018**

C-16

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ 175,000	\$ 178,021	\$ 159,243	\$ (18,778)
Total Revenues	175,000	178,021	159,243	(18,778)
<b><u>EXPENDITURES:</u></b>				
General Administration:				
Salaries	401,432	401,432	395,922	5,510
Employee Benefits	189,998	189,998	181,597	8,401
Supplies	14,949	26,470	24,719	1,751
Contract Services	29,541	28,413	15,343	13,070
Capital Outlay	2,700	2,700	-	2,700
Total Expenditures	638,620	649,013	617,581	31,432
Excess (Deficiency) Revenues Over Expenditures	(463,620)	(470,992)	(458,338)	12,654
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers In	-	-	525,000	525,000
<b><u>TOTAL OTHER FINANCING SOURCES</u></b>	-	-	525,000	525,000
Net Change in Fund Balance	(463,620)	(470,992)	66,662	537,654
Fund Balance at Beginning of Year	61,171	61,171	61,171	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	\$ (402,449)	\$ (409,821)	\$ 127,833	\$ 537,654

**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, 2018**

C-17

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ 80,000	\$ 80,000	\$ 47,321	\$ (32,679)
Investment Earnings	-	-	2,019	2,019
Total Revenues	80,000	80,000	49,340	(30,660)
<b><u>EXPENDITURES:</u></b>				
General Administration:				
Supplies	30,000	26,725	19,065	7,660
Contract Services	50,000	50,000	50,000	-
Capital Outlay	-	2,984	2,984	-
Total Expenditures	80,000	79,709	72,049	7,660
Net Change in Fund Balance	-	291	(22,709)	(23,000)
Fund Balance at Beginning of Year	157,595	157,595	157,595	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<b><u>\$ 157,595</u></b>	<b><u>\$ 157,886</u></b>	<b><u>\$ 134,886</u></b>	<b><u>\$ (23,000)</u></b>

**MONTGOMERY COUNTY, TEXAS**  
**Digital Preservation County and District Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Actual Year Ended September 30, 2018**

C-18

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ -	\$ -	\$ 81,029	\$ 81,029
Investment Earnings	-	-	2,516	2,516
Total Revenues	-	-	83,545	83,545
Net Change in Fund Balance	-	-	83,545	83,545
Fund Balance at Beginning of Year	188,743	188,743	188,743	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 188,743</u>	<u>\$ 188,743</u>	<u>\$ 272,288</u>	<u>\$ 83,545</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, 2018**

C-19

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ 100,000	\$ 100,000	\$ 85,494	\$ (14,506)
Investment Earnings	-	-	1,227	1,227
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>86,721</u>	<u>(13,279)</u>
<b><u>EXPENDITURES:</u></b>				
Judicial:				
Contract Services	<u>100,000</u>	<u>100,000</u>	<u>98,590</u>	<u>1,410</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>98,590</u>	<u>1,410</u>
Net Change in Fund Balance	-	-	(11,869)	(11,869)
Fund Balance at Beginning of Year	<u>159,569</u>	<u>159,569</u>	<u>159,569</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 159,569</u>	<u>\$ 159,569</u>	<u>\$ 147,700</u>	<u>\$ (11,869)</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, 2018**

C-20

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>REVENUES:</u></b>				
Fees	\$ 32,000	\$ 32,000	\$ 26,303	\$ (5,697)
Total Revenues	<u>32,000</u>	<u>32,000</u>	<u>26,303</u>	<u>(5,697)</u>
<b><u>EXPENDITURES:</u></b>				
Judicial:				
Contract Services	<u>32,000</u>	<u>32,000</u>	<u>16,927</u>	<u>15,073</u>
Total Expenditures	<u>32,000</u>	<u>32,000</u>	<u>16,927</u>	<u>15,073</u>
Net Change in Fund Balance	-	-	9,376	9,376
Fund Balance at Beginning of Year	<u>138,297</u>	<u>138,297</u>	<u>138,297</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 138,297</u>	<u>\$ 138,297</u>	<u>\$ 147,673</u>	<u>\$ 9,376</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, 2018**

C-21

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>REVENUES:</u></b>				
Fees	\$ 40,000	\$ 53,426	\$ 110,195	\$ 56,769
Total Revenues	<u>40,000</u>	<u>53,426</u>	<u>110,195</u>	<u>56,769</u>
<b><u>EXPENDITURES:</u></b>				
Judicial:				
Supplies	25,416	29,283	17,235	12,048
Contract Services	116,607	126,166	95,946	30,220
Total Expenditures	<u>142,023</u>	<u>155,449</u>	<u>113,181</u>	<u>42,268</u>
(Deficiency) Revenues				
Over Expenditures	<u>(102,023)</u>	<u>(102,023)</u>	<u>(2,986)</u>	<u>99,037</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers In	-	-	150,000	150,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Net Change in Fund Balance	(102,023)	(102,023)	147,014	249,037
Fund Balance at Beginning of Year	<u>1,638</u>	<u>1,638</u>	<u>1,638</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ (100,385)</u>	<u>\$ (100,385)</u>	<u>\$ 148,652</u>	<u>\$ 249,037</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, 2018**

C-22

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ 315,000	\$ 315,000	\$ 275,759	\$ (39,241)
Total Revenues	<u>315,000</u>	<u>315,000</u>	<u>275,759</u>	<u>(39,241)</u>
<b><u>EXPENDITURES:</u></b>				
Public Safety:				
Contract Services	400,000	397,321	362,850	34,471
Total Expenditures	<u>400,000</u>	<u>397,321</u>	<u>362,850</u>	<u>34,471</u>
(Deficiency) Revenues Over Expenditures	<u>(85,000)</u>	<u>(82,321)</u>	<u>(87,091)</u>	<u>(4,770)</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers In	-	-	162,000	162,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>-</u>	<u>162,000</u>	<u>162,000</u>
Net Change in Fund Balance	(85,000)	(82,321)	74,909	157,230
Fund Balance at Beginning of Year	<u>7,370</u>	<u>7,370</u>	<u>7,370</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ (77,630)</u>	<u>\$ (74,951)</u>	<u>\$ 82,279</u>	<u>\$ 157,230</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, 2018**

C-23

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ 4,388	\$ 16,361	\$ 13,754	\$ (2,607)
Total Revenues	<u>4,388</u>	<u>16,361</u>	<u>13,754</u>	<u>(2,607)</u>
<b><u>EXPENDITURES:</u></b>				
Judicial:				
Supplies	-	9,963	8,356	1,607
Contract Services	4,388	4,559	3,455	1,104
Total Expenditures	<u>4,388</u>	<u>14,522</u>	<u>11,811</u>	<u>2,711</u>
Net Change in Fund Balance	-	1,839	1,943	104
Fund Balance at Beginning of Year	<u>29,321</u>	<u>29,321</u>	<u>29,321</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 29,321</u>	<u>\$ 31,160</u>	<u>\$ 31,264</u>	<u>\$ 104</u>



**MONTGOMERY COUNTY, TEXAS**  
**Justice Court Building Security**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Actual Year Ended September 30, 2018**

C-24

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ -	\$ -	\$ 35,813	\$ 35,813
Total Revenues	-	-	35,813	35,813
Net Change in Fund Balance	-	-	35,813	35,813
Fund Balance at Beginning of Year	154,889	154,889	154,889	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<b><u>\$ 154,889</u></b>	<b><u>\$ 154,889</u></b>	<b><u>\$ 190,702</u></b>	<b><u>\$ 35,813</u></b>

**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, 2018**

C-25

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ 21,828	\$ 52,047	\$ 143,372	\$ 91,325
Total Revenues	<u>21,828</u>	<u>52,047</u>	<u>143,372</u>	<u>91,325</u>
<b><u>EXPENDITURES:</u></b>				
Judicial:				
Supplies	20,000	43,450	33,896	9,554
Contract Services	1,828	6,918	5,928	990
Total Expenditures	<u>21,828</u>	<u>50,368</u>	<u>39,824</u>	<u>10,544</u>
Excess (Deficiency) Revenues Over Expenditures	<u>-</u>	<u>1,679</u>	<u>103,548</u>	<u>101,869</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers Out	-	(1,678)	(1,678)	-
<b>TOTAL OTHER FINANCING USES</b>	<u>-</u>	<u>(1,678)</u>	<u>(1,678)</u>	<u>-</u>
Net Change in Fund Balance	-	1	101,870	101,869
Fund Balance at Beginning of Year	<u>587,189</u>	<u>587,189</u>	<u>587,189</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 587,189</u>	<u>\$ 588,868</u>	<u>\$ 689,059</u>	<u>\$ 100,191</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, 2018**

C-26

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b><u>REVENUES:</u></b>				
Fees	\$ 296,269	\$ 297,094	\$ 154,413	\$ (142,681)
Total Revenues	<u>296,269</u>	<u>297,094</u>	<u>154,413</u>	<u>(142,681)</u>
<b><u>EXPENDITURES:</u></b>				
Judicial:				
Salaries	200,338	201,019	179,176	21,843
Employee Benefits	95,931	96,075	85,217	10,858
Total Expenditures	<u>296,269</u>	<u>297,094</u>	<u>264,393</u>	<u>32,701</u>
Net Change in Fund Balance	-	-	(109,980)	(109,980)
Fund Balance at Beginning of Year	<u>333,217</u>	<u>333,217</u>	<u>333,217</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 333,217</u>	<u>\$ 333,217</u>	<u>\$ 223,237</u>	<u>\$ (109,980)</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, 2018**

C-27

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ -	\$ 444,377	\$ 495,682	\$ 51,305
Investment Earnings	-	5,000	8,297	3,297
Total Revenues	-	449,377	503,979	54,602
<b><u>EXPENDITURES:</u></b>				
Public Safety:				
Salaries	-	397,640	388,971	8,669
Employee Benefits	-	159,737	157,488	2,249
Supplies	-	2,000	1,445	555
Contract Services	-	54,400	52,643	1,757
Capital Outlay	-	9,100	8,879	221
Total Expenditures	-	622,877	609,426	13,451
Net Change in Fund Balance	-	(173,500)	(105,447)	68,053
Fund Balance at Beginning of Year	406,883	406,883	406,883	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<b><u>\$ 406,883</u></b>	<b><u>\$ 233,383</u></b>	<b><u>\$ 301,436</u></b>	<b><u>\$ 68,053</u></b>

**MONTGOMERY COUNTY, TEXAS**  
**Adult Probation - Basic Supervision Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

C-28

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ -	\$ 100,000	\$ 106,647	\$ 6,647
Intergovernmental:				
State Grants	-	1,097,579	1,128,477	30,898
Charges for Services	-	1,865,000	1,869,813	4,813
Investment Earnings	-	40,000	47,253	7,253
Miscellaneous	-	75,000	51,408	(23,592)
Total Revenues	-	3,177,579	3,203,598	26,019
<b><u>EXPENDITURES:</u></b>				
Public Safety:				
Salaries	-	4,959,680	2,575,630	2,384,050
Employee Benefits	-	1,068,526	544,720	523,806
Supplies	-	712,917	62,620	650,297
Contract Services	-	1,584,494	327,432	1,257,062
Total Expenditures	-	8,325,617	3,510,402	4,815,215
Excess Revenues				
Over Expenditures	-	(5,148,038)	(306,804)	4,841,234
<b><u>OTHER FINANCING</u></b>				
<b><u>SOURCES/(USES):</u></b>				
Transfers Out		(179,329)	(155,500)	(23,829)
<b>TOTAL OTHER FINANCING</b>				
<b>SOURCES/(USES)</b>	-	(179,329)	(155,500)	(23,829)
Net Change in Fund Balance	-	(5,327,367)	(462,304)	(4,865,063)
Fund Balance at Beginning of Year	1,517,793	1,517,793	1,517,793	-
<b><u>FUND BALANCE AT</u></b>				
<b><u>END OF YEAR</u></b>	\$ 1,517,793	\$ (3,809,574)	\$ 1,055,489	\$ (4,865,063)

**MONTGOMERY COUNTY, TEXAS**  
**Adult Probation - Community Corrections Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

C-29

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
State Grants	\$ -	\$ 616,025	\$ 615,585	\$ (440)
Total Revenues	-	616,025	615,585	(440)
<b><u>EXPENDITURES:</u></b>				
Public Safety:				
Salaries	-	1,124,916	596,409	528,507
Employee Benefits	-	227,103	117,199	109,904
Contract Services	-	16,500	2,693	13,807
Total Expenditures	-	1,368,519	716,301	652,218
Excess Revenues Over Expenditures	-	(752,494)	(100,716)	651,778
<b><u>OTHER FINANCING SOURCES/(USES):</u></b>				
Transfers In	-	122,852	104,000	(18,852)
<b><u>TOTAL OTHER FINANCING SOURCES/(USES)</u></b>	-	122,852	104,000	(18,852)
Net Change in Fund Balance	-	(629,642)	3,284	632,926
Fund Balance at Beginning of Year	111,078	111,078	111,078	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<b><u>\$ 111,078</u></b>	<b><u>\$ (518,564)</u></b>	<b><u>\$ 114,362</u></b>	<b><u>\$ 632,926</u></b>

**MONTGOMERY COUNTY, TEXAS**  
**Adult Probation - Mental Impairments Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

C-30

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
State Grants	\$ -	\$ 249,208	\$ 201,131	\$ (48,077)
Total Revenues	-	249,208	201,131	(48,077)
<b><u>EXPENDITURES:</u></b>				
Public Safety:				
Salaries	-	384,472	184,782	199,690
Employee Benefits	-	80,261	36,802	43,459
Supplies	-	7,928	594	7,334
Contract Services	-	1,900	9	1,891
Total Expenditures	-	474,561	222,187	252,374
Excess Revenues Over Expenditures	-	(225,353)	(21,056)	204,297
<b><u>OTHER FINANCING SOURCES/(USES):</u></b>				
Transfers In	-	56,477	51,500	(4,977)
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	-	56,477	51,500	(4,977)
Net Change in Fund Balance	-	(168,876)	30,444	199,320
Fund Balance at Beginning of Year	24,416	24,416	24,416	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<b>\$ 24,416</b>	<b>\$ (144,460)</b>	<b>\$ 54,860</b>	<b>\$ 199,320</b>

**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, 2018**

C-31

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Other	\$ -	\$ 459,989	\$ 459,989	\$ -
Investment Earnings	-	58,571	58,571	-
Total Revenues	-	518,560	518,560	-
<b><u>EXPENDITURES:</u></b>				
Elections:				
Salaries	-	493,976	493,976	-
Employee Benefits	-	83,969	83,969	-
Supplies	-	108,676	108,676	-
Contract Services	-	155,139	155,139	-
Total Expenditures	-	841,760	841,760	-
Net Change in Fund Balance	-	(323,200)	(323,200)	-
Fund Balance at Beginning of Year	363,902	363,902	363,902	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 363,902</u>	<u>\$ 40,702</u>	<u>\$ 40,702</u>	<u>\$ -</u>



**MONTGOMERY COUNTY, TEXAS**  
**Montgomery County Grant Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

C-32

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Federal	\$ -	\$ 1,809,577	\$ 500,052	\$ (1,309,525)
Total Revenues	-	1,809,577	500,052	(1,309,525)
<b><u>EXPENDITURES:</u></b>				
Public Safety:				
Salaries	-	222,361	113,729	108,632
Employee Benefits	-	81,838	50,653	31,185
Supplies	-	204,611	30,202	174,409
Contract Services	-	354,317	59,722	294,595
Capital Outlay	-	946,450	245,746	700,704
Total Expenditures	-	1,809,577	500,052	1,309,525
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**MONTGOMERY COUNTY, TEXAS**  
**HAVA Grant Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Actual Year Ended September 30, 2018**

C-33

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	269,851	269,851	269,851	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 269,851</u>	<u>\$ 269,851</u>	<u>\$ 269,851</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, 2018**

C-34

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>EXPENDITURES:</u></b>				
Public Transportation:				
Capital Outlay	\$ -	\$ 500,000	\$ -	\$ 500,000
Total Expenditures	-	500,000	-	500,000
Net Change in Fund Balance	-	(500,000)	-	500,000
Fund Balance at Beginning of Year	49,031	49,031	49,031	-
<b><u>FUND BALANCE AT</u></b>				
<b><u>END OF YEAR</u></b>	<u>\$ 49,031</u>	<u>\$ (450,969)</u>	<u>\$ 49,031</u>	<u>\$ 500,000</u>

**MONTGOMERY COUNTY, TEXAS**

**Vital Records Preservation Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

C-35

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Fees	\$ -	\$ 13,841	\$ 20,688	\$ 6,847
Total Revenues	-	13,841	20,688	6,847
<b><u>EXPENDITURES:</u></b>				
General Administration:				
Supplies		13,841	1,695	12,146
Total Expenditures	-	13,841	1,695	12,146
Net Change in Fund Balance	-	-	18,993	18,993
Fund Balance at Beginning of Year	-	-	-	-
<b><u>FUND BALANCE AT END OF YEAR</u></b>	\$ -	\$ -	\$ 18,993	\$ 18,993

## **NONMAJOR CAPITAL PROJECT FUNDS**

**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.

**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.

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

**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.

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

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

**MONTGOMERY COUNTY, TEXAS**

**Nonmajor Capital Project Funds**

**Combining Balance Sheet**

**September 30, 2018**

	Revenue Toll Bonds Series 2010	Certificates Of Obligation Series 2012	Certificates' Of Obligation Series 2012A	Pass Through Toll Projects
<b><u>ASSETS:</u></b>				
Cash	\$ 5,264,301	\$ 927	\$ 839	\$ -
Investments	-	2,664,043	560,073	-
Cash, Restricted for Retainage	-	-	-	-
Due from Other Funds	3,329	-	-	-
Due from Other Governments	-	-	-	18,670,581
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 5,267,630</u></b>	<b><u>\$ 2,664,970</u></b>	<b><u>\$ 560,912</u></b>	<b><u>\$ 18,670,581</u></b>

**LIABILITIES AND FUND BALANCES:**

**LIABILITIES:**

Accounts Payable	\$ -	\$ -	\$ -	\$ -
Retainage Payable	-	-	-	-
Due to Other Funds	-	-	-	7,996,628
Total Liabilities	-	-	-	7,996,628

**FUND BALANCES:**

Restricted	5,267,630	2,664,970	560,912	10,673,953
Committed	-	-	-	-
Total Fund Balances	5,267,630	2,664,970	560,912	10,673,953

**TOTAL LIABILITIES AND**

<b><u>FUND BALANCES</u></b>	<b><u>\$ 5,267,630</u></b>	<b><u>\$ 2,664,970</u></b>	<b><u>\$ 560,912</u></b>	<b><u>\$ 18,670,581</u></b>
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Jail Project 2013-2014	Local Capital Projects	Road Bonds 2016	Totals
\$ -	\$ -	\$ -	\$ 5,266,067
-	-	13,983,832	17,207,948
-	-	1,085	1,085
17,056,361	15,715,704	-	32,775,394
-	-	-	18,670,581
<u>\$ 17,056,361</u>	<u>\$ 15,715,704</u>	<u>\$ 13,984,917</u>	<u>\$ 73,921,075</u>
\$ 2,664	\$ 270,639	\$ 2,090,711	\$ 2,364,014
-	75,225	266,068	341,293
-	-	1,254,162	9,250,790
<u>2,664</u>	<u>345,864</u>	<u>3,610,941</u>	<u>11,956,097</u>
-	-	10,373,976	29,541,441
17,053,697	15,369,840	-	32,423,537
<u>17,053,697</u>	<u>15,369,840</u>	<u>10,373,976</u>	<u>61,964,978</u>
<u>\$ 17,056,361</u>	<u>\$ 15,715,704</u>	<u>\$ 13,984,917</u>	<u>\$ 73,921,075</u>

**MONTGOMERY COUNTY, TEXAS**  
**Nonmajor Capital Project Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Year Ended September 30, 2018**

	Revenue Toll Bonds Series 2010	Certificates of Obligation Series 2012	Certificates of Obligation Series 2012A	Pass Through Toll Projects
<b><u>REVENUES:</u></b>				
Investment Earnings	\$ 80,397	\$ 44,526	\$ 9,920	\$ -
Miscellaneous	-	-	-	-
<b><u>TOTAL REVENUES</u></b>	<u>80,397</u>	<u>44,526</u>	<u>9,920</u>	<u>-</u>
<b><u>EXPENDITURES:</u></b>				
Supplies	-	-	-	-
Professional Services	-	-	-	-
Capital Outlay	-	35,870	-	-
<b><u>TOTAL EXPENDITURES</u></b>	<u>-</u>	<u>35,870</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Revenues Over Expenditures	<u>80,397</u>	<u>8,656</u>	<u>9,920</u>	<u>-</u>
<b><u>OTHER FINANCING SOURCES/(USES):</u></b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b><u>TOTAL OTHER FINANCING SOURCES/(USES)</u></b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	80,397	8,656	9,920	-
Fund Balances at Beginning of Year	<u>5,187,233</u>	<u>2,656,314</u>	<u>550,992</u>	<u>10,673,953</u>
<b><u>FUND BALANCES AT END OF YEAR</u></b>	<u>\$ 5,267,630</u>	<u>\$ 2,664,970</u>	<u>\$ 560,912</u>	<u>\$10,673,953</u>



Jail Project 2013-2014	Local Capital Projects	Road Bonds 2016	Totals
\$ -	\$ -	\$ 396,516	\$ 531,359
45,760	-	-	45,760
45,760	-	396,516	577,119
-	7,645	-	7,645
-	1,214,998	-	1,214,998
-	1,332,905	14,795,704	16,164,479
-	2,555,548	14,795,704	17,387,122
45,760	(2,555,548)	(14,399,188)	(16,810,003)
754,666	13,376,504	-	14,131,170
-	(191,916)	-	(191,916)
754,666	13,184,588	-	13,939,254
800,426	10,629,040	(14,399,188)	(2,870,749)
16,253,271	4,740,800	24,773,164	64,835,727
<u>\$ 17,053,697</u>	<u>\$ 15,369,840</u>	<u>\$10,373,976</u>	<u>\$ 61,964,978</u>



## **DEBT SERVICE FUND**

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



**MONTGOMERY COUNTY, TEXAS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Debt Service Fund**  
**Budget (GAAP Basis) and Actual Year Ended September 30, 2018**

E-1

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>REVENUES:</u></b>				
Taxes	\$ 33,597,517	\$ 33,597,517	\$ 37,288,174	\$ 3,690,657
Investment Earnings	-	-	159,805	(159,805)
Intergovernmental	280,275	280,275	397,714	117,439
Total Revenues	<u>33,877,792</u>	<u>33,877,792</u>	<u>37,845,693</u>	<u>3,967,901</u>
<b><u>EXPENDITURES:</u></b>				
Debt Service:				
Principal Retirement	15,805,000	32,874,233	31,887,580	986,653
Interest and Fiscal Charges	19,377,916	19,921,733	19,891,807	29,926
Issuance Costs	-	7,500	7,500	-
Total Expenditures	<u>35,182,916</u>	<u>52,803,466</u>	<u>51,786,887</u>	<u>1,016,579</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(1,305,124)</u>	<u>(18,925,674)</u>	<u>(13,941,194)</u>	<u>4,984,480</u>
<b><u>OTHER FINANCING SOURCES/(USES):</u></b>				
Transfers In	-	-	907,409	907,409
Issuance of General Obligation Bonds	-	540,470	540,470	-
<b>TOTAL OTHER FINANCING SOURCES /(USES)</b>	<u>-</u>	<u>540,470</u>	<u>1,447,879</u>	<u>907,409</u>
Net Change in Fund Balance	(1,305,124)	(18,385,204)	(12,493,315)	5,891,889
Fund Balance at Beginning of Year	<u>28,249,874</u>	<u>28,249,874</u>	<u>28,249,874</u>	<u>-</u>
<b><u>FUND BALANCE AT END OF YEAR</u></b>	<u>\$ 26,944,750</u>	<u>\$ 9,864,670</u>	<u>\$ 15,756,559</u>	<u>\$ 5,891,889</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, 2018**

F-1

	Self-Insurance Medical	Self-Insurance Workers' Compensation	Self-Insurance Accident and Liability	Wellness Clinic	Total
<b>ASSETS:</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 1,485,774	\$ 133,317	\$ -	\$ -	\$ 1,619,091
Accounts	223,522	-	-	-	223,522
Due from other funds	18,114,911	4,485,112	1,889,580	178,556	24,668,159
Due from other governments	49,962	38,323	-	-	88,285
Total Current Assets	19,874,169	4,656,752	1,889,580	178,556	26,599,057
Capital Assets (net of accumulated depreciation):					
Buildings	-	-	-	776,510	776,510
Improvements	-	-	-	239	239
Equipment	-	13,006	-	15,764	28,770
Total Capital Assets	-	13,006	-	792,513	805,519
Total Assets	19,874,169	4,669,758	1,889,580	971,069	27,404,576
<b>LIABILITIES:</b>					
Current Liabilities:					
Accounts Payable	361,898	-	443,989	128,156	934,043
Claims Payable	-	500,000	-	-	500,000
Due to Other Funds	-	-	378,502	-	378,502
Total Current Liabilities	361,898	500,000	822,491	128,156	1,812,545
Noncurrent Liabilities					
Claims Payable	5,148,599	1,114,908	-	-	6,263,507
Total Noncurrent Liabilities	5,148,599	1,114,908	-	-	6,263,507
Total Liabilities	5,510,497	1,614,908	822,491	128,156	8,076,052
<b>NET POSITION:</b>					
Net Investment in Capital Assets	-	13,006	-	792,513	805,519
Unrestricted	14,363,672	3,041,844	1,067,089	50,400	18,523,005
Total Net Position	\$ 14,363,672	\$ 3,054,850	\$ 1,067,089	\$ 842,913	\$ 19,328,524



**MONTGOMERY COUNTY, TEXAS**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**September 30, 2018**

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	Self-Insurance Medical	Self-Insurance Workers' Compensation	Self-Insurance Accident and Liability	Wellness Clinic	Total
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ 33,078,975	\$ 1,115,890	\$ 1,814,409	\$ 1,280,951	\$ 37,290,225
Miscellaneous	-	3,033	2,733,379	-	2,736,412
Total Operating Revenues	<u>33,078,975</u>	<u>1,118,923</u>	<u>4,547,788</u>	<u>1,280,951</u>	<u>40,026,637</u>
<b>OPERATING EXPENSES:</b>					
Supplies	-	-	-	8,015	8,015
Services	33,665,305	1,210,587	1,713,122	1,268,040	37,857,054
Miscellaneous	-	-	844,661	-	844,661
Depreciation	-	4,335	-	39,565	43,900
Total Operating Expenses	<u>33,665,305</u>	<u>1,214,922</u>	<u>2,557,783</u>	<u>1,315,620</u>	<u>38,753,630</u>
Operating Income/(Loss)	(586,330)	(95,999)	1,990,005	(34,669)	1,273,007
Transfer In	-	-	227,263	-	227,263
Transfer Out	<u>-</u>	<u>-</u>	<u>(2,732,358)</u>	<u>-</u>	<u>(2,732,358)</u>
Change in Net Position	(586,330)	(95,999)	(515,090)	(34,669)	(1,232,088)
Total Net Position - beginning	<u>14,950,002</u>	<u>3,150,849</u>	<u>1,582,179</u>	<u>877,582</u>	<u>20,560,612</u>
Total Net Position - ending	<u>\$ 14,363,672</u>	<u>\$ 3,054,850</u>	<u>\$ 1,067,089</u>	<u>\$ 842,913</u>	<u>\$ 19,328,524</u>

**MONTGOMERY COUNTY, TEXAS**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**September 30, 2018**

F-3

	Self-Insurance Medical	Self-Insurance Workers' Compensation	Self-Insurance Accident and Liability	Wellness Clinic	Total
Cash flows from operating activities:					
Receipts from customers	\$ 33,673,918	\$ 1,119,372	\$ 4,547,788	\$ 1,280,951	\$ 40,622,029
Receipts from others	-	-	902,003	-	902,003
Benefits paid	(32,463,822)	(1,111,296)	(2,944,696)	(1,280,951)	(37,800,765)
Net cash provided by operating activities	1,210,096	8,076	2,505,095	-	3,723,267
Cash flows from noncapital financing activities:					
Intergovernmental contributions	(5,392)	17,349	-	-	11,957
Transfers to other funds	-	-	(2,505,095)	-	(2,505,095)
Net cash provided (used) in noncapital financing activities	(5,392)	17,349	(2,505,095)	-	(2,493,138)
Net increase in cash and cash equivalents	1,204,704	25,425	-	-	1,230,129
Cash and cash equivalents - beginning	281,070	107,892	-	-	388,962
Cash and cash equivalents - ending	\$ 1,485,774	\$ 133,317	\$ -	\$ -	\$ 1,619,091
Reconciliation of operating income (loss) to net cash provided (used) in operating activities:					
Operating income (loss)	\$ (586,330)	\$ (95,999)	\$ 1,990,005	\$ (34,669)	\$ 1,273,007
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
(Increase) decrease in due from other funds	1,318,483	94,433	(814,724)	(132,985)	465,207
Depreciation expense	-	4,335	-	39,565	43,900
(Increase) decrease in accounts receivable	594,943	-	902,003	-	1,496,946
(Increase) decrease in intergovernmental receivable	-	449	-	-	449
Increase (decrease) in accounts payable	(51,762)	4,858	427,811	128,089	508,996
Increase (decrease) in claims payable	(65,238)	-	-	-	(65,238)
Total adjustments	1,796,426	104,075	515,090	34,669	2,450,260
Net cash provided by operating activities	\$ 1,210,096	\$ 8,076	\$ 2,505,095	\$ -	\$ 3,723,267

## **AGENCY FUND**

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

**MONTGOMERY COUNTY, TEXAS**  
**Agency Funds**  
**Combining Statement of Assets and Liabilities**  
**September 30, 2018**

G-1

	<u>County Officials</u>
<b><u>ASSETS:</u></b>	
Cash	\$ 21,658,558
Accounts Receivable	<u>2,111,827</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 23,770,385</u></b>
<b><u>LIABILITIES:</u></b>	
Due to Others	\$ 23,770,385
<b><u>TOTAL LIABILITIES</u></b>	<b><u>\$ 23,770,385</u></b>

**MONTGOMERY COUNTY, TEXAS**  
**Agency Funds**  
**Statement of Changes in Assets and Liabilities**  
**Year Ended September 30, 2018**

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	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
<b><u>COUNTY OFFICIALS:</u></b>				
<b>Assets:</b>				
Cash	\$ 19,879,459	\$ 2,829,869,338	\$ 2,828,090,239	\$ 21,658,558
Accounts Receivable	2,819,535	2,096,102	2,803,810	2,111,827
<b>TOTAL ASSETS</b>	<b>\$ 22,698,994</b>	<b>\$ 2,831,965,440</b>	<b>\$ 2,830,894,049</b>	<b>\$ 23,770,385</b>
<b>Liabilities:</b>				
Due to Others	22,698,994	2,831,965,440	2,830,894,049	23,770,385
<b>TOTAL LIABILITIES</b>	<b>\$ 22,698,994</b>	<b>\$ 2,831,965,440</b>	<b>\$ 2,830,894,049</b>	<b>\$ 23,770,385</b>



**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, 2018**

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**GOVERNMENTAL ACTIVITIES CAPITAL ASSETS:**

Land	\$ 101,505,483
Buildings	216,477,441
Improvements Other than Buildings	24,204,134
Equipment	107,551,548
Infrastructure	1,497,298,808
Construction in Progress	145,556

<b><u>TOTAL GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u></b>	<b><u>\$ 1,947,182,970</u></b>
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**INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS**

**BY SOURCE:**

General Fund	\$ 336,482,506
Special Revenue Funds	1,609,425,754
Capital Project Funds	145,556
Internal Service Funds	1,129,154

<b><u>TOTAL GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u></b>	<b><u>\$ 1,947,182,970</u></b>
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In prior years this schedule only included capital assets in the operation of Governmental Funds. For this 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, 2018**

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Page 1 of 2

Function and Activity	Total	Land	Buildings	Improvements Other than Buildings	Equipment	Infrastructure
<b><u>GENERAL ADMINISTRATION:</u></b>						
County Judge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Human Resources	-	-	-	-	-	-
Risk Management	1,148,953	-	951,264	2,394	195,295	-
County Clerk	383,616	-	-	-	383,616	-
Collections	-	-	-	-	-	-
Veterans' Service	-	-	-	-	-	-
Purchasing Agent	41,672	-	-	-	41,672	-
Information Technology	14,979,331	-	86,901	1,061,449	13,830,981	-
County Buildings	96,538,800	-	95,850,597	651,713	-	36,490
County Land	6,614,985	6,495,072	-	119,913	-	-
<b><u>TOTAL GENERAL ADM</u></b>	<b><u>119,707,357</u></b>	<b><u>6,495,072</u></b>	<b><u>96,888,762</u></b>	<b><u>1,835,469</u></b>	<b><u>14,451,564</u></b>	<b><u>36,490</u></b>
<b><u>FINANCIAL ADMINISTRATION:</u></b>						
County Auditor	20,945	-	-	-	20,945	-
County Treasurer	11,890	-	-	-	11,890	-
Tax Assessor/Collector	93,380	7,500	-	-	85,880	-
<b><u>TOTAL FINANCIAL ADM</u></b>	<b><u>126,215</u></b>	<b><u>7,500</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>118,715</u></b>	<b><u>-</u></b>
<b><u>CONSERVATION:</u></b>						
Extension Agents	922,548	1,683	815,958	104,907	-	-
Recycling Stations	206,915	-	61,318	53,478	92,119	-
<b><u>TOTAL CONSERVATION</u></b>	<b><u>1,129,463</u></b>	<b><u>1,683</u></b>	<b><u>877,276</u></b>	<b><u>158,385</u></b>	<b><u>92,119</u></b>	<b><u>-</u></b>
<b><u>ELECTIONS:</u></b>						
Elections Administrator	4,010,755	3,000	493,239	70,469	3,444,047	-
<b><u>TOTAL ELECTIONS ADM</u></b>	<b><u>4,010,755</u></b>	<b><u>3,000</u></b>	<b><u>493,239</u></b>	<b><u>70,469</u></b>	<b><u>3,444,047</u></b>	<b><u>-</u></b>
<b><u>FACILITIES:</u></b>						
Custodial Services	598,723	30,715	174,371	6,155	387,482	-
Building Maintenance	1,283,766	-	171,407	32,787	1,079,572	-
Parks	29,993,591	9,565,525	4,390,386	15,562,594	475,086	-
Jail	5,795,101	-	5,778,404	16,697	-	-
Civic Center	17,421,178	88,216	15,324,606	1,577,781	430,575	-
<b><u>TOTAL FACILITIES</u></b>	<b><u>55,092,359</u></b>	<b><u>9,684,456</u></b>	<b><u>25,839,174</u></b>	<b><u>17,196,014</u></b>	<b><u>2,372,715</u></b>	<b><u>-</u></b>
<b><u>HEALTH AND WELFARE:</u></b>						
Public Health	8,462,662	159,705	7,085,297	231,247	986,413	-
Mental Health Treatment	32,132,130	2,631,689	27,973,100	1,114,493	412,848	-
Community Development	11,601,588	563,626	10,614,528	-	423,434	-
<b><u>TOTAL HEALTH/WELFARE</u></b>	<b><u>52,196,380</u></b>	<b><u>3,355,020</u></b>	<b><u>45,672,925</u></b>	<b><u>1,345,740</u></b>	<b><u>1,822,695</u></b>	<b><u>-</u></b>

**MONTGOMERY COUNTY, TEXAS**  
**Capital Assets Used in the Operation of Governmental Activities**  
**Schedule by Function and Activity**  
**September 30, 2018**

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Page 2 of 2

Function and Activity	Total	Land	Buildings	Improvements Other than Buildings	Equipment	Infrastructure
<b><u>JUDICIAL:</u></b>						
Courts	140,574	-	-	924	139,650	-
District Attorney	387,215	-	-	-	387,215	-
District Clerk	85,304	-	7,129	-	78,175	-
Justice of Peace	3,060,173	-	2,946,779	4,930	108,464	-
<b><u>TOTAL JUDICIAL</u></b>	<b><u>3,673,266</u></b>	<b><u>-</u></b>	<b><u>2,953,908</u></b>	<b><u>5,854</u></b>	<b><u>713,504</u></b>	<b><u>-</u></b>
<b><u>LEGAL SERVICES:</u></b>						
County Attorney	-	-	-	-	-	-
Law Library	793,361	-	-	-	793,361	-
<b><u>TOTAL LEGAL SERVICES</u></b>	<b><u>793,361</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>793,361</u></b>	<b><u>-</u></b>
<b><u>PUBLIC SAFETY:</u></b>						
Emergency Management	18,051,258	-	629,432	424,939	16,996,887	-
Fire Marshal	478,987	-	-	-	478,987	-
Constables	4,944,434	22,813	462,577	68,913	4,390,131	-
Sheriff	46,336,793	2,265,845	10,028,376	769,856	33,272,716	-
District Attorney Forfeitures	419,472	-	14,838	13,839	390,795	-
County Attorney Forfeitures	-	-	-	-	-	-
Juvenile Probation	1,938,410	-	1,467,231	-	471,179	-
Adult Probation	13,151	-	13,151	-	-	-
<b><u>TOTAL PUBLIC SAFETY</u></b>	<b><u>72,182,505</u></b>	<b><u>2,288,658</u></b>	<b><u>12,615,605</u></b>	<b><u>1,277,547</u></b>	<b><u>56,000,695</u></b>	<b><u>-</u></b>
<b><u>PUBLIC TRANSPORTATION:</u></b>						
Engineer	18,056	-	-	-	18,056	-
Commissioners' Operations	1,561,294,470	74,344,339	7,186,581	1,429,588	22,384,253	1,455,949,709
Airport	51,839,121	1,688,128	7,185,614	834,373	818,397	41,312,609
<b><u>TOTAL PUBLIC TRANSPORTATION</u></b>	<b><u>1,613,151,647</u></b>	<b><u>76,032,467</u></b>	<b><u>14,372,195</u></b>	<b><u>2,263,961</u></b>	<b><u>23,220,706</u></b>	<b><u>1,497,262,318</u></b>
<b><u>CULTURE AND RECREATION:</u></b>						
Memorial Library	24,974,106	3,637,627	16,764,357	50,695	4,521,427	-
<b><u>TOTAL CULTURE/REC</u></b>	<b><u>24,974,106</u></b>	<b><u>3,637,627</u></b>	<b><u>16,764,357</u></b>	<b><u>50,695</u></b>	<b><u>4,521,427</u></b>	<b><u>-</u></b>
<b><u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u></b>						
	1,947,037,414	\$ 101,505,483	\$ 216,477,441	\$ 24,204,135	\$ 107,551,549	\$ 1,497,298,808
Construction In Progress	145,556					
<b><u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u></b>	<b><u>\$ 1,947,182,970</u></b>					

**MONTGOMERY COUNTY, TEXAS**  
**Capital Assets Used in the Operation of Governmental Activities**  
**Schedule of Changes by Function and Activity**  
**Year Ended September 30, 2018**

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Page 1 of 2

Function and Activity	Govtl Funds Capital Assets October 1, 2017	Additions	Deletions	Govtl Funds Capital Assets September 30, 2018
<b><u>GENERAL ADMINISTRATION:</u></b>				
County Judge	\$ 2,903	\$ -	\$ 2,903	\$ -
Human Resources	3,152	-	3,152	-
Risk Management	1,298,286	-	149,333	1,148,953
County Clerk	471,031	-	87,415	383,616
Collections	4,157	-	4,157	-
Veterans' Service	1,367	-	1,367	-
Purchasing Agent	48,314	821,607	828,249	41,672
Information Technology	14,341,563	1,522,472	884,704	14,979,331
County Buildings	96,085,138	453,662	-	96,538,800
County Land	6,614,985	-	-	6,614,985
<b><u>TOTAL GENERAL ADM</u></b>	<b><u>118,870,896</u></b>	<b><u>2,797,741</u></b>	<b><u>1,961,280</u></b>	<b><u>119,707,357</u></b>
<b><u>FINANCIAL ADMINISTRATION:</u></b>				
County Auditor	46,077	-	25,132	20,945
County Treasurer	19,520	-	7,630	11,890
Tax Assessor/Collector	124,013	-	30,633	93,380
<b><u>TOTAL FINANCIAL ADM</u></b>	<b><u>189,610</u></b>	<b><u>-</u></b>	<b><u>63,395</u></b>	<b><u>126,215</u></b>
<b><u>CONSERVATION:</u></b>				
Extension Agents	932,917	-	10,369	922,548
Recycling Stations	219,830	-	12,915	206,915
<b><u>TOTAL CONSERVATION</u></b>	<b><u>1,152,747</u></b>	<b><u>-</u></b>	<b><u>23,284</u></b>	<b><u>1,129,463</u></b>
<b><u>ELECTIONS:</u></b>				
Elections Administrator	4,010,755	-	-	4,010,755
<b><u>TOTAL ELECTIONS</u></b>	<b><u>4,010,755</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>4,010,755</u></b>
<b><u>FACILITIES:</u></b>				
Custodial Services	757,767	22,567	181,611	598,723
Building Maintenance	1,321,009	175,134	212,377	1,283,766
Parks	29,191,960	326,545	-	29,518,505
Jail	6,482,454	5,488	217,755	6,270,187
Civic Center	17,373,336	83,779	35,937	17,421,178
<b><u>TOTAL FACILITIES</u></b>	<b><u>55,126,526</u></b>	<b><u>613,513</u></b>	<b><u>647,680</u></b>	<b><u>55,092,359</u></b>
<b><u>HEALTH AND WELFARE:</u></b>				
Public Health	8,266,502	389,962	193,802	8,462,662
Mental Health Facility	32,158,874	16,037	42,781	32,132,130
Community Development	11,601,588	-	-	11,601,588
<b><u>TOTAL HEALTH &amp; WELFARE</u></b>	<b><u>52,026,964</u></b>	<b><u>405,999</u></b>	<b><u>236,583</u></b>	<b><u>52,196,380</u></b>

**MONTGOMERY COUNTY, TEXAS**  
**Capital Assets Used in the Operation of Governmental Activities**  
**Schedule of Changes by Function and Activity**  
**Year Ended September 30, 2018**

H-3  
Page 2 of 2

Function and Activity	Govtl Funds Capital Assets October 1, 2017	Additions	Deletions	Govtl Funds Capital Assets September 30, 2018
<b><u>JUDICIAL:</u></b>				
Courts	349,721	-	209,147	140,574
District Attorney	447,409	57,991	118,185	387,215
District Clerk	161,820	-	76,516	85,304
Justice of Peace	3,076,746	47,615	64,188	3,060,173
<b><u>TOTAL JUDICIAL</u></b>	<b><u>4,035,696</u></b>	<b><u>105,606</u></b>	<b><u>468,036</u></b>	<b><u>3,673,266</u></b>
<b><u>LEGAL SERVICES:</u></b>				
County Attorney	2,450	-	2,450	-
Law Library	750,037	60,158	16,834	793,361
<b><u>TOTAL LEGAL SERVICES</u></b>	<b><u>752,487</u></b>	<b><u>60,158</u></b>	<b><u>19,284</u></b>	<b><u>793,361</u></b>
<b><u>PUBLIC SAFETY:</u></b>				
Emergency Management	17,376,731	674,527	-	18,051,258
Fire Marshal	474,601	12,000	7,614	478,987
Constables	5,029,894	865,710	951,170	4,944,434
Sheriff	53,350,884	4,815,953	11,830,044	46,336,793
District Attorney Forfeitures	465,577	42,094	88,199	419,472
County Attorney Forfeitures	7,171	-	7,171	-
Juvenile Probation	1,980,239	-	41,829	1,938,410
Adult Probation	17,626	-	4,475	13,151
<b><u>TOTAL PUBLIC SAFETY</u></b>	<b><u>78,702,723</u></b>	<b><u>6,410,284</u></b>	<b><u>12,930,502</u></b>	<b><u>72,182,505</u></b>
<b><u>PUBLIC TRANSPORTATION:</u></b>				
Engineer	28,368	-	10,312	18,056
Commissioners' Operations	1,454,331,765	108,769,729	1,807,024	1,561,294,470
Airport	49,833,261	2,029,875	24,015	51,839,121
<b><u>TOTAL PUBLIC TRANS</u></b>	<b><u>1,504,193,394</u></b>	<b><u>110,799,604</u></b>	<b><u>1,841,351</u></b>	<b><u>1,613,151,647</u></b>
<b><u>CULTURE &amp; RECREATION:</u></b>				
Memorial Library	25,702,103	549,491	1,277,488	24,974,106
<b><u>TOTAL CULTURE/REC</u></b>	<b><u>25,702,103</u></b>	<b><u>549,491</u></b>	<b><u>1,277,488</u></b>	<b><u>24,974,106</u></b>
Construction In Progress	37,343	336,332	228,119	145,556
<b><u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u></b>	<b><u>\$ 1,844,801,244</u></b>	<b><u>\$ 122,078,728</u></b>	<b><u>\$ 19,697,002</u></b>	<b><u>\$ 1,947,182,970</u></b>



## STATISTICAL SECTION





## **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**

<b>Financial Trends</b> - 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
<b>Revenue Capacity</b> - These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	V, VI, VII, VIII
<b>Debt Capacity</b> - 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
<b>Economic and Demographic Indicators</b> - 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
<b>Operating Information</b> - 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)

	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 377,016,683	\$ 353,407,141	\$ 380,478,332	\$ 319,059,222
Restricted	8,311,363	8,839,721	9,360,962	26,137,977
Unrestricted	(45,241,159)	(32,066,403)	(75,320,823)	(36,634,612)
Total Governmental activities net position	<u>340,086,887</u>	<u>330,180,459</u>	<u>314,518,471</u>	<u>308,562,587</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	377,016,683	353,407,141	380,478,332	319,059,222
Restricted	8,311,363	8,839,721	9,360,962	26,137,977
Unrestricted	(45,241,159)	(32,066,403)	(75,320,823)	(36,634,612)
Total primary government net position	<u>\$ 340,086,887</u>	<u>\$ 330,180,459</u>	<u>\$ 314,518,471</u>	<u>\$ 308,562,587</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

2013	2014	2015	2016	2017	2018
\$ 364,555,659	\$ 266,597,783	\$ 314,750,807	\$ 386,697,807	\$ 452,183,891	\$ 559,976,686
61,986,405	71,863,955	54,197,228	63,131,106	73,859,730	72,875,709
(37,107,523)	59,772,088	90,395,375	70,203,109	41,952,110	(135,469,650)
<u>389,434,541</u>	<u>398,233,826</u>	<u>459,343,410</u>	<u>520,032,022</u>	<u>567,995,731</u>	<u>497,382,745</u>
-	-	45,949,353	60,315,827	62,599,944	44,945,936
-	-	-	-	-	-
-	-	(1,064,882)	(4,635,780)	(5,928,310)	2,992,728
<u>-</u>	<u>-</u>	<u>44,884,471</u>	<u>55,680,047</u>	<u>56,671,634</u>	<u>47,938,664</u>
364,555,659	266,597,783	360,700,160	447,013,634	514,783,835	604,922,622
61,986,405	71,863,955	54,197,228	63,131,106	73,859,730	72,875,709
(37,107,523)	59,772,088	89,330,493	65,567,329	36,023,800	(132,476,922)
<u>\$ 389,434,541</u>	<u>\$ 398,233,826</u>	<u>\$ 504,227,881</u>	<u>\$ 575,712,069</u>	<u>\$ 624,667,365</u>	<u>\$ 545,321,409</u>

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

(accrual basis of accounting)

	2009	2010	2011	2012
<b>Expenses</b>				
<i>Governmental Activities:</i>				
General Administration	\$ 22,046,369	\$ 15,339,911	\$ 56,850,436	\$ 54,732,939
Judicial	22,794,440	24,893,295	25,751,781	27,800,678
Legal	2,678,359	2,824,360	2,893,028	3,254,126
Elections	1,694,067	1,827,247	1,723,583	2,249,037
Financial Administration	5,917,962	6,358,514	6,111,643	6,334,740
Public Facilities	41,255,267	43,618,780	50,133,665	49,812,586
Public Safety	55,941,218	62,650,758	62,564,836	66,364,576
Health and Welfare	29,039,919	9,085,174	14,924,434	28,582,176
Culture and Recreation	9,981,330	7,456,924	9,061,639	9,607,386
Conservation	341,910	986,843	982,337	1,003,159
Public Transportation	95,536,899	111,627,910	80,597,409	65,221,658
Miscellaneous	1,156,114	1,683,887	659,499	-
Debt Service	21,121,081	22,946,953	24,566,713	23,989,607
Total Governmental Activities Expenses	<u>309,504,935</u>	<u>311,300,556</u>	<u>336,821,003</u>	<u>338,952,668</u>
<i>Business-type activities:</i>				
Toll Road	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>309,504,935</u>	<u>311,300,556</u>	<u>336,821,003</u>	<u>338,952,668</u>
<b>Program Revenues</b>				
<i>Governmental Activities:</i>				
Fees, Fines, Forfeitures and Charges for Services				
General Administration	5,402,968	5,948,735	39,240,521	37,812,374
Judicial	10,475,877	12,702,190	8,713,071	2,973,713
Legal	501,896	518,257	503,400	499,509
Elections	1,131	103,831	177	453
Financial Administration	2,268,952	2,244,114	2,553,434	2,943,952
Public Facilities	24,717,702	21,800,561	19,812,950	23,655,878
Public Safety	15,388,348	19,139,564	17,542,034	17,403,723
Health and Welfare	1,478,897	1,735,047	10,628,153	16,718,253
Culture and Recreation	323,520	316,855	309,966	287,967
Conservation	-	-	-	-
Public Transportation	8,442,985	9,118,839	9,219,220	10,489,702
Operating Grants and Contributions	29,439,925	11,446,490	12,781,928	9,526,211
Capital Grants and Contributions	55,848,681	56,300,073	24,936,363	27,209,719
Total Governmental Activities Program Reven	<u>154,290,882</u>	<u>141,374,556</u>	<u>146,241,217</u>	<u>149,521,454</u>
<i>Business-type activities:</i>				
Toll Road	-	-	-	-
Total business-type activities revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>154,290,882</u>	<u>141,374,556</u>	<u>146,241,217</u>	<u>149,521,454</u>
Net (Expense)/Revenue				
Governmental Activities	(155,214,053)	(169,926,000)	(190,579,786)	(189,431,214)
Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net (Expense)</b>	<u>(155,214,053)</u>	<u>(169,926,000)</u>	<u>(190,579,786)</u>	<u>(189,431,214)</u>
<b>General Revenues and Other Changes in Net Position</b>				
<i>Governmental Activities:</i>				
Taxes				
Property Taxes	145,696,133	156,397,865	161,327,007	167,297,778
Other Taxes	1,719,903	1,824,262	1,785,343	1,674,934
Unrestricted Grants and Contributions	-	-	8,364,557	12,855,843
Investment Earnings	1,667,591	790,693	540,642	382,170
Miscellaneous	463,953	1,006,752	2,900,249	1,264,605
Transfers	-	-	-	-
Total Governmental Activities	<u>149,547,580</u>	<u>160,019,572</u>	<u>174,917,798</u>	<u>183,475,330</u>
<i>Business-type activities:</i>				
Investment Earnings	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>149,547,580</u>	<u>160,019,572</u>	<u>174,917,798</u>	<u>183,475,330</u>
Change in Net Position				
Governmental Activities	(5,666,473)	(9,906,428)	(15,661,988)	(5,955,884)
Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	<u>\$ (5,666,473)</u>	<u>\$ (9,906,428)</u>	<u>\$ (15,661,988)</u>	<u>\$ (5,955,884)</u>

TABLE II

2013	2014	2015	2016	2017	2018
\$ 49,084,269	\$ 52,627,252	\$ 57,411,391	\$ 57,650,555	\$ 65,159,730	\$ 69,064,470
29,981,281	32,077,111	32,772,811	34,705,287	37,787,341	37,498,575
3,170,292	3,548,986	3,456,782	4,074,382	4,038,642	4,055,102
2,081,998	2,438,670	2,025,750	2,431,498	2,142,405	2,418,834
6,748,425	6,813,820	6,885,418	7,545,414	8,001,174	8,825,650
57,821,137	66,496,215	63,860,067	72,057,612	71,243,441	74,896,281
65,088,893	69,458,813	70,860,690	110,534,947	83,664,853	103,791,920
22,722,536	25,315,219	25,349,849	27,909,010	30,656,288	30,287,821
10,121,267	10,285,291	9,949,881	10,445,137	11,037,207	10,719,438
1,170,933	748,622	1,279,756	1,480,246	1,704,745	1,903,911
76,521,763	89,687,467	74,721,871	80,106,170	81,958,847	89,720,534
-	-	-	-	-	-
29,179,720	17,797,503	18,147,345	18,137,058	19,419,455	28,471,590
353,692,514	377,294,969	366,721,611	427,077,316	416,814,128	461,654,126
-	-	4,572,677	1,506,873	1,307,118	5,773,776
-	-	4,572,677	1,506,873	1,307,118	5,773,776
353,692,514	377,294,969	371,294,288	428,584,189	418,121,246	467,427,902
38,371,600	36,601,588	48,745,095	41,420,399	41,240,937	44,732,374
7,504,357	8,945,991	13,933,298	14,825,718	9,131,103	9,628,757
484,413	484,963	437,628	541,310	555,769	606,306
182	317	198	144,118	7,327	204
3,700,987	4,525,655	5,073,087	5,154,306	5,385,447	5,664,153
30,568,848	34,120,105	28,945,676	34,745,935	32,057,716	32,319,163
14,140,176	15,900,947	4,418,006	21,269,829	21,919,270	21,723,535
16,494,475	17,947,526	17,606,018	16,628,893	16,300,319	17,565,029
287,822	309,567	339,773	156,840	303,209	276,036
228,653	216,727	169,779	172,656	143,524	186,637
7,538,461	10,634,088	10,721,201	11,921,478	9,451,945	9,912,023
8,669,829	10,302,710	9,562,198	13,138,023	14,153,836	18,248,825
92,305,068	60,564,053	94,908,316	89,527,655	58,853,193	70,300,531
220,294,871	200,554,237	234,860,273	249,647,160	209,503,595	231,163,573
-	-	49,795,550	12,302,449	2,298,705	5,172,109
-	-	49,795,550	12,302,449	2,298,705	5,172,109
220,294,871	200,554,237	284,655,823	261,949,609	211,802,300	236,335,682
(133,397,643)	(176,740,732)	(131,861,338)	(177,430,156)	(207,310,533)	(230,490,553)
-	-	45,222,873	10,795,576	991,587	(601,667)
(133,397,643)	(176,740,732)	(86,638,465)	(166,634,580)	(206,318,946)	(231,092,220)
175,901,469	186,842,153	203,539,676	229,719,148	248,120,144	235,309,431
1,970,594	2,456,460	2,804,782	2,757,791	2,788,410	3,095,156
-	-	-	-	-	-
459,052	669,309	529,535	2,179,522	3,977,715	7,144,114
30,938,482	844,937	589,453	539,171	387,973	371,322
-	-	338,402	-	-	8,301,324
209,269,597	190,812,859	207,801,848	235,195,632	255,274,242	254,221,347
-	-	-	-	-	170,021
-	-	(338,402)	-	-	(8,301,324)
-	-	(338,402)	-	-	(8,131,303)
209,269,597	190,812,859	207,463,446	235,195,632	255,274,242	246,090,044
75,871,954	14,072,127	75,940,510	57,765,476	47,963,709	23,730,794
-	-	44,884,471	10,795,576	991,587	(8,732,970)
\$ 75,871,954	\$ 14,072,127	\$ 120,824,981	\$ 68,561,052	\$ 48,955,296	\$ 14,997,824

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

(modified accrual basis of accounting)

	Fiscal Year			
	2009	2010	2011 <sup>(1)</sup>	2012
General Fund				
Reserved for:				
Prepaid items	\$ 1,209,368	\$ 614,103	\$ -	\$ -
Unreserved	33,804,639	43,326,405	-	-
Restricted	-	-	-	11,217
Committed	-	-	134,855	91,718
Assigned	-	-	19,571,942	32,806,254
Unassigned	-	-	29,647,002	30,241,977
Total General Fund	<u>\$ 35,014,007</u>	<u>\$ 43,940,508</u>	<u>\$ 49,353,799</u>	<u>\$ 63,151,166</u>
All Other Governmental Funds				
Reserved for:				
Prepaid items	\$ 1,533	\$ 42,762	\$ -	\$ -
Capital projects	91,075,383	35,255,056	-	-
Inventory	85,034	91,503	-	-
Debt service	12,206,656	10,761,379	-	-
Unreserved, reported in:				
Special revenue funds	26,929,735	32,894,308	-	-
Debt service funds	-	-	-	-
Nonspendable	-	-	172,593	363,698
Restricted	-	-	76,922,025	80,798,663
Committed	-	-	19,740	16,848
Assigned	-	-	7,421,107	10,801,627
Total All Other Governmental Funds	<u>\$ 130,298,341</u>	<u>\$ 79,045,008</u>	<u>\$ 84,535,465</u>	<u>\$ 91,980,836</u>

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

TABLE III

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,010,097	1,442,838	3,425,360	3,119,811	2,855,149	2,121,503
5,909,899	2,292,056	10,793,467	16,794,364	29,242,336	15,443,950
36,450,842	44,517,198	42,441,944	50,680,646	59,173,918	75,082,330
35,336,437	39,722,291	40,938,206	40,619,824	44,683,463	44,851,001
<u>\$ 79,707,275</u>	<u>\$ 87,974,383</u>	<u>\$ 97,598,977</u>	<u>\$ 111,214,645</u>	<u>\$ 135,954,866</u>	<u>\$ 137,498,784</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,654,365	1,533,898	192,207	106,290	813,310	618,735
97,079,589	77,236,101	74,035,446	133,836,974	164,046,153	149,293,950
25,354,566	16,133,816	10,299,674	23,988,996	25,603,027	34,489,497
11,718,578	14,409,545	23,422,966	9,731,586	8,956,249	12,119,931
<u>\$ 136,807,098</u>	<u>\$ 109,313,360</u>	<u>\$ 107,950,293</u>	<u>\$ 167,663,846</u>	<u>\$ 199,418,739</u>	<u>\$ 196,522,113</u>

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

(modified accrual basis of accounting)

	2009	2010	2011	2012
<b>Revenues</b>				
Taxes	\$ 147,492,907	\$ 157,541,607	\$ 162,716,956	\$ 169,042,135
Licenses and Permits	8,116,936	7,552,220	7,498,169	7,340,620
Fees	14,027,489	14,925,021	16,404,832	17,013,807
Intergovernmental	34,078,838	19,798,654	32,110,368	31,530,494
Charges for Services	2,094,454	2,168,606	1,633,673	1,975,389
Investment Earnings	1,312,224	790,282	540,616	382,173
Contract Reimbursements	12,126,654	16,506,829	24,213,859	30,930,076
Inmate Housing	23,895,939	21,085,088	18,958,951	22,670,575
Fines and Forfeitures	3,192,219	3,047,555	3,662,448	4,247,571
Miscellaneous	2,741,345	3,568,946	5,055,183	4,354,033
Total Revenues	249,079,005	246,984,808	272,795,055	289,486,873
<b>Expenditures</b>				
General Administration	17,048,371	15,758,058	26,145,340	24,829,831
Judicial	21,795,715	23,657,153	25,547,447	26,939,088
Legal Services	2,550,211	2,716,217	2,982,862	3,136,043
Elections	1,258,713	1,410,441	1,344,669	2,156,915
Financial Administration	5,624,961	5,877,896	5,983,660	5,997,385
Public Facilities	44,144,809	43,995,733	42,038,981	46,681,717
Public Safety	55,809,351	61,405,346	65,088,924	63,136,032
Health and Welfare	30,236,637	12,520,365	23,540,364	27,684,389
Culture and Recreation	8,008,564	8,393,594	8,480,049	8,621,870
Conservation	845,288	899,649	960,483	910,093
Public Transportation	20,469,397	25,913,518	33,746,483	25,354,154
Miscellaneous	1,156,114	1,683,887	659,499	-
Capital Projects	71,212,681	91,100,968	26,806,719	8,809,026
Debt Service:				
Principal Retirement	6,557,918	7,916,895	11,304,861	16,970,899
Interest and Fiscal Charges	18,713,749	20,511,045	23,757,714	23,245,469
Issuance Costs	1,265,496	1,336,839	329,498	382,183
Payment to Refunded Bonds Escrow Agent	-	-	-	-
Total Expenditures	306,697,975	325,097,604	298,717,553	284,855,094
Excess/(Deficiency) Revenues over (under) Expenditures	(57,618,970)	(78,112,796)	(25,922,498)	4,631,779
<b>Other Financing Sources/(Uses)</b>				
Transfers In	24,812,746	27,012,983	20,909,835	27,961,981
Transfers Out	(24,812,746)	(27,012,983)	(20,909,835)	(27,961,981)
Grant Funds Not Reimbursed	-	-	-	-
Capital Lease Financing	1,133,148	3,125,403	1,197,802	830,702
Issuance of General Obligation Debt	-	-	-	-
Issuance of Refunding Bonds	-	43,380,000	-	30,885,000
Payment to Refunded Bonds Escrow Agent	-	(44,643,876)	-	(35,739,475)
Sale of Capital Asset	-	-	-	-
Issuance of Other Bonds	56,190,000	1,167,562	31,390,000	14,925,000
Discounts/Premiums on Debt Issuance	3,513,538	32,756,874	4,238,443	5,709,732
Total Other Financing Sources/(Uses)	60,836,686	35,785,963	36,826,245	16,610,959
Net Change in Fund Balances	\$ 3,217,716	\$ (42,326,833)	\$ 10,903,747	\$ 21,242,738
Debt Service as a percentage of noncapital expenditures	11.3%	13.4%	13.1%	14.8%



TABLE IV

2013	2014	2015	2016	2017	2018
\$ 178,176,320	\$ 189,037,048	\$ 206,377,981	\$ 231,994,520	\$ 248,079,254	\$ 235,558,082
7,933,209	8,559,827	8,175,139	9,029,910	9,095,653	9,582,174
19,145,966	18,355,114	18,446,593	20,616,445	19,492,864	20,621,186
47,182,714	33,269,063	38,700,051	35,983,483	36,524,346	24,293,498
2,892,355	4,968,141	4,088,981	6,715,271	5,983,326	5,232,263
459,053	669,336	529,538	2,179,437	3,977,718	7,144,114
28,960,527	28,370,644	36,963,546	30,184,415	30,249,586	31,308,893
29,373,490	32,383,821	27,265,236	32,712,111	29,992,842	30,230,873
4,392,610	4,792,027	4,458,853	3,920,461	4,110,711	3,969,571
5,557,556	1,920,078	3,512,456	5,419,640	2,285,873	2,144,850
324,073,800	322,325,099	348,518,374	378,755,693	389,792,173	370,085,504
22,145,663	26,136,632	29,982,617	24,481,407	24,239,114	25,165,171
28,623,495	30,585,284	32,286,937	33,444,158	35,387,322	35,505,352
2,963,853	3,332,642	3,388,347	3,892,560	3,735,549	3,835,022
1,887,236	2,512,216	1,888,438	2,241,412	1,876,697	2,221,687
6,237,056	6,346,867	6,806,814	7,067,579	7,218,354	8,188,900
55,409,376	63,531,573	59,634,179	66,801,231	65,622,460	68,625,017
62,574,123	66,190,543	72,849,381	81,417,910	84,951,030	100,770,822
22,365,117	23,979,722	25,246,552	27,300,562	29,583,589	28,826,687
8,800,215	8,967,110	9,182,400	9,432,186	9,606,214	9,620,128
1,074,697	1,065,899	1,219,373	1,426,722	1,887,050	1,740,210
34,898,188	42,400,671	44,760,403	51,782,691	40,502,071	37,721,235
-	-	-	-	-	-
18,177,561	27,503,608	-	20,246,230	32,157,497	58,521,214
20,185,150	19,460,000	20,115,000	21,360,000	27,260,000	31,887,580
23,025,209	17,618,628	18,941,447	18,743,285	19,787,766	20,165,827
590,333	435,540	-	448,473	429,966	194,194
-	-	-	-	31,789,234	-
308,957,272	340,066,935	326,301,888	370,086,406	416,033,913	432,989,046
15,116,528	(17,741,836)	22,216,486	8,669,287	(26,241,740)	(62,903,542)
98,091,394	23,737,039	25,524,507	29,359,836	18,440,387	38,365,985
(98,091,394)	(23,737,039)	(25,611,105)	(29,359,836)	(18,003,397)	(28,076,427)
-	-	-	(6,862)	-	-
218,758	949,101	622,106	595,566	758,256	255,949
-	-	-	51,662,323	73,725,000	45,670,000
15,880,000	101,760,000	-	60,402,677	47,775,000	-
(60,594,395)	(118,083,208)	-	(73,331,090)	(51,269,830)	-
65,000,000	-	-	-	-	-
13,350,000	-	-	-	-	-
4,353,152	13,889,313	-	22,414,184	11,311,438	5,335,327
38,207,515	(1,484,794)	535,508	61,736,798	82,736,854	61,550,834
\$ 53,324,043	\$ (19,226,630)	\$ 22,751,994	\$ 70,406,085	\$ 56,495,114	\$ (1,352,708)
14.8%	11.9%	12.0%	11.6%	13.5%	13.7%



**MONTGOMERY COUNTY, TEXAS**  
**Taxable Assessed Value and Actual Value of Property** <sup>(1) (2)</sup>  
**Last Ten Fiscal Years**

**TABLE V**

Fiscal Year	Residential Property	Commercial Property	Other Property	Personal Property <sup>(3)</sup>	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate <sup>(4)</sup>
2009	23,181,793	3,725,463	3,662,668	3,374,666	(3,609,764)	30,334,826	0.4838
2010	24,780,448	4,130,865	3,545,480	3,673,289	(3,467,731)	32,662,351	0.4838
2011	25,470,544	4,313,292	3,635,389	3,557,689	(3,114,294)	33,862,620	0.4838
2012	26,546,279	4,406,788	3,637,096	3,710,767	(3,199,844)	35,101,086	0.4838
2013	27,633,521	4,749,812	3,644,710	3,767,339	(3,089,011)	36,706,371	0.4838
2014	29,215,860	5,529,356	3,600,829	4,345,886	(3,324,961)	39,366,970	0.4838
2015	33,047,928	6,419,044	3,779,489	4,693,637	(4,285,836)	43,654,262	0.4767
2016	37,876,334	7,401,355	3,906,748	5,133,399	(5,002,526)	49,315,310	0.4767
2017	41,742,803	8,271,324	4,637,123	5,060,465	(5,308,718)	54,402,997	0.4667
2018	43,373,630	8,905,657	4,819,633	5,101,177	(11,351,814)	50,848,283	0.4667

<sup>(1)</sup> Amounts expressed in thousands.

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

<sup>(3)</sup> This includes the County's 20% exemption.

<sup>(4)</sup> Tax rates are per \$100 of assessed value.

Source: Montgomery Central Appraisal District

**MONTGOMERY COUNTY, TEXAS**  
**Property Tax Rates<sup>(1)</sup> - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

	2009	2010	2011	2012
<b><u>MONTGOMERY COUNTY, TEXAS:</u></b>				
General Fund	\$ 0.3647	\$ 0.3576	\$ 0.3582	\$ 0.3629
Special Revenue Funds	0.0464	0.0464	0.0458	0.0464
Debt Service Fund	0.0727	0.0798	0.0798	0.0745
Total Montgomery County, Texas	0.4838	0.4838	0.4838	0.4838
<b><u>OVERLAPPING GOVERNMENTS:</u></b>				
Special Districts:				
Chateau Woods M.U.D.	0.1793	0.2016	0.2223	0.2317
Clover Creek M.U.D.	1.2500	1.2500	1.2500	1.2500
Conroe M.U.D. #1	0.6000	0.6000	0.6000	0.6000
Corinthian Point M.U.D.	0.5587	0.5487	0.5738	0.5393
East Montgomery County M.U.D. #3	0.9500	0.9500	0.9500	0.9500
East Montgomery County M.U.D. #4	1.3500	-	No Tax	No Tax
East Plantation U.D.	0.0729	0.7090	0.7090	0.7090
Far Hills U.D.	0.4700	0.4700	0.4700	0.4820
Grand Oaks M.U.D.	1.3500	1.3500	1.3500	1.3500
Harris County M.U.D. #386	-	-	-	0.9900
Kings Manor M.U.D.	0.8600	0.8600	0.8600	0.8600
Lake Conroe Hills M.U.D.	0.5000	0.5000	0.5000	0.5000
Lazy River I.D.	0.5544	0.5547	0.5599	0.5342
Hendricks - Defined Area	-	-	-	-
Lone Star Community College	0.1101	0.1101	0.1176	0.1210
Montgomery County D.D. #6	0.2641	0.2641	0.2641	0.2100
Montgomery County D.D. #10	0.4470	0.4470	0.4470	0.4470
Montgomery County F.W.S.D. #6	0.3945	0.3945	0.2941	0.2820
Montgomery County Hospital Dist	0.0760	0.0755	0.7540	0.0745
Montgomery County M.U.D. #1	-	-	-	-
Montgomery County M.U.D. #6	0.1100	0.1000	0.0950	0.0875
Montgomery County M.U.D. #7	0.1750	0.1750	0.1750	0.1675
Montgomery County M.U.D. #8	0.2179	0.2332	0.2494	0.2651
Montgomery County M.U.D. #9	0.6000	0.6000	0.6000	0.6000
Montgomery County M.U.D. #15	1.2450	1.2400	1.2400	1.2400
Montgomery County M.U.D. #16	1.2100	1.3000	1.3000	1.3000
Montgomery County M.U.D. #18	0.4500	0.4400	0.4400	0.4300
Montgomery County M.U.D. #19	0.3243	0.3243	0.3243	0.3243
Montgomery County M.U.D. #24	1.2800	1.2800	1.3800	1.1800
Montgomery County M.U.D. #36	0.1100	0.1000	0.0550	0.0400
Montgomery County M.U.D. #39	0.4400	0.4300	0.4300	0.4200
Montgomery County M.U.D. #40	0.1900	0.1800	0.1700	0.1600
Montgomery County M.U.D. #42	1.2400	1.2400	1.2300	1.1800
Montgomery County M.U.D. #46	0.3100	0.2850	0.2750	0.2650
Montgomery County M.U.D. #47	0.2600	0.2500	0.2500	0.2450
Montgomery County M.U.D. #56	1.2500	1.0000	1.0000	1.0000

TABLE VI

Page 1 of 4

	2013	2014	2015	2016	2017	2018
\$	0.3715	\$ 0.3657	\$ 0.3544	\$ 0.3547	\$ 0.3419	\$ 0.3437
	0.0464	0.0464	0.0464	0.0486	0.0486	0.0486
	0.0659	0.0717	0.0759	0.0734	0.0762	0.0744
	0.4838	0.4838	0.4767	0.4767	0.4667	0.4667
	0.2486	0.2592	0.2616	0.2498	0.2473	0.2741
	1.2500	1.2500	0.7800	1.2500	1.2100	1.2100
	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
	0.5393	0.5393	0.4791	0.4355	0.4029	0.3900
	0.9500	0.9500	0.6700	0.9500	0.9500	1.2000
No Tax	No Tax	No Tax	1.2500	1.2500	1.2500	1.2500
	0.7090	0.7090	0.6700	0.6300	0.5000	0.5400
	0.4820	-	0.4740	0.6500	0.6500	0.6740
	1.3500	1.3500	1.3200	1.3200	1.0500	1.0200
	0.9400	0.7200	0.5000	0.5000	0.4650	0.4650
	0.8300	0.8100	0.7900	0.7400	0.7100	0.7000
	0.5000	0.5000	0.4750	0.4650	0.4550	0.4550
	0.5627	0.5662	0.5564	0.5213	0.4731	0.4829
-	0.5000	0.9850	0.9850	-	0.9850	0.9850
	0.1198	0.1160	0.1081	0.1079	0.1078	0.1078
	0.2100	0.2050	0.1925	0.1700	0.1700	0.1600
	0.4500	0.4500	0.4400	0.4400	0.4400	0.4400
	0.3385	0.3462	0.3770	0.3800	0.3000	0.2977
	0.0729	0.7270	0.0725	0.0710	0.0665	0.0664
-	-	-	-	-	0.0900	0.0800
	0.0800	0.0750	0.0750	0.0750	0.0750	0.0750
	0.1675	0.1645	0.1645	0.1645	0.1645	0.1645
	0.2651	0.2651	0.2651	0.2651	0.2651	0.3000
	0.6000	0.6000	0.4555	0.4182	0.4059	0.4059
	1.2400	1.2400	1.1970	1.0375	0.9369	0.8900
	1.2600	1.2000	1.0300	0.9300	0.9179	0.8694
	0.3800	0.3800	0.3600	0.3600	0.3400	0.3300
	0.3243	0.3000	0.2800	0.2500	0.2250	0.2000
	1.1800	1.2800	1.2800	1.1954	1.1500	1.1500
	0.0350	0.0350	0.0550	-	0.0350	0.0350
	0.4200	0.4150	0.4150	0.4000	0.3650	0.3550
	0.1500	0.1400	0.1300	0.0900	-	-
	1.1500	1.2500	1.2500	1.1700	1.1400	1.1100
	0.2550	0.2400	0.2300	0.2250	0.2125	0.2125
	0.2450	0.2450	0.2450	0.2450	0.2450	0.2450
	1.0000	1.0000	0.9964	0.8600	0.8300	0.7300

**MONTGOMERY COUNTY, TEXAS**  
**Property Tax Rates<sup>(1)</sup> - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

	2009	2010	2011	2012
Special Districts (continued):				
Montgomery County M.U.D. #60	0.2650	0.2400	0.2400	0.2375
Montgomery County M.U.D. #67	0.3200	0.3200	0.3200	0.3125
Montgomery County M.U.D. #83	1.2500	1.2500	1.2000	1.1300
Montgomery County M.U.D. #84	1.2500	1.2500	1.2500	1.2500
Montgomery County M.U.D. #88	1.3900	1.3900	1.3900	1.3900
Montgomery County M.U.D. #89	1.3000	1.2500	1.1800	1.1100
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	1.2000	1.1600	1.1600	1.1300
Montgomery County M.U.D. #95	No Tax	No Tax	No Tax	1.3500
Montgomery County M.U.D. #96	-	-	-	-
Montgomery County M.U.D. #98	1.2300	1.2300	1.2300	1.2250
Montgomery County M.U.D. #99	1.0400	1.0400	1.0400	1.0400
Montgomery County M.U.D. #105	-	-	-	-
Montgomery County M.U.D. #107	0.6000	0.7000	0.7000	0.7000
Montgomery County M.U.D. #112	1.1000	1.1000	1.1000	1.1000
Montgomery County M.U. D #113	1.1000	1.1000	1.1900	1.1900
Montgomery County M.U.D. #115	1.3500	1.3500	1.3500	1.3500
Montgomery County M.U.D. #119	1.4500	1.4500	1.4500	1.4500
Montgomery County M.U.D. #123	-	-	-	1.2500
Montgomery County M.U.D. #126	-	-	-	-
Montgomery County M.U.D. #127	-	-	-	-
Montgomery County U.D. #2	0.5700	0.5700	0.5700	0.5700
Montgomery County U.D. #3	0.4516	0.4412	0.4554	0.4515
Montgomery County U.D. #4	0.5002	0.4952	0.4895	0.4895
Montgomery County W.C.I.D. #1	0.7750	0.7750	0.7750	0.8100
New Caney M.U.D.	0.5862	0.6200	0.7100	0.7100
New Caney M.U.D. Valley Ranch	-	-	-	-
Point Aquarius M.U.D.	0.7275	0.7015	0.7032	0.7032
Porter M.U.D.	0.5150	0.5150	0.5150	0.5150
Rayford Road M.U.D.	0.6020	0.5920	0.5920	0.6220
River Plantation M.U.D.	0.3112	0.3101	0.3101	0.3200
Roman Forest Cons. M.U.D.	0.3183	0.3000	0.2900	0.2700
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	0.2266	0.2266
Spring Creek U.D.	1.0000	1.0000	1.0000	1.0000
Stanley Lake M.U.D.	0.4900	0.5200	0.5200	0.5100
Texas National M.U.D.	0.9040	1.0959	1.0959	1.0959
Valley Ranch M.U.D. #1	1.4000	1.4000	1.4000	1.4000
Wood Trace M.U.D. #1	0.7500	0.7500	0.7500	0.7500
Woodlands Metro-Center M.U.D.	0.1900	0.1900	0.1900	0.1750
Woodlands M.U.D. #2	0.1900	0.2300	0.1900	0.1700
Woodlands R.U.D. #1	0.4738	0.4491	0.4300	0.4266
Woodridge M.U.D.	-	-	-	-
Emergency Service District #1	0.1000	0.0975	0.0974	0.9640
Emergency Service District #2	0.1000	0.0940	0.1000	0.1000

**TABLE VI**  
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2013	2014	2015	2016	2017	2018
0.2275	0.2175	0.1975	0.1850	0.1650	0.1650
0.3125	0.3025	0.2800	0.2575	0.2375	0.2175
1.0500	0.9800	0.9000	0.8200	0.7700	0.7500
1.2500	1.2000	1.0200	0.9500	0.9000	0.8800
1.3900	1.3900	1.3900	1.3900	1.3900	1.3800
1.0900	1.0600	1.0600	0.9500	0.8864	0.8828
0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
1.1000	1.0100	0.9300	0.8400	0.7700	0.8000
1.3500	1.3500	1.3500	1.3000	1.3000	1.2500
-	-	-	-	1.4800	1.4800
1.2250	1.2250	1.2100	1.1650	1.1350	1.0400
1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
-	-	-	-	1.3500	1.3500
0.7000	0.0700	0.7000	0.7000	0.7000	0.6900
1.1000	1.1000	1.1000	1.0257	1.0207	1.0000
0.7500	0.7100	1.1200	1.0200	0.9200	0.9000
1.3500	1.3500	1.3500	1.3500	1.3500	1.3500
1.4500	1.4500	1.4500	1.3700	1.3700	1.3200
-	-	-	-	-	-
-	-	-	-	0.9000	0.9000
-	-	1.3500	1.3500	1.3500	1.3500
0.5700	0.5700	0.5700	0.5000	0.4900	0.4600
0.4515	0.4515	0.0900	0.0900	0.0900	0.0900
0.4100	0.4100	0.0800	0.0800	0.0775	0.0775
0.8100	0.8100	0.8100	0.7600	0.7600	0.7820
0.7100	0.7100	0.3797	0.6797	0.6797	0.5994
-	-	0.7800	0.7800	-	-
0.7032	0.7032	0.6631	0.6000	0.5800	0.5600
0.5150	0.5150	0.5150	0.4800	0.4800	0.4800
0.6100	0.6000	0.5800	0.5500	0.5300	0.5100
0.3200	0.3200	0.3200	0.3200	0.3200	0.3200
0.2000	0.2200	0.2100	0.2035	0.1850	0.1593
-	-	-	-	1.2088	0.9500
1.1540	1.1540	1.1657	1.1720	1.1748	1.1656
0.2266	0.2258	0.2175	0.1733	0.1660	0.1600
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.5000	0.5200	0.5300	0.5300	0.5300	0.5300
1.0823	1.1330	1.1330	1.1300	1.1330	1.1330
1.4000	1.4000	1.4000	1.2000	1.1500	1.1500
0.7500	0.7500	1.5000	1.5000	1.3500	1.3500
0.1750	0.1650	0.1650	0.1550	0.1250	0.1050
0.1500	0.1300	0.1100	0.1000	-	-
0.4063	0.3600	0.3800	0.3200	0.2600	0.2150
-	1.5000	1.3000	0.1000	1.2700	1.2700
0.0964	0.0964	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000

**MONTGOMERY COUNTY, TEXAS**  
**Property Tax Rates<sup>(1)</sup> - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

	2009	2010	2011	2012
<b>Special Districts (continued):</b>				
Emergency Service District #3	0.1000	0.0972	0.1000	0.0998
Emergency Service District #4	0.0984	0.1000	0.1000	0.0986
Emergency Service District #5	0.1000	0.0982	0.0935	0.1000
Emergency Service District #6	0.1000	0.0988	0.1000	0.1000
Emergency Service District #7	0.1000	0.1000	0.1000	0.1000
Emergency Service District #8	0.0722	0.0762	0.1000	0.1000
Emergency Service District #9	0.0974	0.1000	0.1000	0.0946
Emergency Service District #10	0.1000	0.0950	0.1000	0.0988
Emergency Service District #11	0.1000	0.1000	0.1000	0.1000
Emergency Service District #12	0.0999	0.1000	0.1000	0.0996
Emergency Service District #14	0.0100	0.1000	0.1000	0.1000
Total Special Districts	50.3512	49.7103	50.0391	53.2208
<b>Cities:</b>				
Cleveland	-	-	-	0.6850
Conroe	0.4200	0.4200	0.4200	0.4200
Magnolia	0.4914	0.4914	0.4914	0.4814
Montgomery	0.4523	0.4450	0.4199	0.4155
Oak Ridge North	0.6431	0.6389	0.5996	0.5996
Panorama Village	0.6474	0.6517	0.6512	0.6698
Patton Village	0.4366	0.4091	0.3890	0.3779
Roman Forest	0.4750	0.4706	0.4707	0.4721
Shenandoah Village	0.3470	0.3282	0.3282	0.3237
Splendora	0.2984	0.2978	0.2968	0.2797
Stagecoach	0.5525	0.5400	0.5214	0.5044
Willis	0.5376	0.5808	0.5893	0.5669
Woodbranch Village	0.3537	0.3448	0.3373	0.3514
Woodlands Township	-	0.3280	0.3274	0.3250
Woodloch	0.6257	0.5468	0.5199	1.0000
Auburn Trail Defined Area	-	-	-	-
Auburn Trail II Defined Area	-	-	-	-
Houston (County Line City)	0.6388	0.6388	0.6388	0.6388
Total Cities	6.9195	7.1319	7.0009	8.1112
<b>School Districts:</b>				
Cleveland I.S.D.	1.3150	1.3150	1.3150	1.3150
Conroe I.S.D.	1.2700	1.2850	1.2950	1.2950
Humble I.S.D.	-	-	-	1.5200
Magnolia I.S.D.	1.4000	1.3800	1.3995	1.3995



**TABLE VI**

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2013	2014	2015	2016	2017	2018
0.0990	0.0954	0.0955	0.1000	0.0981	0.1000
0.0961	0.1000	0.0917	0.0808	0.1000	0.1000
0.1000	0.1000	0.1000	-	-	-
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.0998	0.0996	0.0967	0.1000	0.1000	0.1000
0.1000	0.0960	0.0946	0.0926	0.0906	0.1000
0.0917	0.0855	0.0814	0.1000	0.1000	0.0972
0.1000	0.1000	0.0980	0.0970	0.1000	0.1000
0.1000	0.1000	0.1000	-	-	-
0.0996	0.1000	0.0983	0.1000	0.1000	0.1000
0.1000	0.0951	0.0885	0.1000	0.1000	0.1000
48.9162	49.9980	50.9709	49.8633	52.3285	52.5795
0.7800	0.7800	0.7800	0.7800	0.7700	0.7700
0.4200	0.4200	0.4200	0.4200	0.4175	0.4175
0.4786	0.4786	0.4629	0.4629	0.4629	0.4709
0.4155	0.4155	0.4155	0.4155	0.4155	0.4155
0.5744	0.5244	0.4822	0.4598	0.4509	0.4470
0.6844	0.6741	0.6591	0.6743	0.6604	0.6852
0.3779	0.3818	0.3818	0.3459	0.2606	0.2606
0.4819	0.4819	0.4819	0.4945	0.4945	0.7385
0.3137	0.2664	0.2404	0.2399	0.2295	0.2099
0.2797	0.2720	0.2473	0.2473	0.2616	0.4103
0.5000	0.5429	0.5353	0.5207	0.5000	0.4595
0.5208	0.5363	0.6077	0.5961	0.5953	0.6351
0.3544	0.3496	0.3597	0.3597	0.3785	0.3784
0.3173	0.2940	0.2500	0.2300	0.2300	0.2300
0.5000	0.4971	0.8125	0.6566	0.5782	0.5000
0.9850	0.5750	0.6190	0.7110	-	0.7150
-	0.5750	0.6190	0.7110	-	0.7150
0.6388	0.6388	0.6311	-	0.5864	0.5864
8.6224	8.7034	9.0054	8.3252	7.2918	9.0448
1.3150	1.3150	1.3150	1.3150	1.3800	1.4150
1.2900	1.2850	1.2800	1.2800	1.2800	1.2800
1.5200	1.5200	1.5200	1.5200	1.5200	1.5200
1.3995	1.3995	1.3895	1.3795	1.3795	1.3795

**MONTGOMERY COUNTY, TEXAS**  
**Property Tax Rates<sup>(1)</sup> - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

	2009	2010	2011	2012
School Districts (continued):				
Montgomery I.S.D.	1.3500	1.3400	1.3400	1.3400
New Caney I.S.D.	1.4400	1.4800	1.5400	1.5400
Richards I.S.D.	1.0400	1.0400	1.0400	1.0400
Splendora I.S.D.	1.5100	1.3200	1.3599	1.3300
Tomball I.S.D.	1.3600	1.3600	1.3600	1.3600
Willis I.S.D.	1.3700	1.3700	1.3700	1.3700
Total School Districts	12.0550	11.8900	12.0194	13.5095
<b><u>TOTAL PROPERTY TAX RATES -</u></b>				
<b><u>DIRECT AND OVERLAPPING</u></b>				
<b><u>GOVERNMENTS</u></b>	<u>\$69.8095</u>	<u>\$69.2160</u>	<u>\$69.5432</u>	<u>\$75.3252</u>

<sup>(1)</sup> Per \$100 of assessed valuation.

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

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

**TABLE VI**

Page 4 of 4

2013	2014	2015	2016	2017	2018
1.3400	1.3400	1.3400	1.3400	1.3700	1.3700
1.5400	1.6700	1.6700	1.6700	1.6700	1.6700
1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
1.3600	1.3155	1.3155	1.3155	1.6000	1.6000
1.3155	1.3600	1.3600	1.3600	1.3400	1.3400
1.3700	1.3900	1.3900	1.3900	1.3900	1.3900
13.4900	13.6350	13.6450	13.6400	13.9695	14.0045
<u>\$71.5123</u>	<u>\$72.8202</u>	<u>\$75.4607</u>	<u>\$71.6623</u>	<u>\$74.0565</u>	<u>\$76.0955</u>

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

<u>2018 Taxpayer</u>	<u>Type of Business</u>	<u>2018 Assessed Valuation <sup>(1)</sup></u>	<u>Percentage of Total Assessed Valuation <sup>(2)</sup></u>
Entergy Texas, Inc.	Electric Utility	\$ 306,232,280	0.60 %
Wal-Mart Real Estate Bus Trust	Retail	260,455,063	0.51
Anadarko Realty	Oil & Gas Industrial	224,651,200	0.44
The Woodlands Mall Associates	Retail	143,711,770	0.28
Kingwood Medical Plaza Ltd	Medical	128,851,670	0.25
Woodlands Land Development LP	Land Development	119,499,198	0.24
IMI Market Street LLC	Retail	113,589,110	0.22
McKesson Corporation	Healthcare Solutions	101,785,976	0.20
National Oilwell Varco	Oil & Gas Industrial	86,750,780	0.17
CLPE Waterway Plaza LLC	Retail	80,536,280	0.16
		<u>\$ 1,566,063,327</u>	<u>3.07 %</u>
<u>2009 Taxpayer</u>	<u>Type of Business</u>	<u>2009 Assessed Valuation <sup>(1)</sup></u>	<u>Percentage of Total Assessed Valuation <sup>(3)</sup></u>
Wal-Mart Real Estate Bus Trust	Retail	\$ 193,731,273	0.61 %
Entergy Texas Inc	Electric Utility	185,446,743	0.58
Woodlands Land Development, LP	Land Development	155,411,116	0.49
Columbia Conroe Regional Medical Center/Kingwood Medical Plaza	Medical	146,262,620	0.46
Consolidated Communications of Texas	Communications	77,999,490	0.24
Huntsman Petrochemical Corp.	Industrial	64,095,700	0.20
The Woodlands Mall Association	Retail	61,956,137	0.19
Canrig Drilling Tech Ltd	Oil & Gas	59,619,970	0.19
Wapiti Operating LLC	Oil & Gas	57,864,730	0.18
Hughes Christensen Company	Oil & Gas	54,712,691	0.17
		<u>\$ 1,057,100,470</u>	<u>3.31 %</u>

<sup>(1)</sup> Source: Montgomery Central Appraisal District<sup>(2)</sup> Net Assessed Valuation - 2017 \$ 50,848,283,277<sup>(3)</sup> Net Assessed Valuation - 2009 \$ 31,993,150,379

**MONTGOMERY COUNTY, TEXAS**  
**Property Tax Levies and Collections** <sup>(1)</sup>  
**Last Ten Fiscal Years**

**TABLE VIII**

Fiscal Year	Collected in first period			Collections in subsequent periods <sup>(2)</sup>	Total collections	
	Levy	Amount	Percentage		Amount	Percentage
2009	144,971,851	142,781,596	98.5 %	515,095	143,296,691	98.8 %
2010	155,635,330	154,269,057	99.1 %	1,119,203	155,388,260	99.8 %
2011	160,613,960	159,432,595	99.3 %	912,400	160,344,995	99.8 %
2012	166,764,811	164,636,997	98.7 %	1,837,945	166,474,942	99.8 %
2013	175,204,298	173,007,132	98.7 %	1,833,997	174,841,129	99.8 %
2014	186,703,380	184,735,498	98.9 %	1,578,957	186,314,455	99.8 %
2015	203,804,943	201,321,741	98.8 %	2,038,952	203,360,693	99.8 %
2016	229,000,765	226,359,011	98.8 %	1,997,740	228,356,751	99.7 %
2017	247,075,115	243,625,647	98.6 %	2,229,511	245,855,158	99.5 %
2018	235,828,214	232,005,266	98.4 %	-	232,005,266	98.4 %

<sup>(1)</sup> 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

**MONTGOMERY COUNTY, TEXAS**  
**Ratios of Outstanding Debt by Type** <sup>(1)</sup>  
**Last Ten Fiscal Years**

**TABLE IX**

Fiscal Year	General Obligation Bonds	Revenue Bonds	Certificates of Obligation	Capital Leases Obligation	Net: Interest Premiums and Discounts	Total Long-Term Debt	Percent of Personal Income <sup>(2)</sup>	Per Capita <sup>(2)</sup>
2009	337,600,000	43,758,601	71,685,000	17,409,156	12,051,322	482,504,079	2.44 %	1,108.18
2010	332,565,000	42,256,701	102,580,000	17,164,115	11,787,129	506,352,945	2.38 %	1,105.16
2011	270,030,000	128,266,840	99,190,000	15,336,959	15,233,295	528,057,094	2.31 %	1,142.62
2012	268,735,000	122,140,941	101,120,000	13,671,491	10,236,430	515,903,862	2.09 %	1,071.90
2013	261,590,000	75,075,000	109,930,000	11,209,724	12,589,534	470,394,258	1.77 %	956.79
2014	278,565,000	67,995,000	74,555,000	9,942,261	28,256,466	459,313,727	1.40 %	913.29
2015	269,415,000	60,585,000	71,000,000	7,694,658	26,085,333	434,779,991	1.35 %	837.81
2016	315,110,000	52,825,000	58,535,000	5,893,321	43,468,294	475,831,615	1.51 %	885.17
2017	376,370,000	16,420,000	50,750,000	3,777,887	46,503,251	493,821,138	N/A %	876.80
2018	408,885,000	-	49,090,000	13,953,358	47,447,713	519,376,071	N/A %	909.70

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

<sup>(2)</sup> See Table XIV for personal income and population data.

Personal income for 2017 and 2018 are not available.

**MONTGOMERY COUNTY, TEXAS**  
**Ratios of Net General Bonded Debt Outstanding** <sup>(1)</sup>  
**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 <sup>(2)</sup>	Per Capita <sup>(3)</sup>
	General Obligation Bonds	Revenue Bonds <sup>(4)</sup>	Certificates of Obligation	Total				
2009	337,600,000	43,758,601	71,685,000	453,043,601	12,206,657	440,836,944	1.45 %	1,012.48
2010	332,565,000	42,256,701	102,580,000	477,401,701	10,761,379	466,640,322	1.43 %	1,018.49
2011	270,030,000	128,266,840	99,190,000	497,486,840	14,239,096	483,247,744	1.43 %	1,045.66
2012	268,735,000	122,140,941	101,120,000	491,995,941	15,950,460	476,045,481	1.36 %	989.09
2013	261,590,000	75,075,000	109,930,000	446,595,000	17,795,351	428,799,649	1.17 %	872.19
2014	278,565,000	67,995,000	74,555,000	421,115,000	20,906,476	400,208,524	1.02 %	795.77
2015	269,415,000	60,585,000	71,000,000	401,000,000	32,453,453	368,546,547	0.84 %	710.18
2016	315,110,000	52,825,000	58,535,000	426,470,000	48,577,323	377,892,677	0.77 %	702.98
2017	376,370,000	16,420,000	50,750,000	443,540,000	28,249,874	415,290,126	0.76 %	737.36
2018	408,885,000	-	49,090,000	457,975,000	15,756,559	442,218,441	0.87 %	774.55

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

<sup>(2)</sup> Taxable Assessed Valuation can be found in Table V.

<sup>(3)</sup> Population data can be found in Table XIV.

<sup>(4)</sup> The County began issuing revenue bonds in 2007.

**MONTGOMERY COUNTY, TEXAS**

**Legal Debt Margin <sup>(1)</sup>**

**Last Ten Fiscal Years**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assessed value <sup>(2)</sup>	\$ 26,960,161	\$ 32,662,351	\$ 33,862,620	\$ 35,101,086
Debt limit <sup>(3)</sup>	6,740,041	8,165,588	8,465,655	8,775,272
Debt applicable to limit				
Total bonded debt	453,044	477,402	497,487	491,996
Less: Assets in Debt				
Service Funds available				
for payment of principal	<u>(12,207)</u>	<u>(10,761)</u>	<u>(14,239)</u>	<u>(15,950)</u>
Total debt applicable				
to limit	<u>440,837</u>	<u>466,640</u>	<u>483,248</u>	<u>476,046</u>
Legal debt margin	<u>\$ 6,299,204</u>	<u>\$ 7,698,947</u>	<u>\$ 7,982,407</u>	<u>\$ 8,299,226</u>
Total debt applicable				
to the limit as a				
percent of debt limit	6.54%	5.71%	5.71%	5.42%

<sup>(1)</sup> Amounts expressed in thousands.

<sup>(2)</sup> Assessed valuation is equal to total valuation less personal property.

<sup>(3)</sup> 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.

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



**TABLE XI**

2013	2014	2015	2016	2017	2018
\$ 36,706,371	\$ 39,366,970	\$ 43,654,262	\$ 49,315,310	\$ 54,402,996	\$ 50,848,283
9,176,593	9,841,743	10,913,566	12,328,828	13,600,749	12,712,071
446,595	493,740	463,080	487,680	443,870	508,054 <sup>(4)</sup>
(17,795)	(20,906)	(32,453)	(48,577)	(28,250)	(15,757)
428,800	472,834	430,627	439,103	415,620	492,297
<u>\$ 8,747,794</u>	<u>\$ 9,368,910</u>	<u>\$ 10,482,939</u>	<u>\$ 11,889,725</u>	<u>\$ 13,185,129</u>	<u>\$ 12,219,774</u>
4.67%	4.80%	3.95%	3.56%	3.06%	3.87%

**MONTGOMERY COUNTY, TEXAS****Direct and Overlapping Debt****September 30, 2018****TABLE XII**

	Debt Outstanding	Percentage Applicable to Montgomery County <sup>(1)</sup>	Amount Applicable to Montgomery County
Montgomery County, Texas	<u>\$ 457,975,000</u>	100.00	<u>\$ 457,975,000</u>
TOTAL DIRECT DEBT	<u>457,975,000</u>		<u>457,975,000</u>
<b><u>OVERLAPPING GOVERNMENTS:</u></b>			
Special Districts:			
Clovercreek M.U.D.	630,000	100.00	630,000
Corinthian Point M.U.D. #2	1,315,000	100.00	1,315,000
East Montgomery Co M.U.D #3	12,355,000	100.00	12,355,000
East Montgomery Co M.U.D #6	18,365,625	100.00	18,365,625
East Plantation U.D.	1,750,000	100.00	1,750,000
Far Hills U.D.	10,240,000	100.00	10,240,000
Grand Oaks M.U.D.	2,815,000	100.00	2,815,000
Kings Manor M.U.D.	12,600,000	68.81	8,670,060
Lazy River I.D.	400,000	100.00	400,000
Lone Star College System	611,710,000	26.46	161,858,466
Conroe M.U.D. #1	4,670,000	100.00	4,670,000
Conroe Municipal Mgt District #1	10,285,000	100.00	10,285,000
Montgomery Co. D.D. #10	10,090,000	100.00	10,090,000
Montgomery Co. M.U.D. #8	23,575,000	100.00	23,575,000
Montgomery Co. M.U.D. #9	27,250,000	100.00	27,250,000
Montgomery Co. M.U.D. #15	27,710,000	100.00	27,710,000
Montgomery Co. M.U.D. #18	14,220,000	100.00	14,220,000
Montgomery Co. M.U.D. #39	13,725,000	100.00	13,725,000
Montgomery Co. M.U.D. #42	755,000	100.00	755,000
Montgomery Co. M.U.D. #46	76,750,000	100.00	76,750,000
Montgomery Co. M.U.D. #47	17,880,000	100.00	17,880,000
Montgomery Co. M.U.D. #56	2,802,892	100.00	2,802,892
Montgomery Co. M.U.D. #60	13,195,000	100.00	13,195,000
Montgomery Co. M.U.D. #67	16,575,000	100.00	16,575,000
Montgomery Co. M.U.D. #83	14,360,000	100.00	14,360,000
Montgomery Co. M.U.D. #84	29,330,000	100.00	29,330,000
Montgomery Co. M.U.D. #88	14,675,000	100.00	14,675,000
Montgomery Co. M.U.D. #89	23,725,000	100.00	23,725,000
Montgomery Co. M.U.D. #90	7,720,000	100.00	7,720,000
Montgomery Co. M.U.D. #92	4,780,000	100.00	4,780,000

**MONTGOMERY COUNTY, TEXAS****Direct and Overlapping Debt****September 30, 2018****TABLE XII**

	Debt	Percentage Applicable to	Amount Applicable to Montgomery
	Outstanding	Montgomery County <sup>(1)</sup>	County
Montgomery Co. M.U.D. #94	31,390,000	100.00	31,390,000
Montgomery Co. M.U.D. #95	22,900,000	100.00	22,900,000
Montgomery Co. M.U.D. #98	16,750,000	100.00	16,750,000
Special Districts:(Continued)			
Montgomery Co. M.U.D. #99	8,210,000	100.00	8,210,000
Montgomery Co. M.U.D. #105	12,730,000	100.00	12,730,000
Montgomery Co. M.U.D. #107	18,730,000	100.00	18,730,000
Montgomery Co. M.U.D. #112	48,580,000	100.00	48,580,000
Montgomery Co. M.U.D. #113	88,155,000	100.00	88,155,000
Montgomery Co. M.U.D. #115	48,385,000	100.00	48,385,000
Montgomery Co. M.U.D. #119	56,810,000	100.00	56,810,000
Montgomery Co. M.U.D. #126	2,975,000	100.00	2,975,000
Montgomery Co. M.U.D. #127	8,485,000	100.00	8,485,000
Montgomery Co. M.U.D. #137	3,940,000	100.00	3,940,000
Montgomery Co. M.U.D. #138	6,040,000	100.00	6,040,000
Montgomery Co. M.U.D. #139	9,745,000	100.00	9,745,000
Montgomery Co. M.U.D. #141	3,025,000	100.00	3,025,000
Montgomery Co. M.U.D. #148	1,585,000	100.00	1,585,000
Montgomery Co. U.D. #2	6,620,000	100.00	6,620,000
Montgomery Co. U.D. #3	3,940,000	100.00	3,940,000
Montgomery Co. U.D. #4	11,410,000	100.00	11,410,000
Montgomery Co. W.C.I.D. #1	17,930,000	100.00	17,930,000
New Caney M.U.D.	24,298,524	100.00	24,298,524
Point Aquarius M.U.D.	10,575,000	100.00	10,575,000
Porter M.U.D.	25,880,000	100.00	25,880,000
Porter M.U.D. Auburn Trails Def #1	4,090,000	100.00	4,090,000
Porter M.U.D. Auburn Trails Def #2	5,680,000	100.00	5,680,000
Porter M.U.D. Hendricks Def	5,080,000	100.00	5,080,000
Rayford Road M.U.D.	17,925,000	100.00	17,925,000
Roman Forest Con. M.U.D.	395,000	100.00	395,000
Harris-Montgomery Co MUD #386	145,820,000	8.19	11,942,658
Spring Creek U.D.	59,800,000	100.00	59,800,000
Stanley Lake M.U.D.	19,085,000	100.00	19,085,000
Southern Montgomery County MUD	10,355,000	100.00	10,355,000
Texas National M.U.D.	3,390,000	100.00	3,390,000
Valley Ranch M.U.D. #1	17,380,000	100.00	17,380,000
Woodlands Metro-Center I.D.	9,255,000	100.00	9,255,000
Roman Forest P.U.D. #4	765,000	100.00	765,000
Wood Trace M.U.D. #1	10,315,000	100.00	10,315,000



**MONTGOMERY COUNTY, TEXAS****Direct and Overlapping Debt****September 30, 2018****TABLE XII**

	Debt Outstanding	Percentage Applicable to Montgomery County <sup>(1)</sup>	Amount Applicable to Montgomery County
Woodlands R.U.D. #1	50,575,000	99.02	50,079,365
The Woodlands Township	34,440,000	87.79	30,234,876
Valley Ranch Town Center	5,520,000	100.00	5,520,000
Woodridge M.U.D.	7,940,000	100.00	7,940,000
Emergency Service District #4		100.00	- <sup>(2)</sup>
Total Special Districts	<u>1,923,152,041</u>		<u>1,330,792,466</u>
Cities:			
Cleveland	14,810,000	0.27	39,987
Conroe	171,885,000	100.00	171,885,000
Magnolia	9,570,000	100.00	9,570,000
Montgomery	8,860,000	100.00	8,860,000
Cities: (Continued)			
Oak Ridge North	6,385,000	100.00	6,385,000
Panorama Village	3,395,000	100.00	3,395,000
Shenandoah	18,995,000	100.00	18,995,000
Shenandoah (Metropark PID)	15,200,000	100.00	15,200,000
Roman Forest	3,510,000	100.00	3,510,000
Willis	23,480,000	100.00	23,480,000
Woodbranch Village	1,500,000	100.00	1,500,000
Houston	3,742,955,000	0.29	10,854,570
Total Cities	<u>4,020,545,000</u>		<u>273,674,557</u>
School Districts			
Cleveland I.S.D.	97,725,498	1.51	1,475,655
Conroe I.S.D.	1,261,400,000	100.00	1,261,400,000
Magnolia I.S.D.	180,195,000	100.00	180,195,000
Montgomery I.S.D.	343,550,000	100.00	343,550,000
New Caney I.S.D.	461,040,353	98.24	452,926,043
Splendora I.S.D.	67,310,000	100.00	67,310,000
Tomball I.S.D.	506,425,000	6.33	32,056,703
Willis I.S.D.	149,791,704	98.69	147,829,433
Total School Districts	<u>3,067,437,555</u>		<u>2,486,742,833</u>
TOTAL OVERLAPPING DEBT	<u>9,011,134,596</u>		<u>4,091,209,855</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 9,469,109,596</u>		<u>\$ 4,549,184,855</u>

<sup>(1)</sup> 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

<sup>(2)</sup> 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 <sup>(1)</sup>					
	Lease	Less:	Net:	Debt Service		
Year	Payments	Operating Expenses	Available Revenue	Principal	Interest	Coverage
2009	23,189,192	19,902,963	3,286,229	1,076,389	1,998,534	1.07
2010	19,587,421	17,633,106	1,954,315	1,501,900	1,941,581	0.57
2011	18,334,041	15,808,119	2,525,922	1,569,861	1,873,619	0.73
2012	20,997,947	18,372,582	2,625,365	1,640,899	1,802,582	0.76
2013	19,053,761	17,818,794	1,234,967	1,715,150	1,728,330	0.36
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-

**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.

<sup>(1)</sup> 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.

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

**TABLE XIII**Pass -Through Toll Revenue Bonds <sup>(2)</sup>

TXDOT Revenue	Debt Service		Coverage
	Principal	Interest	
-	-	-	-
-	-	79,300	-
7,883,095	-	1,077,755	7.31
19,235,365	4,485,000	2,733,321	2.66
25,969,528	6,785,000	3,589,583	2.50
29,275,155	7,080,000	3,356,300	2.81
35,248,559	7,410,000	3,025,850	3.38
42,260,009	7,760,000	2,678,400	4.05
49,268,909	36,405,000	10,696,550	1.05
18,285,240	16,420,000	873,900	1.06

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

**TABLE XIV**

<u>Year</u>	<u>Population <sup>(1)</sup></u>	<u>Personal Income <sup>(2)(3)</sup></u>	<u>Per Capita Personal Income <sup>(3)</sup></u>	<u>School Enrollment <sup>(4)</sup></u>	<u>School Average Daily Attendance <sup>(4)</sup></u>	<u>Unemployment Rate <sup>(5)</sup></u>
2009	435,403	19,737,310	45,331	98,137	89,328	7.9 %
2010	458,171	21,298,765	46,486	92,490	86,689	7.4 %
2011	462,144	22,882,899	49,514	95,250	90,554	7.9 %
2012	481,298	24,638,680	51,192	96,912	91,276	5.7 %
2013	491,636	26,549,916	53,192	95,815	91,235	5.3 %
2014	502,920	32,773,154	65,166	98,887	92,983	4.7 %
2015	518,947	32,310,508	62,262	101,598	96,755	4.3 %
2016	537,559	31,553,145	58,697	120,488	114,955	4.3 %
2017	563,209	N/A	N/A	126,748	121,309	4.1 %
2018	570,934	N/A	N/A	132,903	125,757	3.8 %

(1) Source: U.S. Census Bureau

(2) Amounts expressed in thousands.

(3) Source: Texas Workforce Commission website

Information for fiscal years 2009 through 2016 from The Bureau of Economic Analysis website

Personal income information for 2017 and 2018 are 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>



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

**TABLE XV**

2018 Employer <sup>(1)</sup>	Employees	Percentage of Total County Employment <sup>(2)</sup>
Conroe Independent School District	7,266	2.76 %
Anadarko Petroleum	3,309	1.26
Memorial Hermann - The Woodlands	2,454	0.93
Montgomery County, Texas	2,292	0.87
New Caney Independent School District	1,966	0.75
Alight	1,850	0.70
ExxonMobil	1,800	0.68
CHI St. Luke's The Woodlands Hospital	1,650	0.63
Magnolia Independent School District	1,564	0.59
Lone Star College System	1,098	0.42
	25,249	9.59 %
2009 Employer <sup>(3)</sup>	Employees	Percentage of Total County Employment <sup>(2)</sup>
Conroe Independent School District	5,979	3.07 %
Anadarko Petroleum	2,554	1.31
Montgomery County, Texas	1,836	0.94
Magnolia Independent School District	1,532	0.77
Hewitt Associates	1,500	0.79
New Caney Independent School District	1,305	0.67
Conroe Regional Medical Center	1,200	0.62
Lone Star Community College	892	0.46
Willis Independent School District	815	0.42
Huntsman Company LLC	775	0.40
	18,388	9.45 %

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

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

<sup>(2)</sup> Total County Employment for 2009 and 2018:

194,857 and 263,293 respectively

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

<sup>(3)</sup> <http://ritter.tea.state.tx.us>

<http://www.edpartnership.net>



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

<b><u>Function</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
General Administration	116	118	135	127	132	130	132	125	125	123
Judicial	231	265	269	278	289	291	297	296	304	301
Legal Services	30	29	30	32	32	33	32	33	34	34
Elections	10	10	11	11	11	11	12	15	15	13
Financial Administration	93	93	95	101	103	99	93	98	102	99
Public Facilities	357	372	388	405	404	398	415	416	420	433
Public Safety	612	611	628	655	662	679	714	742	762	777
Health and Welfare	57	71	77	77	48	46	47	48	89	91
Culture and Recreation	148	153	161	161	161	162	163	140	141	140
Conservation	17	18	20	21	21	10	19	10	20	23
Public Transportation	165	174	205	213	226	230	232	249	259	258
	<b><u>1,836</u></b>	<b><u>1,914</u></b>	<b><u>2,019</u></b>	<b><u>2,081</u></b>	<b><u>2,089</u></b>	<b><u>2,089</u></b>	<b><u>2,156</u></b>	<b><u>2,172</u></b>	<b><u>2,271</u></b>	<b><u>2,292</u></b>

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

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

<b><u>Function</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
<b>General Government</b>				
Construction permits issued <sup>(1)</sup>	2,455	2,598	2,440	2,905
Estimated value of construction <sup>(1) (2)</sup>	1,085,532	719,797	575,758	1,054,912
Health inspections performed <sup>(3)</sup>	11,234	11,281	11,638	14,214
Birth certificates filed <sup>(4)</sup>	5,674	5,419	5,283	5,213
Death certificates filed <sup>(4)</sup>	2,017	2,087	2,214	2,235
Marriage license applications <sup>(4)</sup>	2,432	2,160	2,351	2,399
Registered voters <sup>(5)</sup>	239,246	249,620	244,080	260,253
Number of voting precincts <sup>(5)</sup>	85	85	85	86
<b>Public Safety - Sheriff</b>				
Total arrests <sup>(6)</sup>	18,229	19,402	20,802	22,057
Average number of inmates <sup>(6)</sup>	881	964	1,026	965
Calls for service <sup>(6)</sup>	285,098	259,486	286,719	312,405
Number of accidents investigated <sup>(6)</sup>	1,621	1,485	1,122	951
Miles patrolled <sup>(6)</sup>	3,224,282	2,615,320	2,717,733	3,867,763
Gallons of gas used <sup>(6)</sup>	362,958	281,746	409,337	444,854
<b>Culture and Recreation - Libraries (tentative)</b>				
Number of items checked out <sup>(7)</sup>	1,924,198	2,035,605	2,008,110	1,963,074
Number of libraries <sup>(7)</sup>	7	7	7	7
Volumes in collection <sup>(7)</sup>	655,756	652,426	670,068	683,803
Number of library visits <sup>(7)</sup>	1,402,326	1,386,130	1,296,899	1,286,333
Library programs attendance <sup>(7)</sup>	141,744	132,916	127,694	101,789

<sup>(1)</sup> Source: Montgomery County Engineer.

<sup>(2)</sup> Dollar values are in thousands.

<sup>(3)</sup> Source: Montgomery County Health Department.

<sup>(4)</sup> Source: Montgomery County Clerk.

<sup>(5)</sup> Source: Montgomery County Elections Administrator.

<sup>(6)</sup> Source: Montgomery County Sheriff's Department.

<sup>(7)</sup> Source: Montgomery County Memorial Library System Annual Report.

**TABLE XVII**

Fiscal Year					
2013	2014	2015	2016	2017	2018
4,336	4,947	4,754	4,052	4,381	5,549
1,344,371	2,019,423	1,381,849	1,414,524	1,386,391	1,514,299
14,968	15,623	17,274	16,552	16,197	16,719
5,325	5,392	6,602	5,766	6,996	8,144
2,384	2,638	2,820	2,874	3,643	4,437
2,630	2,795	4,505	2,927	2,869	4,420
265,424	274,536	289,000	308,597	315,946	330,768
86	89	89	90	90	96
22,758	24,679	22,523	21,483	22,473	18,855
1,033	1,152	1,058	999	933	944
333,548	346,749	317,501	411,796	355,936	454,010
1,356	2,385	4,184	4,937	5,931	4,439
5,906,651	5,747,155	5,876,771	4,063,212	4,232,396	3,952,673
465,391	468,806	490,073	368,033	368,412	343,644
1,996,503	2,018,491	2,055,189	2,066,886	2,192,792	2,547,829
7	7	7	7	7	7
691,892	686,870	665,009	694,536	711,777	717,314
1,184,833	1,108,782	1,107,085	1,105,760	1,075,000	923,129
118,959	124,738	130,780	134,163	169,467	150,020

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

<b><u>Function</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
General Government				
Office Buildings/Courthouses <sup>(1)</sup>	35	39	42	43
Public Safety - Sheriff				
Sheriff's Vehicles <sup>(2)</sup>	351	374	427	460
Academy Square Footage <sup>(1)</sup>	13,800	13,800	13,800	13,800
Public Transportation				
County Roads (miles) <sup>(3)</sup>	2,589	2,636	2,640	2,656
Bridges <sup>(3)</sup>	157	158	158	158
Public Facilities				
Park Acreage <sup>(4)</sup>	1,974	1,870	2,072	2,956
Convention Center Square Footage <sup>(5)</sup>	56,000	56,000	56,000	56,000
Community Centers <sup>(2)</sup>	18	17	18	17
Culture and Recreation				
Total Library Square Footage <sup>(6)</sup>	169,776	169,776	171,400	171,400

<sup>1)</sup> Montgomery County Risk Management Department. Includes the offices of the four County Commissioners.

<sup>2)</sup> Montgomery County Auditor's Office Capital Assets Listing.

<sup>3)</sup> Montgomery County Engineer.

<sup>4)</sup> Montgomery County Parks Divisions in the Commissioners' offices.

<sup>5)</sup> Montgomery County Civic Center Complex;

<sup>6)</sup> Montgomery County Memorial Library System Annual Report.

**TABLE XVIII**

2013	2014	2015	2016	2017	2018
43	38	44	49	49	49
463	467	505	512	555	648
13,800	13,800	13,800	13,800	13,800	13,800
2,685	2,703	2,704	2,751	2,771	2,811
159	159	160	160	160	160
2,061	2,061	2,089	2,089	2,089	2,289
56,000	56,000	56,000	56,000	56,000	56,000
17	17	17	17	17	17
171,400	171,400	171,400	173,800	173,800	173,800

