The mission of Montgomery County is to maintain the integrity of county government while managing available resources efficiently to effectively and equitably provide the services that are required by law and public mandate.
Dear Citizens,

Montgomery County is very proud to bring you our very first Popular Annual Financial Report (PAFR). We are always striving to improve our financial transparency as part of an ongoing effort to provide our citizens with a better understanding of how their government operates.

I am pleased to present to you this PAFR for fiscal year ending September 30, 2017. In the pages following you will find a summary of Montgomery County's Organization as a whole, interesting facts and statistics, as well as an overview of the County financially.

The information provided in this publication is derived from our Comprehensive Annual Financial Report (CAFR) that follows Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Auditing and Financial Reporting (GAAFR) standards. The PAFR, being an unaudited report, is neither a substitute nor a replacement for our CAFR. It is merely a tool to be used in gaining further insight into your county government.

It is my hope you find value in this report as we anticipate it becoming pivotal in our budget and reporting processes. Additionally, I welcome any questions, comments, or concerns as well as any constructive feedback to be directed to my office so that we can provide a more interactive and even more relatable PAFR in the future.

Respectfully Submitted,

Phyllis L. Martin
Montgomery County Auditor

EMAIL: PHYLLIS.MARTIN@MCTX.ORG
PH: 936.539.7820 | WEB: HTTP://WWW.MCTX.ORG

For a copy our Comprehensive Annual Report (CAFR) for this year or any year dating back to 2007 digitally, please scan the QR code above to be taken to our financial transparency page. If you would prefer a hard copy please contact our office for further assistance.
The voters are the driving force for everything that we do in Montgomery County. For this reason, we like to include our citizens in all aspects of County business. From having open door policies with department heads to being able to speak at our Commissioner Court meetings, we love hearing from the people. Our citizens are our eyes and ears throughout the County, and we know we can rely on them to tell us when there is a matter that requires further attention.

Montgomery County is made up of both elected and appointed officials that make day to day decisions. Most departments fall under the umbrella of the Commissioner's Court, and must receive approval before any major changes can be made throughout the year.

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Established in 1837, Montgomery County is currently the 11th most populated county in Texas. Our county seat, Conroe, Texas is the fastest growing large city (with a population of 50,000 or more) in the U.S. according to the Census Bureau. With so much growth from expanding businesses, new projects, new developments, and transfers, it's no wonder why we are seeing a massive explosion in our population.

Located just 50 Miles north of downtown Houston and only 32 Miles from the George Bush Intercontinental Airport, Montgomery County has become a place where our citizens can be close enough to the big city for events, but far enough from it to still enjoy the beautiful, peaceful countryside.

Most of the information provided on pages 3 through 8 of this PAFR have been extracted from the statistical section of our CAFR document.
Montgomery County strives toward ever-increasing financial responsibility, only issuing debt or taking on major capital improvements when needed. Thanks to our due diligence, we have an excellent credit rating with both of our credit rating agencies. Over time we hope to maintain our Aaa rating with Moody’s and increase our S&P rating to AAA. We are currently planning and budgeting for future growth, making additional budget cuts where needed as well as paying down current debt to get us closer to our long term financial goals.

Despite having dramatic increases in our population over the last 5 years, we have seen a continuing trend for unemployment rates decreasing to 4.1%. This is mostly due to growth from new positions being created throughout the county. We have seen numerous manufacturing plants and facilities open in the now developing Conroe Business Park, located next to our expanding Conroe Regional Airport.
Montgomery County's Finest
PUBLIC SAFETY

Montgomery County has had a long standing of putting its citizens first when it comes to public safety. From the Sheriff’s Office to all 5 Precinct Constables, there is always someone there to keep a watchful eye on Montgomery County.

Of course, there is more to public safety than just law enforcement. The Fire Marshal, Office of Homeland Security and Emergency Management, as well as Dispatch also play key roles in keeping the citizens of Montgomery County safe from natural disasters and technological hazards that could come from anywhere at anytime.

Our public safety function experienced a growth from the previous year mostly due the continued growth in population size. There were also new and increased amounts in grants the County received. We also now have a more robust police force, as well as increased Fire Marshal cooperation efforts.

The statistics provided on this page give you a brief overview of all we are doing to provide public safety throughout the county.

**Calls For Service (Annual)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>415,000</td>
</tr>
<tr>
<td>2016</td>
<td>311,250</td>
</tr>
<tr>
<td>2017</td>
<td>207,500</td>
</tr>
</tbody>
</table>

**Sheriff's Office Total**

- 4,232,396 Total Miles Patrolled
- 933 Inmates in County Jail (Annual Average)

**Employees in our Public Safety Function**

- 762
GENERAL GOVERNMENT

There are numerous county departments that work together to provide you with all the necessary services you need everyday. Birth records, marriage licenses, construction permits, and health inspections are just a fraction of what we do for the public on a day to day basis.

COUNTY CLERK

You can obtain copies of birth, death and marriage records at the County Clerk’s Office. They also provide services such as DBA’s, Civil and Probate Court records, and maintaining the Commissioner Court Minutes.

ELECTIONS ADMIN

Elections are an ongoing service provided throughout the year, and our Elections Administration department is consistently working to make sure voters in the county know where to vote and how to register.

PERMITS

Our newly reorganized permits department can now help with construction, mass gathering, code, storm water, fire, septic and food establishment permits all at the same convenient location.

Health Inspections Performed (Annually)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>17,500</td>
</tr>
<tr>
<td>2015</td>
<td>13,125</td>
</tr>
<tr>
<td>2016</td>
<td>8,750</td>
</tr>
<tr>
<td>2017</td>
<td>4,375</td>
</tr>
</tbody>
</table>

Certificates Issued FY 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birth</td>
<td>7,000</td>
</tr>
<tr>
<td>Marriage</td>
<td>5,250</td>
</tr>
<tr>
<td>Death</td>
<td>3,500</td>
</tr>
<tr>
<td>Total</td>
<td>16,750</td>
</tr>
</tbody>
</table>

Construction permits issued: 4,381

General Government & Courthouse Buildings: 49

Registered Voters: 315,946
Public facilities and transportation are a major component of how the citizens get around and even interact with one another. Roads and bridges are the main source of transport across the county. Parks, nature centers, and war memorials maintained by the county are a way for all to relax and enjoy all the natural wooded beauty we have to offer.

Total County Roads (Miles)

Montgomery County also has its own Lone Star Convention Center that provides us with the ability to bring new talent, shows, and events right into the heart of our county seat, Conroe, Texas. It hosts our annual BBQ Cook off that supports our County Scholarship Program and our Annual Christmas Luncheon that all County employees are welcomed to enjoy every year.
While some might argue that brick and mortar libraries are out of date or are no longer needed, the Montgomery County Memorial Library System is as busy as ever. With an average of 2 million items checked out every year (since 2010), various programs and seminars, self help classes, children's after school programs and book clubs, you will always find something at the library to better yourself and your community.

**Items Checked Out (Annually)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>550,000</td>
</tr>
<tr>
<td>2012</td>
<td>1,100,000</td>
</tr>
<tr>
<td>2014</td>
<td>1,650,000</td>
</tr>
<tr>
<td>2016</td>
<td>2,200,000</td>
</tr>
<tr>
<td>2017</td>
<td>2,550,000</td>
</tr>
</tbody>
</table>

**Did You Know?**

Montgomery County Memorial Library System currently has the 3rd largest genealogy collection in a Texas Public Library?

Source: Montgomery County Memorial Library System

Its current mission statement “To be a leading resource for information, education, culture, and recreation…” has been proven over and over again by the libraries' annual attendance and 2017 statistics shown here.

**Annual Programs' Attendance**

<table>
<thead>
<tr>
<th>Year</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>55,000</td>
</tr>
<tr>
<td>2012</td>
<td>85,000</td>
</tr>
<tr>
<td>2014</td>
<td>127,500</td>
</tr>
<tr>
<td>2016</td>
<td>170,000</td>
</tr>
<tr>
<td>2017</td>
<td>170,000</td>
</tr>
</tbody>
</table>

**Employees in Culture and Recreation Function**

141

**Total Volumes in Collection**

711,777
Your tax bill is an integral part of how we function and pay for expenses as a county. In September, the County decides on a tax rate for each of the 3 types of Major Funds (General Fund, Special Revenue Funds, and Debt Service Fund). Our General Fund accounts for all financial resources that are not restricted to specific purposes or otherwise required to be accounted for in another fund. Special Revenue Funds are restricted by law or contractual agreement to specific purposes other than debt service or capital projects. Last, Debt Service is a reserve put in place to make interest and principal payments for debt the County owes.

Montgomery County, with its financial stability and financial planning strategies, was not only able to lower the tax rate from fiscal year 2014 to 2015, it also carried that same low tax rate into fiscal year 2016. With a continued effort demonstrating economic spending, Montgomery County was once again able to lower the tax rate for fiscal year 2017. Montgomery County has not increased its tax rate in over 10 years. Providing citizens with a more stable or decreasing tax rate indicates that we are providing the same high standard of service throughout the county without having to burden tax payers with higher tax rates for those same services.

The graph to the right is a breakdown an your average tax bill, and the percentage of your tax bill that each major contributor receives. School districts generally make up approximately half of your tax bill. Special districts (MUD's, PUD's, Emergency Service Districts, Drainage districts) have the next largest portion of the bill at 21%. The two remaining, and smallest, portions going to both municipalities (cities, townships, villages), and the County at approximately 15% and 16% respectively. It is a common misconception that the County charges all the taxes as well as receives them. For a more in depth review of the information provided on this page, please refer to pages 194-201 of our CAFR document.
Summarized Statement of Activities
All Governmental Funds

Below on pages 10 and 11 is a breakdown of revenues and expenditures using the combined totals for governmental and business-like activities. Below is the makeup of each county dollar received, as well as how the county spends that same dollar for fiscal year 2017. On page 11, you will find a comparative chart that shows how we compare to the previous fiscal year. Tax payer funds are what drive this County, and it's for this reason that we strive to provide our citizens with the best and most efficient services possible. For the complete breakdown of all revenues and expenditures, including a comparison, you can refer to the Statement of Activities on page 18 of our CAFR document.

Revenues

- **29¢** Fees & Fines
- **53¢** Property Taxes
- **16¢** Grants
- **1¢** Other Revenue
- **1¢** Other Tax

Expenditures

- **20¢** Public Safety
- **37¢** Public Transportation & Facilities
- **17¢** Administration
- **12¢** Other
- **9¢** Judicial Services
- **5¢** Debt Service

*All totals shown on this page are subject to rounding*
Revenues

Program Revenue—Monies generated by fees, fines, forfeitures, and other charges for county services.

Operating Grants—Federal, State or other types that support the county mission statement rather than specific projects or programs.

Capital Grants—Types of contribution usually made by governmental bodies or to cover parts or all of the cost of assets.

Property Taxes—The main source for county revenues. This accounts for almost half of the total budget for Montgomery County.

Other Taxes—Other Taxes usually paid for at the Tax Assessor/Collector’s Office. (eg. TABC, Parks and Wildlife, Vehicle Registration)

General Revenue—Miscellaneous sources of revenue that do not conform to any of the above.

Comparing revenues from one fiscal year to the other, the two largest contributors are fines, fees, forfeitures and property taxes. This is due to a combination of an influx of new residents buying new homes within the county, and an overall increase in the appraised value of real and personal property by the Montgomery Central Appraisal District (MCAD).

Comparing the last 2 fiscal years, our county has tried to keep expenses to a minimum without losing quality of service to its citizens. However, with the county seat being the fastest growing city in the U.S., there has been an increase annually in the amount the county has had to spend to keep service quality the same. Public Safety, Public Transportation, and Public Facilities still maintain the biggest percentage of our expenditures, demonstrating our determination to put citizens first.

Expenditures

Montgomery County has always kept public safety at the forefront of its planning. Ensuring that everyone has a safe place to live and work is a continuous effort for law enforcement. Public facilities (including the County Jail) and law enforcement have the biggest expenditure budgets after public transportation, demonstrating our determination to put citizens first.
This summary version of the Net Position of Montgomery County is like looking at a snapshot of everything the county owns (assets) and owes (liabilities). The statement of net position is similar to a balance sheet used in private-sector businesses. Increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the county is improving. The full version of this comparative chart can be found on page 17 of our CAFR document while a full breakdown of net position for fiscal year 2017 can be found on page 32.

The largest portion of the County’s net position reflects its investment of $514 million in capital assets. This includes land, easements, buildings, equipment, intangibles and infrastructure. The County uses these capital assets to provide services to its citizens; and as a result, they cannot be utilized to pay County debt. The portion of net position that is restricted, $73 million, is money that can only be used on items that meet specific requirements. The remaining unrestricted portion, $36 million, can be used for almost any purpose, including paying obligations (debt), purchasing new capital assets, or reinvesting.

Our investments in capital assets are continuously growing, meaning we are expanding. This indicator shows we are doing things such as buying new police equipment, and buying or restoring buildings to expand departments. You can see that our total net position is also increasing. This is a good indicator that we are paying down debt in a manner that is allowing us to have more unrestricted revenue to further enhance the county's services to the public. These practices contribute to our current credit ratings' increases.
CONTACT INFORMATION

A complete list of all departments is available online at www.Mctx.org

**County Judge**

County Judge  
Craig Doyal  
501 N. Thompson Suite 401 Conroe, TX 77301  
Phone: 936-539-7812 Fax: 936-760-6919

**Commissioners**

**Precinct 1**  
Commissioner Mike Meador  
510 Highway 75 N. Willis, Texas 77378  
Phone: 936-539-7815 Fax: 936-856-9408

**Precinct 2**  
Commissioner Charlie Riley  
19110 Unity Park Dr. Magnolia, Texas 77355  
Phone: 281-259-6492 Fax: 936-760-6945

**Precinct 3**  
Commissioner James Noack  
1130 Pruitt Rd. Spring, Texas 77380  
Phone: 281-367-3977 Fax: 281-298-7321

**Precinct 4**  
Commissioner Jim Clark  
23628 Roberts Rd. New Caney, Texas 77357  
Phone: 936-521-8919 Fax: 936-521-8918

**Departments**

**Human Resources**  
501 N. Thompson Suite 400 Conroe, TX 77301  
Phone: 936-539-7886 Fax: 936-788-8396

**Risk Management**  
501 N. Thompson Suite 202 Conroe, TX 77301  
Phone: 936-760-6935 Fax: 936-760-6916

**Permits**  
501 N. Thompson Suite 100 Conroe, TX 77301  
Phone: 936-539-7836 Fax: 936-538-8155

**Tax Assessor/Collector**  
Tammy J. McRae  
400 N. San Jacinto Conroe, TX 77301  
Phone: 936-539-7897 Titles: 936-539-7896

**County Clerk**  
Mark Turnbull  
210 W. Davis Suite 100 Conroe, TX 77301  
Phone: 936-539-7885 Fax: 936-760-6927

**District Clerk**  
Barbara Adamick  
301 N. Main Street Conroe, TX 77301  
Phone: 936-539-7855 Phone: 281-364-4200

**Sheriff**

Sheriff  
Rand Henderson  
1 Criminal Justice Dr. Conroe, TX 77301  
Switch Board: 936-760-5871

**Constables**

**Precinct 1**  
Constable Philip Cash  
115 Business Park Dr. Willis, Texas 77378  
Phone: 936-539-7821 Fax: 936-856-9408

**Precinct 2**  
Constable Gene Deforest  
130 North Main Conroe, Texas 77301  
Phone: 936-539-7854 Fax: 936-539-7935

**Precinct 3**  
Constable Ryan Gable  
1520 Lake FRONT Circle Ste 200  
The Woodlands, Texas 77301  
Phone: 281-364-4211 Fax: 281-465-3504

**Precinct 4**  
Constable Rowdy Hayden  
21130 US Hwy 59 Suite C  
New Caney, Texas 77301  
Phone: 936-521-8985 Fax: 936-521-8984

**Precinct 5**  
Constable David Hill  
19100 Unity Park Drive  
Magnolia, Texas 77355  
Phone: 281-259-6493 Fax: 281-259-6462

“The care of human life and happiness, and not their destruction, is the first and only object of good government.”  
- Thomas Jefferson

Limited printed versions of this PAFR are available at the County Auditor’s office. Please contact us for additional information or copies.