MONTGOMERY COUNTY
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Comprehensive Annual Financial Report

For the Fiscal Year Ended
September 30, 2005
MONTGOMERY COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2005

Prepared by

THE MONTGOMERY COUNTY AUDITOR'S OFFICE
Linda R. Breazeale
County Auditor
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**Comprehensive Annual Financial Report**

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Montgomery County, Texas
Office of County Auditor
March 27, 2006

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

Honorable Judges and Commissioners:

The Comprehensive Annual Financial Report of Montgomery County, Texas, for the year ended September 30, 2005, is submitted herewith. This report was prepared by the County Auditor in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board, and is in compliance with Chapter 114 Section 025 of the Local Government Code (Vernon’s Texas Codes Annotated).

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 Generally Accepted Accounting Principles (GAAP). Montgomery County’s comprehensive framework, because the cost of internal controls should not outweigh their benefits, has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of Montgomery County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County’s financial activity have been included.

 Montgomery County’s financial statements have been audited by Hereford, Lynch, Sellars & Kirkham, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended September 30, 2005 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 unqualified opinion that the financial statements of Montgomery County for the year ended September 30, 2005 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 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 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 in 1837, and is located on the southern edge of the Big Thicket, approximately forty miles north of metropolitan Houston. 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 North Harris Montgomery Community College District 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 and four Commissioners, each of whom is elected from four geographical precincts. The County Judge is elected for a four-year term, and the Commissioners for four-year staggered terms.

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. At September 30, 2005 the reported population was 375,519. This 28% growth in six years was evident in the increased demand for service at the county level.

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 Fund, the Special Revenue Funds, and the Debt Service Fund 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 Budget Office is responsible for compiling and presenting a budget to Commissioners’ Court for their consideration and approval, adhering to a calendar established by the statutes of the State of Texas. In keeping with those statutes, the ad valorem tax levy cannot be established until the budget is adopted. In Montgomery County, the budget is adopted by September 1 of each year. Once adopted, it 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 the County operates.

Local economy- The County’s economy has historically been based on mineral production (oil, gas, sand, and gravel), agriculture (horses, cattle, greenhouse nurseries), and lumbering (timber products). Commercial construction has continued to increase as a result of several large shopping centers being developed along the Interstate 45 corridor. The value of residential construction permits increased over last year by $44,568,692. Investments made in Texas highways recently have assisted in attracting new and diverse businesses to the County. The Woodlands, a planned community in south Montgomery
County, is home to energy, biomedical, and technology businesses, causing continued growth in the southern part of the County. Evidence of this growth is seen in the inclusion of The Woodlands Land Development, LP near the top of the list of ten principal taxpayers in the County during 2005.

**Long-term financial planning**- The Commissioners’ Court continues to be very active in infrastructure development to help insure economic growth. In February 2006, the Commissioner’s Court created the position of Director of Infrastructure to assist in this development. In conjunction with consultants, members of the Commissioner’s Court and the Director of Infrastructure are currently studying transportation needs so that Montgomery County will remain a viable option for both industry and its employees. Engineering consultants have been engaged to assist in planning the size of future road bond issues, so that growth in the County may continue unimpeded.

In September 2005, Montgomery County voters approved the issuance of $160million in unlimited tax road bonds for the purpose of continuing various road improvement projects throughout the County. In addition, the County is the first entity to take advantage of a financing vehicle offered by the State of Texas. This vehicle, known as pass-through tolling, allows the County to make improvements to infrastructure on an expedited basis by funding those improvements themselves and applying for reimbursement from the State based on usage of the infrastructure.

In January 2006, the County and the Federal Aviation Administration completed negotiations for a contract to allow the County to accept a one-time $1million federal appropriation for the purpose of improving its airport. Specifically, the appropriation will be added to a $1.5million grant from the United States Department of Transportation to construct an air traffic control tower at the Lone Star Executive Airport. Design work has already begun and construction of the tower is schedule to be started by the end of the year.

**Cash management policies and practices**- The County’s investment function operates within the guidelines of a written policy as required by the Public Funds Investment Act. An investment committee comprised of the County Treasurer, Tax Assessor-Collector, District Clerk, and a member of Commissioners’ Court oversees the investment activities for the County. The County Auditor and County Attorney are advisors to the committee. Commissioners’ Court has designated the County Treasurer the investment officer for the County.

Specific investment strategies have been identified for each group of funds. Strategies emphasize safety of principal as well as liquidity. Demand deposits are covered by pledged collateral maintained in joint safekeeping accounts at Compass Bank. Special attention is paid to timing maturities to be consistent with construction project draws and regular operating expenditures.

**Risk Management**- The County retains various levels of risk, and accounts for the associated expenditures in the General Fund. The portions of risk that are not transferred to third party coverage are self-funded by the County under formal arrangements. Additional information concerning the County’s risk management activities is included in the notes to the financial statements.

**Pension and other post-employment benefits**- The County provides retirement, disability, and death benefits for all of its full-time regular employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). Detailed information on the retirement plan and other post-employment benefits can be found in the notes to the financial statements.

**Awards and Acknowledgments**

At the annual conference of the National Purchasing Institute (NPI), Montgomery County was awarded an Achievement of Excellence in Procurement for demonstrating extraordinary innovation,
professionalism, productivity, and leadership attributes in the Purchasing Department. This was the third consecutive year that the County has achieved this award.

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 (CAFR) for the fiscal year ended September 30, 2004. This was the seventeenth 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 comprehensive annual financial report. 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 am especially thankful for the contribution made by Phyllis Martin and Krissa Garner. I also wish to commend the members of the Commissioners' Court for conducting the financial operations of Montgomery County in a responsible manner, while meeting the increasing demands for public service.

Respectfully submitted,

LINDA R. BREAZEALE
Montgomery County Auditor

/s
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, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

[Signatures]

President

Executive Director
COMMISSIONERS’ COURT:
Alan B. Sadler County Judge
Mike Meador Commissioner, Precinct #1
Craig Doyal Commissioner, Precinct #2
Ernest E. Chance Commissioner, Precinct #3
Ed Rinehart Commissioner, Precinct #4

DISTRICT COURT:
Fred Edwards Judge, 9th Judicial District
Suzanne Stovall Judge, 221st Judicial District
Olen Underwood Judge, 284th Judicial District
Kathleen Hamilton Judge, 359th Judicial District
K. Michael Mayes Judge, 410th Judicial District
Michael McDougal District Attorney
Barbara G. Adamick District Clerk

COUNTY COURT AT LAW:
Dennis Watson Judge, County Court at Law #1
Luther J. Winfree Judge, County Court at Law #2
E. Mason Martin Judge, County Court at Law #3
Mary Ann Turner Judge, County Court at Law #4
David Walker County Attorney
Mark Turnbull County Clerk

JUSTICE COURT:
Lanny Moriarty Justice of Peace, Precinct #1
Grady Trey Spikes Justice of Peace, Precinct #2
Mary E. Connelly Justice of Peace, Precinct #3
James Metts Justice of Peace, Precinct #4
Carolyn Cox Justice of Peace, Precinct #5

LAW ENFORCEMENT:
Tommy Gage Sheriff
Donnie O. Chumley Constable, Precinct #1
Gene DeForest Constable, Precinct #2
Tim Holifield Constable, Precinct #3
Travis L. Bishop Constable, Precinct #4
David H. Hill Constable, Precinct #5

FINANCIAL ADMINISTRATION:
J.R. Moore, Jr. Tax Assessor-Collector
Martha N. Gustavsen County Treasurer
Linda R. Breazeale County Auditor*
Mark Bosma Purchasing Agent*
Julane Tolbert Budget Officer*

* Designates appointed official. All others are elected.
INDEPENDENT AUDITORS’ REPORT

Honorable County Judge and
Commissioners’ Court
Montgomery County, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Montgomery County, Texas (the “County”) as of and for the year then ended September 30, 2005, which collectively comprise the County’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of Montgomery County, Texas’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund of the County, as of September 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we will issue at a later date, a report 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

The management’s discussion and analysis on pages 11-26 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, additional supplementary information, combining and individual nonmajor fund financial statements, schedules of capital assets used in the operation of governmental funds, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, additional supplementary information, and schedules of capital assets used in the operation of governmental funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

**Hereford, Lynch, Sellars & Kirkham, P.C.**
**HEREFORD, LYNCH, SELLARS & KIRKHAM, P.C.**
Certified Public Accountants
Conroe, Texas
February 3, 2006
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, 2005. 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 for the prior year.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the fiscal year by $75,574,471 (net assets). Of this amount, $5,219,862 is restricted for specific purposes. As required by Governmental Accounting Standards Board Statement No. 34 (GASB 34), net assets also reflect $122,477,741 that is invested in capital assets, net of related debt. With the presentation of the investment in capital assets, unrestricted net assets becomes a negative $52,123,132. Analysis of the negative unrestricted net assets reveals that a large portion of debt was used to purchase land for road expansion projects that are a joint undertaking with the State. In these instances of expansion of State-owned roads, the County will report the debt at this time, but not the asset.
- The revenues of the County’s government-wide activities were $171,305,907 and expenses were $136,600,213. Rapid growth in the county brought about uncommon infrastructure contributions, adding to an increase in net assets of $34,705,694.
- At September 30, 2005, the County’s governmental funds reported combined ending fund balances of $39,524,043, a decrease of $10,046,349 in comparison with the prior year. From the ending fund balance, $29,205,366 is reserved for specific purposes. Approximately 26% of the ending balance, $10,154,056, is available for spending at the government’s discretion, with $430,728 of those unreserved, undesignated funds being reported in the special revenue funds.
- At September 30, 2005, unreserved, undesignated fund balance for the General Fund was $9,723,328, or 10.7% of total General Fund expenditures.
- The County’s total net bonded debt decreased by $4,587,847 (2.9%) during the current fiscal year. This decrease was largely brought about by the issuance of $45,850,000 in refunding bonds. This refunding contributed to an increase in outstanding general obligation bonded debt by $24,535,264, while instrumentally affecting a decrease in outstanding certificates of obligation by $28,410,000.

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 Assets 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 paid. These statements include capital assets of the County (including infrastructure added since implementing GASB 34 in fiscal year 2003) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB 34 in regards to interfund activity, payables and receivables.

The Statement of Net Assets presents information on all of Montgomery County’s assets and liabilities, with the difference between the two being reported as net assets. 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 assets 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 assets for the fiscal year ended September 30, 2005. All changes in net assets 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, miscellaneous, and debt service.

The government-wide financial statements can be found on pages 28-29 of this report.

Fund Financial Statements

The fund financial statements focus on the County’s most significant funds (major funds) rather than fund types, or the County as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Montgomery County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental 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) 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 assets, 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 28 individual governmental funds during the fiscal year ended September 30, 2005. 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 Capital Projects Road Bonds Series 2003A Fund, and the Capital Projects Road Bonds Series 2004 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 Other 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 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 the Debt Service Fund and all nonmajor special revenue funds are provided as supplementary information. These budgetary comparisons can be used to demonstrate compliance with the budget both in its original and final forms.

The basic governmental fund financial statements can be found on pages 30-40 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 41 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 43-65 of this report.

**Additional supplementary information** is comprised of the General Fund final budget versus actual at the department level, along with the Debt Service Fund budget versus actual at the function level. This comparative data can be found on pages 68-81 of this report.
Other supplementary information includes combining financial statements for nonmajor governmental and fiduciary funds. These funds are totaled by fund type and presented in single columns in the basic financial statements. They are not reported individually, as with major funds, on the governmental fund financial statements.

Other supplementary information can be found on pages 84-125 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the GASB believes that net assets may serve over time as a useful indicator of a government’s financial position. Montgomery County’s assets exceeded liabilities by $75,574,471 at September 30, 2005, as shown in the table below. This amount represents an increase through governmental activities of $34,705,694 from the net assets at September 30, 2004.

<table>
<thead>
<tr>
<th>Montgomery County, Texas</th>
<th>FY 2005</th>
<th>FY 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current and other assets</td>
<td>$ 77,442,276</td>
<td>$ 77,214,435</td>
</tr>
<tr>
<td>Capital assets</td>
<td>181,943,540</td>
<td>145,184,861</td>
</tr>
<tr>
<td>Total assets</td>
<td>259,385,816</td>
<td>222,399,296</td>
</tr>
<tr>
<td>Long-term liabilities outstanding</td>
<td>166,404,331</td>
<td>166,718,908</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>17,407,014</td>
<td>14,811,611</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>183,811,345</td>
<td>181,530,519</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>122,477,741</td>
<td>78,432,519</td>
</tr>
<tr>
<td>Restricted</td>
<td>5,219,862</td>
<td>4,304,379</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(52,123,132)</td>
<td>(41,868,121)</td>
</tr>
<tr>
<td>Total net assets</td>
<td>$ 75,574,471</td>
<td>$ 40,868,777</td>
</tr>
</tbody>
</table>

The County’s total assets of $259,385,816 are largely comprised of investments of $41,955,765, or 16.2%, and capital assets net of accumulated depreciation of $181,943,540, or 70.1%. The capital assets of the County include land, buildings, improvements other than buildings, equipment, 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 $166,404,331 comprises the largest portion of the County’s total liabilities of $183,811,345, at 90.5%. Of total long-term liabilities, $8,777,946 is due within one year, with the remainder of $157,626,385 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 exceed its liabilities by $75,574,471 (net assets) on September 30, 2005. Roughly 6.9%, or $5,219,862, of the County’s net assets represents restricted net assets. These resources are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants, and granting conditions. Of those restricted net assets, $7,138 is restricted for capital projects and $5,212,724 is restricted for debt service of compensated absences. The most significant portion ($122,477,741) of the County’s net assets reflects its investment in capital assets, net of related debt. Although unrestricted net assets is negative for government-wide net assets, it should be noted that the County’s fund financial statements continue to reflect positive unreserved fund balances.
Montgomery County’s governmental activities increased net assets by $34,705,694. The key components of this increase are as follows:

Montgomery County, Texas  
Governmental Activities

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>FY 2005</th>
<th>FY 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees, fines, forfeitures, and</td>
<td>$35,943,376</td>
<td>$31,299,005</td>
</tr>
<tr>
<td>charges for services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal grants and contributions</td>
<td>6,102,334</td>
<td>3,895,018</td>
</tr>
<tr>
<td>State grants and contributions</td>
<td>2,643,175</td>
<td>2,339,191</td>
</tr>
<tr>
<td>Other grants and contributions</td>
<td>26,828,081</td>
<td>585,517</td>
</tr>
<tr>
<td>General revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>95,927,528</td>
<td>86,767,811</td>
</tr>
<tr>
<td>Other taxes</td>
<td>1,077,680</td>
<td>929,853</td>
</tr>
<tr>
<td>Other general revenues</td>
<td>2,783,733</td>
<td>1,046,106</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>171,305,907</strong></td>
<td><strong>126,862,501</strong></td>
</tr>
</tbody>
</table>

| Expenses:                      |           |           |
| General administration         | 11,228,147 | 11,020,255 |
| Judicial                       | 14,787,696 | 14,196,220 |
| Legal services                 | 1,823,681  | 1,688,226 |
| Elections                      | 460,869    | 741,325   |
| Financial administration       | 4,399,998  | 3,775,200 |
| Public facilities              | 16,611,013 | 6,351,995 |
| Public safety                  | 38,293,859 | 41,783,788 |
| Health and welfare             | 6,253,621  | 5,679,181 |
| Culture and recreation         | 6,257,162  | 4,746,828 |
| Conservation                   | 721,238    | 565,941   |
| Public transportation          | 23,780,503 | 14,662,727 |
| Miscellaneous                  | 4,519,314  | 7,234,220 |
| Debt service interest and fiscal charges | 7,464,112 | 8,062,860 |
| **Total expenses**             | **136,600,213** | **120,508,766** |
| Change in net assets           | 34,705,694 | 6,353,735 |
| Net assets - beginning         | 40,868,777 | 34,515,042 |
| **Net assets - ending**        | **$ 75,574,471** | **$ 40,868,777** |

The County’s total revenues of $171,305,907 were all from governmental activities. Property tax revenue accounts for $95,927,528, or 56.0%; program revenues of fees, fines, forfeitures, and charges for services comprise $35,943,376, or 21.0%; and grants and contributions encompass $35,573,590, or 20.8% of total government-wide revenues. Exceptional infrastructure donations contribute to an increase of $26,242,564 in other grants and contributions.

Expenses for the year totaled $136,600,213. The public safety function accounted for $38,293,859, or 28.0% of this total. The public transportation ($23,780,503), public facilities ($16,611,013), and judicial ($14,787,696) functions represent 17.4%, 12.2%, and 10.8% of total government-wide expenditures, respectively. Public facilities and public transportation expenditures rose from $6,351,995 and $14,662,727 in fiscal year 2004 to $16,611,013 and $23,780,503, respectively, in fiscal year 2005. The increase in public facilities expenditures is partially offset by a decrease in public safety expenditures. This is due to a re-structuring of the County’s jail expense recording process. The increase in spending in the public transportation function continues to be due to the several large road construction projects the County has undertaken. These projects are for the widening and improvement of State-owned roads, creating inflated expenditures in the public transportation function, with no offsetting capitalization of assets.
The government’s ending net assets of $75,574,471 represent an increase of $34,705,694 from the prior year’s $40,868,777 in net assets. The County’s change in net assets is summarized by the following chart:

Montgomery County, Texas
Change in Net Assets

<table>
<thead>
<tr>
<th>Governmental funds activity:</th>
<th>FY 2005</th>
<th>FY 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>$ 141,079,265</td>
<td>$ 127,306,345</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>152,107,680</td>
<td>142,439,772</td>
</tr>
<tr>
<td>Excess (Deficiency) of revenues over expenditures</td>
<td>(11,028,415)</td>
<td>(15,133,427)</td>
</tr>
<tr>
<td>Capital lease financing</td>
<td>1,264,452</td>
<td>581,915</td>
</tr>
<tr>
<td>Issuance of certificates of obligation</td>
<td>-</td>
<td>2,600,000</td>
</tr>
<tr>
<td>Issuance of general obligation bonds</td>
<td>45,850,000</td>
<td>10,205,000</td>
</tr>
<tr>
<td>Payment to refunded bond escrow agent</td>
<td>(49,904,606)</td>
<td>-</td>
</tr>
<tr>
<td>Premiums on obligations, net</td>
<td>3,772,220</td>
<td>671,113</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td>(10,046,349)</td>
<td>(1,075,399)</td>
</tr>
</tbody>
</table>

Government-wide activity:

| Difference between current year's capital outlay expenditures and depreciation expense | 10,493,997 | 16,201,442 |
| Net effect of capital asset sales, donations, trade-ins, etc. | 26,264,683 | (108,270) |
| Revenues not reported in funds because they do not provide current-period financial resources | 3,961,959 | (343,125) |
| Long-term debt not reported in funds because it does not affect the current period | 4,960,894 | (9,216,465) |
| Expenses not reported in the funds because they do not use current-period financial resources | (929,490) | 895,552 |
| Total change in net assets | $ 34,705,694 | $ 6,353,735 |

This change in net assets begins with the current year’s differences between governmental revenues and expenditures ($11,028,415), along with other financing sources and uses ($982,066). 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 ($36,758,680) also affect this change.

Other factors influencing the change in net assets are those revenues and expenses that do not provide or require the use of current financial resources ($3,032,469). GASB 34 dictates that the County record an allowance for accounts that are unlikely to be collected. These allowances for doubtful accounts combine with items, such as deferrals of long-term balances not being paid in the current year, to constitute further changes in net assets. Additionally, long-term debt, whether being issued or retired, has an effect on the change in net assets ($4,960,894). During the current fiscal year, to take advantage of lower interest rates, the County issued new debt to pay off some of its existing long-term debt. These financings represent further changes in the net assets of the County.

The overall financial position of the County has improved over the last year. As mentioned earlier, there is an increase in net assets of $34,705,694. Additionally, the increase of $5,459,130 in the combined fund balance of Montgomery County’s three major operating funds would indicate an improvement in overall financial position. However, total fund balance is not where management desires or intends for it to be. As part of long-range planning, management has pledged to continue increasing the level of the operating funds’ fund balances until such time as they represent at least 25% of annual operating costs.
The following chart depicts expenses and program revenues for the fiscal year ending September 30, 2005 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 $71,516,966 are comprised in large part (47.4%) of public transportation’s revenues of $33,920,600 and public safety’s revenues of $15,553,165 (21.7%). The judicial function makes up 13.4% of program revenues with $9,554,220, the general administration function covers 7.1% of program revenues with $5,063,830, and the health and welfare function comprises 6.4% of program revenues with $4,581,940. The expenses of these functions account for 17.4%, 28.0%, 10.8%, 8.2%, and 4.6%, respectively. As expected, general revenues provided the required support and coverage for where expenses exceed revenues at the function level.

- The public transportation function experienced an increase in expenses of $9,117,776 while realizing an increase in revenues of $25,224,775. As mentioned earlier, the increase in expenses is the result of an aggressive effort on the part of commissioners to improve and expand roads, many of which are state-owned, located in the county. These roads, not being owned by the County, cannot be shown as capital assets in the government-wide analysis; this creates a large expense, with no corresponding asset. The increase in revenues is due in large part to earlier-mentioned donations of roads in a rapidly expanding county.

- Contributing to an increase of $10,259,018 in expenses of the public facilities function is the previously mentioned recording of jail expenses. In the past, costs of the jail (being a public building) were recorded in the public facilities function. However, the costs of the Sheriff’s personnel to run that facility were recorded in the public safety function. The County has begun recording the costs of detention officers in the same function as the cost of the detention facility for a more comprehensive analysis. In this regard, expenses of the public safety function have decreased by $3,489,929.
• The voters of the County expressed their desire for an improved, county-wide library system by approving $10,000,000 in library construction bonds in fiscal year 2003. As a result, three new libraries are being built to satisfy library needs. Increased operations have resulted in an increase of culture and recreation expense by $1,510,334.

The following chart depicts revenues of the governmental activities for the fiscal year ending on September 30, 2005.

**Revenues by Source - Governmental Activities**

GOVERNMENTAL FUND FINANCIAL ANALYSIS

As noted earlier, 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, unreserved, undesignated 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, 2005, the County’s governmental funds report combined ending unreserved, undesignated fund balances of $10,154,056, an increase of $3,781,230 in comparison with the prior year. This unreserved, undesignated fund balance is available for spending at the government’s discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed. These commitments can be to fund capital projects ($25,183,317), pay debt service ($2,142,695), reflect inventories ($80,227), and reflect prepaid items ($1,799,127). Commitments also come in the form of designations to fund encumbrances from the prior year ($164,621). On September 30, 2005, the total fund balance of the General Fund (the chief operating
fund of the County) was $9,818,012. Of that amount, $9,723,328 was available for spending at the
government’s discretion and $94,684 reflects funds that were designated for encumbrances.

Total assets in the General Fund amounted to $29,144,635, accounting for 38.6% of total governmental
fund assets. The total assets of other major funds include Road and Bridge Special Revenue Fund
($3,849,735), Debt Service Fund ($2,862,668), Capital Projects Road Bonds Series 2003A Fund
($13,537,036), and Capital Projects Road Bonds Series 2004 Fund ($9,532,217). Together, all major
funds account for $58,926,291 (78.0%) of the County’s $75,527,228 in total assets.

The fund balance of the County’s General Fund increased by $5,033,495 during the current fiscal year.
Key factors in this growth are as follows:

- The Commissioners’ Court, as part of long-range planning, had budgeted a $2,000,000 fund
  balance increase.
- An increase in the appraised value of real and personal property of $1,375,775,457, along with a
  marginal increase in the tax rate boosted ad valorem tax revenues $8,358,262.
- Significant increases in fees collected for the County Clerk, District Clerk, Justices of the Peace,
  and Constables contributed toward total fee increases of $832,271.
- The County has multiple contracts with outside entities for security services through the offices of
  the Constables. Increases in the number of contracts generated larger than expected
  reimbursements from these organizations, resulting in an increase to contract reimbursements of
  $414,317 over the past year.
- In an effort to protect the citizens of the County from potential disasters, both natural and
  terrorist, the County was awarded multiple grants from the U. S. Department of Homeland
  Security to increase preparedness in the event of a disaster. These grants significantly contributed
to an increase in federal grants and contributions of $2,750,565.

The Road and Bridge Special Revenue Fund has a total fund balance of $920,739 which is reported as
$80,227 reserved for inventory, $68,022 unreserved, designated for encumbrances and $772,490
unreserved, undesignated. The unreserved, undesignated portion of the fund balance increased $371,958
during the current year due to decreases in the liabilities of the fund.

The Debt Service Fund has a total fund balance of $2,142,695, all of which is reserved for the repayment
of debt. Forecasting for the fiscal year included an anticipated refunding of debt, which took advantage
of lower interest rates and realize an economic gain of $1,788,905.

The Capital Projects Road Bonds Series 2003A Fund has a total fund balance of $10,645,777, all of
which is reserved for capital projects. This fund balance decreased during the current year by $6,721,355
due in large part to capital project expenditures of $4,590,081.

The entire $8,977,316 fund balance of the Capital Projects Road Bonds Series 2004 Fund is reserved for
capital projects. The fund balance decreased $1,060,330 from the prior year, primarily due to capital
project expenditures of $1,250,596.

GENERAL FUND BUDGETARY HIGHLIGHTS

The published budget of Montgomery County is prepared on a modified accrual basis, and includes all
elements required by Texas Local Government Code Section 111.063, applicable to counties of
population more than 125,000 that have appointed a County Budget Officer. The original adopted budget
of the General Fund includes revenues of $87,598,418 and expenditures of $78,128,937. The General
Fund’s final amended budget contains revenues of $103,218,573 and expenditures of $99,164,871.
The following table presents the changes between the original adopted budget and the final budget, as amended, for the General Fund as of September 30, 2005.

### General Fund

**Budget Variances**

**Year Ended September 30, 2005**

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Variance with Original Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxes</strong></td>
<td>$ 72,775,112</td>
<td>$ 74,441,579</td>
<td>$ 1,666,467</td>
</tr>
<tr>
<td><strong>Licenses and Permits</strong></td>
<td>1,125,955</td>
<td>1,206,709</td>
<td>80,754</td>
</tr>
<tr>
<td><strong>Fees</strong></td>
<td>9,120,238</td>
<td>10,368,553</td>
<td>1,248,315</td>
</tr>
<tr>
<td><strong>Intergovernmental</strong></td>
<td>125,000</td>
<td>6,437,599</td>
<td>6,312,599</td>
</tr>
<tr>
<td><strong>Charges for Services</strong></td>
<td>130,000</td>
<td>184,000</td>
<td>54,000</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>280,845</td>
<td>830,845</td>
<td>550,000</td>
</tr>
<tr>
<td><strong>Contract Reimbursements</strong></td>
<td>3,105,768</td>
<td>8,071,288</td>
<td>4,965,520</td>
</tr>
<tr>
<td><strong>Inmate Housing</strong></td>
<td>160,000</td>
<td>160,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fines and Forfeitures</strong></td>
<td>96,000</td>
<td>96,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>679,500</td>
<td>1,422,000</td>
<td>742,500</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 87,598,418</td>
<td>$ 103,218,573</td>
<td>$ 15,620,155</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Administration</strong></td>
<td>11,895,776</td>
<td>14,041,310</td>
<td>(2,145,534)</td>
</tr>
<tr>
<td><strong>Judicial</strong></td>
<td>9,220,142</td>
<td>9,368,054</td>
<td>(147,912)</td>
</tr>
<tr>
<td><strong>Legal Services</strong></td>
<td>1,501,030</td>
<td>1,530,463</td>
<td>(29,433)</td>
</tr>
<tr>
<td><strong>Elections</strong></td>
<td>540,790</td>
<td>2,753,318</td>
<td>(2,212,528)</td>
</tr>
<tr>
<td><strong>Financial Administration</strong></td>
<td>4,355,131</td>
<td>4,489,714</td>
<td>(134,583)</td>
</tr>
<tr>
<td><strong>Public Facilities</strong></td>
<td>14,837,964</td>
<td>16,005,898</td>
<td>(1,167,934)</td>
</tr>
<tr>
<td><strong>Public Safety</strong></td>
<td>27,671,054</td>
<td>39,159,316</td>
<td>(11,488,262)</td>
</tr>
<tr>
<td><strong>Health and Welfare</strong></td>
<td>2,964,618</td>
<td>4,621,526</td>
<td>(1,656,908)</td>
</tr>
<tr>
<td><strong>Conservation</strong></td>
<td>377,532</td>
<td>402,365</td>
<td>(24,833)</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>4,764,900</td>
<td>6,792,907</td>
<td>(2,028,007)</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>78,128,937</td>
<td>99,164,871</td>
<td>(21,035,934)</td>
</tr>
</tbody>
</table>

| Excess Revenues Over Expenditures      | 9,469,481       | 4,053,702    | (5,415,779)                    |

<table>
<thead>
<tr>
<th>Other Financing Sources/(Uses):</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transfers In</strong></td>
<td>-</td>
<td>1,265,269</td>
<td>1,265,269</td>
</tr>
<tr>
<td><strong>Transfers Out</strong></td>
<td>-</td>
<td>(548,282)</td>
<td>(548,282)</td>
</tr>
<tr>
<td><strong>Capital Lease Financing</strong></td>
<td>-</td>
<td>1,264,452</td>
<td>1,264,452</td>
</tr>
<tr>
<td><strong>Total Other Financing Sources/(Uses)</strong></td>
<td>-</td>
<td>1,981,439</td>
<td>1,981,439</td>
</tr>
</tbody>
</table>

| Net Change in Fund Balances            | 9,469,481       | 6,035,141    | (3,434,340)                    |

| Fund Balance - Beginning               | 4,784,517       | 4,784,517    | -                              |

| Fund Balance - Ending                  | $ 14,253,998    | $ 10,819,658 | $ (3,434,340)                  |

Final budgeted revenues were higher than originally planned by $15,620,155. The final amended budget for taxes increased $1,666,467 over the original budget due to an aggressive collection effort, which resulted in higher than originally expected collections of current and delinquent taxes, along with the penalties and interest associated with those delinquent taxes. The final amended budget for fees was higher than the original budget by $1,248,315 principally due to increases approved by the state legislature. Intergovernmental revenue has $6,312,599 more in the final budget than in the original budget. This increase is largely due to the anticipated receipt of several federal and state grants during the year that were not foreseen at the time the original budget was drafted.

The final budget for contract reimbursements is $4,965,520 more than the original budget. The increase in the anticipated revenue was primarily due to a $4,611,200 budgeted contract reimbursement for the
Community Supervision and Corrections Department’s participation in the employee benefit plan. During the original budget process, Commissioners’ Court does not budget for funds that are not at the discretion of the County to spend. Since this contract reimbursement is earmarked for specific purposes, it is not included in the original budget. 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.

The originally unanticipated revenue partially offsets the expenditure differences of $21,035,934 between the original budget and the final amended budget. The general administration function has a final expenditure budget that is $2,145,534 higher than the original budget. This increase is due in large part to employee health coverage in the County’s self-insured benefit plan. Estimated reserves are required for self-insurance programs, which are recorded as they become available. At the time of the original budget process, these amounts were not readily identifiable.

The elections function shows an increase in the final budget over the original budget of $2,212,528. During the year, the federal government awarded a grant to the county for $1,492,188. Additionally, the County was required to match $585,695 for this grant to be awarded. The grant was to purchase electronic voting equipment, in compliance with the Help America Vote Act of 2002. This unforeseen grant was not included in the original budget, but was added to the final budget at the time of the award.

The public facilities function had a final budget $1,167,934 higher than the original budget. The cost of utilities to run county buildings is charged to the public facilities function. Higher than anticipated increases in utility services caused the county to greatly increase the budget throughout the fiscal year.

Additionally, funds that were originally scheduled in prior fiscal years were not included in the original budget for fiscal year 2005. This practice reflects the County’s policy of letting encumbrances lapse at year-end and re-appropriating them in the current year. This policy created increases in the amended budget for carryovers from the prior year in the general administration, elections, public facilities, health and welfare, public safety, and miscellaneous functions.

An $11,488,262 increase in the final budget over the original budget for expenditures in the public safety function is the result of several factors, including encumbrance carryovers as mentioned above. Included in the public safety function is the Community Supervision and Corrections Department (CSCD), which is not a County department. However, the County has entered into a contract with the CSCD that enables those employees to participate in the County’s employee benefit plan. CSCD reimburses the County 100% of the costs associated with said participation. Management believes inclusion of 100% reimbursed contracts in the original budget would unnecessarily inflate revenues and expenditures because the revenues will always be sufficient to cover the expenditures. The County has elected not to include these amounts in the budget each year.

Also contributing to the budgeted variances for the public safety function is the County’s participation in several contracts with local agencies for law enforcement services. As mentioned earlier, during the course of the fiscal year, additional interlocal agreements were created with local agencies for the performance of security services. These additional contracts created increased expenditures for the County, but also created an increase in the revenue line supporting the associated expenditure.

The health and welfare function had final budgeted expenditures $1,656,908 higher than original budget expenditures. This function includes two grants that are managed by the University of Texas Medical Branch for the County. Both grants are pass-through in nature, ultimately resulting in a corresponding revenue for the expense incurred. To prevent any increase in taxes for the constituents of the County, these expenses are not budgeted until the revenue is also budgeted, after the original budget process.
An increase in the final budget of $2,028,007 over the original budget is the result of several factors. During the original budget process, salaries and related benefits are budgeted in this function for anticipated salary increases throughout the year. As those increases are awarded, the funds are moved from the miscellaneous function to the function that relates to the position being increased. However, increasing the budget for the miscellaneous function are additional costs for the County’s self-funded benefit plan for the employees’ medical insurance.

The increase of expenditures in the final amended budget over the original budget that was not covered by the revenues increase was primarily reported as a decrease in the final amended budgeted net change in fund balances. This amount was reduced by $3,434,340.

The following table presents the differences between the final amended budget and actual expenditures for the General Fund as of September 30, 2005.

<table>
<thead>
<tr>
<th>General Fund Budget Variances</th>
<th>Year Ended September 30, 2005</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Final Budget</strong></td>
<td><strong>Actual</strong></td>
<td><strong>Variance</strong></td>
</tr>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$74,441,579</td>
<td>$74,921,693</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>1,206,709</td>
<td>1,261,058</td>
</tr>
<tr>
<td>Fees</td>
<td>10,368,553</td>
<td>10,954,243</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>6,437,599</td>
<td>4,943,706</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>184,000</td>
<td>223,454</td>
</tr>
<tr>
<td>Interest</td>
<td>830,845</td>
<td>842,272</td>
</tr>
<tr>
<td>Contract Reimbursements</td>
<td>8,071,288</td>
<td>7,898,265</td>
</tr>
<tr>
<td>Inmate Housing</td>
<td>160,000</td>
<td>50,430</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>96,000</td>
<td>208,906</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,422,000</td>
<td>1,441,802</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>103,218,573</td>
<td>102,745,829</td>
</tr>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Administration</td>
<td>14,041,310</td>
<td>11,853,571</td>
</tr>
<tr>
<td>Judicial</td>
<td>9,368,054</td>
<td>9,329,190</td>
</tr>
<tr>
<td>Legal Services</td>
<td>1,530,463</td>
<td>1,550,243</td>
</tr>
<tr>
<td>Elections</td>
<td>2,753,318</td>
<td>650,970</td>
</tr>
<tr>
<td>Financial Administration</td>
<td>4,489,714</td>
<td>4,359,609</td>
</tr>
<tr>
<td>Public Facilities</td>
<td>16,005,898</td>
<td>15,795,553</td>
</tr>
<tr>
<td>Public Safety</td>
<td>39,159,316</td>
<td>37,682,264</td>
</tr>
<tr>
<td>Health and Welfare</td>
<td>4,621,526</td>
<td>4,468,792</td>
</tr>
<tr>
<td>Conservation</td>
<td>402,365</td>
<td>400,034</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>6,792,907</td>
<td>4,519,314</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>99,164,871</td>
<td>90,609,540</td>
</tr>
<tr>
<td><strong>Excess Revenues Over Expenditures</strong></td>
<td>4,053,702</td>
<td>12,136,289</td>
</tr>
<tr>
<td><strong>Other Financing Sources/(Uses):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>1,265,269</td>
<td>2,394,165</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(548,282)</td>
<td>(10,761,411)</td>
</tr>
<tr>
<td>Capital Lease Financing</td>
<td>1,264,452</td>
<td>1,264,452</td>
</tr>
<tr>
<td><strong>Total Other Financing Sources/(Uses)</strong></td>
<td>1,981,439</td>
<td>(7,102,794)</td>
</tr>
<tr>
<td><strong>Net Change in Fund Balances</strong></td>
<td>6,035,141</td>
<td>5,033,495</td>
</tr>
<tr>
<td><strong>Fund Balance - Beginning</strong></td>
<td>4,784,517</td>
<td>4,784,517</td>
</tr>
<tr>
<td><strong>Fund Balance - Ending</strong></td>
<td>$10,819,658</td>
<td>$9,818,012</td>
</tr>
</tbody>
</table>

Final budgeted revenues exceeded actual by $472,744. Of that amount, $1,493,893 represents intergovernmental revenues. As discussed earlier, the federal funds were awarded to the county for $1,492,188...
to purchase electronic voting equipment. The grant was awarded during the current fiscal year, but the funds were not received. The budget was amended at the time of the grant award, creating this variance.

Actual expenditures were $8,555,331 lower than final budgeted expenditures. The general administration function contributed $2,187,739 toward that amount. The risk management department of the county is charged with recording costs of insurance claims and settlements. During the fiscal year, costs of those claims were significantly lower than had been anticipated at the time of the budget process.

The elections function shows $2,102,348 less in expenditures than was budgeted. As previously discussed, the federal government awarded a grant to assist the county in complying with the Help America Vote Act of 2002. The grant was awarded, but not received in the current fiscal year. Additionally, the funds were budgeted for expenditure at the time of award, and not expended during the current fiscal year.

In the public safety function of the General Fund, most departments expended less than was approved in the final amended budget. The Sheriff’s department received approval from Commissioners’ Court early in the fiscal year to lease-purchase 60 new police vehicles. This younger fleet, which was purchased using capital lease financing, enabled the Sheriff’s department to save a large amount of funds on repairs of outdated vehicles.

The miscellaneous function showed actual expenditures being less than the final budget by $2,273,593. As mentioned in the original to final budget comparisons, this is due in large part to the funding of anticipated salary increases. At the time an increase is approved, the funds are transferred to the appropriate department or function. Therefore, actual expenditures in the miscellaneous function were far less than originally budgeted.

The actual net change in fund balance was $1,001,646 less than anticipated with the final budget. This is the result of transfers to other funds. The Jury Special Revenue Fund received $4,284,195 more than shown in the final budget, and the Memorial Library Special Revenue Fund received $5,704,000 more than was budgeted. In both of these funds, the emphasis is on providing a service. In the case of the Jury Special Revenue Fund, that service is in the form of a court system. The Memorial Library Special Revenue Fund’s emphasis is on culture and recreation. Neither fund is 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 those funds every year. Transfers in and out simply provide a mechanism to move funds from one self-balancing set of accounts (a fund) to another self-balancing set of accounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Montgomery County’s investment in capital assets for its governmental activities as of September 30, 2005 amounts to $181,943,540 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. It includes investments in infrastructure projects that were purchased or completed only during the fiscal years ending after September 30, 2002 (since the implementation of GASB 34). Major capital asset events during the current fiscal year included the following:

- Purchases in the buildings category of $2,414,954 included the purchase and partial renovation of the Pennzoil Building in The Woodlands to be utilized as both a courts and a public safety building. It will replace a building the county currently occupies that is outdated.
• Vehicles, vehicle modifications, and other various equipment items were purchased at a cost of $5,244,906. Sixty police vehicles for the Sheriff’s Department were included in this category at a cost of $1,100,000.

• A variety of projects for both new infrastructure construction and for expansion or updating of existing infrastructure were ongoing during the year. Infrastructure projects begun and completed in 2005 amounted to $4,983,115.

• Montgomery County is the 29th most rapidly expanding county in the United States. This brisk growth brings with it a need for vast improvements to a rural infrastructure system. Development frequently comes with donations in the form of roads. Infrastructure donations for the year totaled $24,744,508.

• Four acres of land, valued at $696,960, were donated for the construction of a new library in the southern part of the county.

• Projects that were capitalized from ongoing construction throughout the year, including a gun range and the above-referenced library totaled $3,429,484. Additional expenditures of $6,350,700 were incurred for construction that was in progress throughout the year.

• Increases in assets were offset by depreciation expense of $10,283,375.

Montgomery County, Texas
Capital Assets
(net of depreciation)
September 30, 2005
with Comparative Totals for September 30, 2004

<table>
<thead>
<tr>
<th>Value of Capital Asset Net of Accumulated Depreciation</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2005</td>
<td>FY 2004</td>
</tr>
<tr>
<td>Land</td>
<td>$ 7,398,715</td>
</tr>
<tr>
<td>Buildings</td>
<td>79,843,362</td>
</tr>
<tr>
<td>Improvements</td>
<td>3,037,832</td>
</tr>
<tr>
<td>Equipment</td>
<td>15,858,537</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>71,515,920</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>4,289,174</td>
</tr>
<tr>
<td>Total</td>
<td>$181,943,540</td>
</tr>
</tbody>
</table>

The County is committed to several capital projects that have either been completed during the current fiscal year, or will be completed in the near future.

In a continued effort to improve services to citizens in the form of a Memorial Library System, the County has been constructing three new library facilities. By September 30, 2005, $2,463,302, $1,731,060, and $3,479,944 had been spent on libraries in the eastern, western, and southern areas of the County, respectively. The library in the southern area of the county has been completed, and was opened July 6, 2005. It was named the George and Cynthia Woods-Mitchell Library in honor of the founders of The Woodlands, where it was built.

The County has committed to multiple road construction projects in fiscal year 2006. In 2005, the voters of Montgomery County approved $160,000,000 in road bonds to fund road improvements throughout the county. These bonds will be issued in phases to fund road construction as the need arises. The County will use approximately $100,000,000 to improve state-owned roads as part of the “pass-through toll” projects. The balance will be reserved for county road improvements.

Additional information on the County’s capital assets can be found in Note 7 on page 55 of this report.

1 http://ask.census.gov
**Long-Term Debt**

At September 30, 2005, Montgomery County had total bonded debt outstanding of $155,042,674 (inclusive of the accreted portion of various capital appreciation bonds). Commissioners’ Court continues to keep maturity dates confined to no more than 22 years. The County maintains “Aaa” and “AAA” ratings from Moody’s Investors Service, Inc. and Standard and Poor’s Corporation, respectively, by purchasing additional insurance on each outstanding bond issue.

The County issues two types of debt; general obligation bonds are approved by the voters of the County and certificates of obligation are approved by Commissioners’ Court. Of the County’s total debt, $122,050,678 corresponds to general obligation debt and $25,860,000 represents certificates of obligation. Montgomery County’s total bonded debt had a net decrease of $4,587,847 during 2005. The following table represents the entire long-term debt of the County at September 30.

| Montgomery County, Texas Governmental Activities Outstanding Long-Term Debt |
|-----------------------------|-----------------------------|
|                             | FY 2005                    | FY 2004                    |
| General obligation bonds    | $122,050,678                | $97,515,414                |
| Certificates of obligation  | 25,860,000                  | 54,270,000                 |
| Accreted interest           | 7,131,996                   | 7,845,107                  |
| Capital Leases              | 1,403,363                   | 1,790,377                  |
| Premiums, net of discounts  | 4,745,570                   | 1,076,250                  |
| Compensated absences        | 5,212,724                   | 4,221,760                  |
| Total                       | $166,404,331                | $166,718,908               |

Debt activity in 2005 includes an issue of $45,850,000 in refunding bonds. This issue refunded six series of general obligation bonds and certificates of obligation and resulted in a net economic gain of $1,788,905. The County retired $3,672,847 in debt through scheduled principal payments made during the year.

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 $3,993,676,763, which is significantly in excess of the County’s outstanding debt obligation, despite the increases in debt issuance during 2005.

Additional information on Montgomery County’s long-term debt can be found in Note 9 on page 56 of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

- The unemployment rate for the County is currently 4.5%, which is a decrease from a rate of 4.7% a year ago. This compares favorably to the State’s average unemployment rate of 5.3% and the national average rate of 5.0%.

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• The addition of more than 142 new positions over the current and upcoming fiscal years resulted in an increase of $4,010,285 for providing employee and family health benefits.
• Commissioners’ Court approved allocating a 3.0% merit pool for most County positions, budgeting existing positions to at least 90% of the mid-point of salary ranges for each employee class, and significant increases in department head salaries at a total cost of $3,078,427.
• Rising fuel costs associated with the aftermath of Hurricanes Katrina and Rita prompted the Commissioners’ Court to increase employee auto allowances by 25%, resulting in an additional cost of $425,638. The Commissioners’ Court also doubled the fuel budget for vehicles in the Sheriff’s fleet, resulting in an increase of $275,000.
• Funding for new positions to staff the County Jail and the expanded library system, are anticipated at $3,557,373.
• Commissioners’ Court has made a commitment to increase the County’s fund balance by $2,000,000 during the next fiscal year, as well as increase the fund balance by at least $2,000,000 in subsequent years. This commitment is intended to provide the County with a strong equity base.

All of these factors were considered in preparing the Adopted Budget of Montgomery County, Texas for the fiscal year ending September 30, 2006.

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.
BASIC FINANCIAL STATEMENTS
ASSETS:

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>6,279,209</td>
</tr>
<tr>
<td>Investments, at Fair Value</td>
<td>41,955,765</td>
</tr>
<tr>
<td>Cash, Restricted for Retainage</td>
<td>316,290</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
</tr>
<tr>
<td>Taxes (net)</td>
<td>5,923,038</td>
</tr>
<tr>
<td>Accounts (net)</td>
<td>11,367,077</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>29,501</td>
</tr>
<tr>
<td>Due from Other Governments</td>
<td>3,906,436</td>
</tr>
<tr>
<td>Inventory, at Cost</td>
<td>80,227</td>
</tr>
<tr>
<td>Deferred Charges</td>
<td>5,785,606</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>1,799,127</td>
</tr>
<tr>
<td>Capital Assets, net of accumulated depreciation</td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>7,398,715</td>
</tr>
<tr>
<td>Buildings</td>
<td>79,843,362</td>
</tr>
<tr>
<td>Improvements</td>
<td>3,037,832</td>
</tr>
<tr>
<td>Equipment</td>
<td>15,858,537</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>71,515,920</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td></td>
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<tr>
<td>Total Assets</td>
<td>259,385,816</td>
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LIABILITIES:

<table>
<thead>
<tr>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
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<tr>
<td>Retainage Payable</td>
</tr>
<tr>
<td>Accrued Interest Payable</td>
</tr>
<tr>
<td>Due to Other Governments</td>
</tr>
<tr>
<td>Unearned Revenue</td>
</tr>
<tr>
<td>Noncurrent Liabilities:</td>
</tr>
<tr>
<td>Due within one year</td>
</tr>
<tr>
<td>Due in more than one year</td>
</tr>
<tr>
<td>Total Liabilities</td>
</tr>
</tbody>
</table>

NET ASSETS:

<table>
<thead>
<tr>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in Capital Assets, net of related debt</td>
</tr>
<tr>
<td>Restricted for:</td>
</tr>
<tr>
<td>Capital Projects</td>
</tr>
<tr>
<td>Debt Service</td>
</tr>
<tr>
<td>Unrestricted</td>
</tr>
<tr>
<td>Total Net Assets</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
## MONTGOMERY COUNTY, TEXAS

### Statement of Activities

#### Year Ended September 30, 2005

**EXHIBIT II**

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Fees, Fines, Forfeitures, and Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Capital Grants and Contributions</th>
<th>Net (Expense) Revenue and Changes in Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Administration</td>
<td>$11,228,147</td>
<td>$5,063,830</td>
<td>$</td>
<td>$</td>
<td>$(6,164,317)</td>
</tr>
<tr>
<td>Judicial</td>
<td>14,787,696</td>
<td>9,276,673</td>
<td>277,547</td>
<td>-</td>
<td>$(5,233,476)</td>
</tr>
<tr>
<td>Legal Services</td>
<td>1,823,681</td>
<td>399,053</td>
<td>-</td>
<td>-</td>
<td>$(1,424,628)</td>
</tr>
<tr>
<td>Elections</td>
<td>460,869</td>
<td>1,548</td>
<td>67,005</td>
<td>8,247</td>
<td>$(384,069)</td>
</tr>
<tr>
<td>Financial Administration</td>
<td>4,398,998</td>
<td>1,167,804</td>
<td>-</td>
<td>-</td>
<td>$(3,231,194)</td>
</tr>
<tr>
<td>Public Facilities</td>
<td>16,611,013</td>
<td>567,862</td>
<td>-</td>
<td>-</td>
<td>$(16,043,151)</td>
</tr>
<tr>
<td>Public Safety</td>
<td>38,293,859</td>
<td>10,794,828</td>
<td>3,911,237</td>
<td>847,100</td>
<td>$(22,740,694)</td>
</tr>
<tr>
<td>Health and Welfare</td>
<td>6,253,621</td>
<td>1,058,085</td>
<td>3,523,855</td>
<td>-</td>
<td>$(1,671,681)</td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>6,257,162</td>
<td>230,775</td>
<td>256,256</td>
<td>-</td>
<td>$(5,770,131)</td>
</tr>
<tr>
<td>Conservation</td>
<td>721,238</td>
<td>-</td>
<td>12,818</td>
<td>131,843</td>
<td>$(576,577)</td>
</tr>
<tr>
<td>Public Transportation</td>
<td>23,780,503</td>
<td>7,382,918</td>
<td>189,779</td>
<td>26,347,903</td>
<td>10,140,097</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,519,314</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(4,519,314)</td>
</tr>
<tr>
<td>Debt Service Interest and Fiscal Charges</td>
<td>7,464,112</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(7,464,112)</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>$136,600,213</td>
<td>$35,943,376</td>
<td>$8,238,497</td>
<td>$27,335,093</td>
<td>$(65,083,247)</td>
</tr>
</tbody>
</table>

**General Revenues:**

- Property Taxes: 95,927,528
- Other Taxes: 175,724
- Mixed Beverage Taxes: 770,620
- Bingo Taxes: 131,336
- Insurance Reimbursements: 121,392
- Unrestricted Investment Earnings: 2,007,229
- Gain on Sale of Capital Assets: 655,112

**Total General Revenues:** 99,788,941

**Change in Net Assets:** 34,705,694

**Net Assets - Beginning:** 40,868,777

**Net Assets - Ending:** $75,574,471

See accompanying notes to the financial statements.
### MONTGOMERY COUNTY, TEXAS

#### Balance Sheet

**Governmental Funds**

**September 30, 2005**

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>General</th>
<th>Road and Bridge</th>
<th>Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$891,840</td>
<td>$253,819</td>
<td>$3,192</td>
</tr>
<tr>
<td>Investments, at Fair Value</td>
<td>15,610,122</td>
<td>2,409,350</td>
<td>872,636</td>
</tr>
<tr>
<td>Cash, Restricted for Retainage</td>
<td>-</td>
<td>2,479</td>
<td>-</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes (net)</td>
<td>4,535,562</td>
<td>628,744</td>
<td>758,732</td>
</tr>
<tr>
<td>Accounts (net)</td>
<td>1,576,423</td>
<td>12,240</td>
<td>-</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>-</td>
<td>9,064</td>
<td>1,930</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>4,051,446</td>
<td>188,120</td>
<td>1,226,178</td>
</tr>
<tr>
<td>Due from Other Governments</td>
<td>2,479,242</td>
<td>265,692</td>
<td>-</td>
</tr>
<tr>
<td>Inventory, at Cost</td>
<td>-</td>
<td>80,227</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$29,144,635</td>
<td>$3,849,735</td>
<td>$2,862,668</td>
</tr>
</tbody>
</table>

| LIABILITIES AND FUND BALANCES: | | | |
| Liabilities: | | | |
| Accounts Payable | $8,287,338 | $727,698 | $- |
| Retainage Payable | - | 2,479 | - |
| Due to Other Funds | 4,969,042 | 1,513,339 | - |
| Due to Other Governments | 1,636,946 | 54,252 | - |
| Deferred Revenue | 4,433,297 | 631,228 | 719,973 |
| **Total liabilities** | 19,326,623 | 2,928,996 | 719,973 |
| Fund Balances: | | | |
| Reserved for: | | | |
| Prepaid Items | - | - | - |
| Capital Projects | - | - | - |
| Inventory | - | 80,227 | - |
| Debt Service | - | - | 2,142,695 |
| Unreserved, designated for: | | | |
| Encumbrances | 94,684 | 68,022 | - |
| Unreserved, undesignated, reported in: | | | |
| General Fund | 9,723,328 | - | - |
| Special Revenue Funds | - | 772,490 | - |
| **Total Fund Balances** | 9,818,012 | 920,739 | 2,142,695 |

**TOTAL LIABILITIES AND FUND BALANCES** | $29,144,635 | $3,849,735 | $2,862,668 |

See accompanying notes to the financial statements.
<table>
<thead>
<tr>
<th>Road Bonds Series 2003A</th>
<th>Road Bonds Series 2004</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,487,948</td>
<td>$2,351,536</td>
<td>$1,290,874</td>
<td>$6,279,209</td>
</tr>
<tr>
<td>12,000,194</td>
<td>4,824,323</td>
<td>6,239,140</td>
<td>41,955,765</td>
</tr>
<tr>
<td>16,914</td>
<td>-</td>
<td>296,897</td>
<td>316,290</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td></td>
<td>5,923,038</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>43,900</td>
<td>1,632,563</td>
</tr>
<tr>
<td>6,150</td>
<td>3,993</td>
<td>8,364</td>
<td>29,501</td>
</tr>
<tr>
<td>-</td>
<td>2,352,365</td>
<td>5,786,963</td>
<td>13,605,072</td>
</tr>
<tr>
<td>25,830</td>
<td>-</td>
<td>1,135,672</td>
<td>3,906,436</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>1,799,127</td>
<td>1,799,127</td>
</tr>
<tr>
<td>$13,537,036</td>
<td>$9,532,217</td>
<td>$16,600,937</td>
<td>$75,527,228</td>
</tr>
</tbody>
</table>

| $680,776               | $321,597               | $2,616,739               | $12,634,148              |
| 16,914                 | -                      | 305,210                  | 324,603                  |
| 2,193,569              | 233,304                | 4,695,818                | 13,605,072               |
| -                      | -                      | 224                      | 1,691,422                |
| -                      | -                      | 1,963,442                | 7,747,940                |
| 2,891,259              | 554,901                | 9,581,433                | 36,003,185               |
| -                      | -                      | 1,799,127                | 1,799,127                |
| 10,645,777             | 8,977,316              | 5,560,224                | 25,183,317               |
| -                      | -                      | 80,227                   |                          |
| -                      | -                      |                          | 2,142,695                |
| -                      | -                      | 1,915                    | 164,621                  |
| -                      | -                      |                          | 9,723,328                |
| -                      | -                      | (341,762)                | 430,728                  |
| 10,645,777             | 8,977,316              | 7,019,504                | 39,524,043               |
| $13,537,036            | $9,532,217             | $16,600,937              | $75,527,228              |
Total fund balances - governmental funds (page 31) $ 39,524,043

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

Bond issuance costs are expenditures in the funds but are amortized over the life of the bonds in government-wide statements. 5,785,606

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 7,398,715
- Buildings 79,843,362
- Improvements 3,037,832
- Equipment 15,858,537
- Infrastructure 71,515,920
- Construction in Progress 4,289,174

Total Capital Assets 181,943,540

Other long term assets that were not available to pay for current-period expenditures were deferred in the funds. These assets consist of fines and fees receivable, net of allowance. 9,734,516

Property taxes earned that are not available to pay for current-period expenditures are deferred in the funds. 5,696,712

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

- Interest payable (705,616)
- Bonds and capital leases payable (161,191,606)
- Compensated absences (5,212,724)

Total future period liabilities (167,109,946)

Net assets of governmental activities $ 75,574,471

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, 2005

<table>
<thead>
<tr>
<th>EXHIBIT IV</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>REVENUES:</th>
<th>General</th>
<th>Road and Bridge</th>
<th>Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$74,921,693</td>
<td>$10,272,809</td>
<td>$11,687,384</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>1,261,058</td>
<td>5,751,640</td>
<td>-</td>
</tr>
<tr>
<td>Fees</td>
<td>10,954,243</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>4,943,706</td>
<td>442,529</td>
<td>-</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>223,454</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>842,272</td>
<td>68,597</td>
<td>318,995</td>
</tr>
<tr>
<td>Contract Reimbursements</td>
<td>7,898,265</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inmate Housing</td>
<td>50,430</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>208,906</td>
<td>1,177,420</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,441,802</td>
<td>496,845</td>
<td>-</td>
</tr>
</tbody>
</table>

**TOTAL REVENUES**

<table>
<thead>
<tr>
<th>General</th>
<th>Road and Bridge</th>
<th>Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$102,745,829</td>
<td>$18,209,840</td>
<td>$12,006,379</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Current:</th>
</tr>
</thead>
</table>

| General Administration | 11,853,571 | - | - |
| Judicial | 9,329,190 | - | - |
| Legal Services | 1,550,243 | - | - |
| Elections | 650,970 | - | - |
| Financial Administration | 4,359,609 | - | - |
| Public Facilities | 15,795,553 | - | - |
| Public Safety | 37,682,264 | - | - |
| Health and Welfare | 4,468,792 | - | - |
| Culture and Recreation | - | - | - |
| Conservation | 400,034 | 307,650 | - |
| Public Transportation | - | 16,301,229 | - |
| Miscellaneous | 4,519,314 | - | - |
| Capital Projects | - | - | - |
| Debt Service: |
| Principal Retirement | - | - | 3,034,930 |
| Interest and Fiscal Charges | - | - | 8,087,980 |
| Issuance Costs | - | - | 618,647 |

**TOTAL EXPENDITURES**

<table>
<thead>
<tr>
<th>General</th>
<th>Road and Bridge</th>
<th>Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$90,609,540</td>
<td>$16,608,879</td>
<td>$11,741,557</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Excess (Deficiency) Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over Expenditures</td>
</tr>
</tbody>
</table>

**OTHER FINANCING SOURCES/(USES):**

| Transfers In | 2,394,165 | 131,302 | - |
| Transfers Out | (10,761,411) | (1,289,064) | - |
| Capital Lease Financing | 1,264,452 | - | - |
| Proceeds of Refunding Bonds | - | - | 45,850,000 |
| Premium on Refunding Bonds | - | - | 3,772,220 |
| Payment to Refunded Bond Escrow Agent | - | - | (49,904,606) |

**TOTAL OTHER FINANCING SOURCES/(USES):**

<table>
<thead>
<tr>
<th>General</th>
<th>Road and Bridge</th>
<th>Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>(7,102,794)</td>
<td>(1,157,762)</td>
<td>(282,386)</td>
</tr>
</tbody>
</table>

| Net Change in Fund Balance | 5,033,495 | 443,199 | (17,564) |
| Fund Balances at Beginning of Year | 4,784,517 | 477,540 | 2,160,259 |

**FUND BALANCES AT END OF YEAR**

<table>
<thead>
<tr>
<th>General</th>
<th>Road and Bridge</th>
<th>Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9,818,012</td>
<td>$920,739</td>
<td>$2,142,695</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
<table>
<thead>
<tr>
<th>Road Bonds Series 2003A</th>
<th>Road Bonds Series 2004</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>77,426</td>
<td>7,090,124</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>291,010</td>
<td>11,245,253</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>4,367,415</td>
<td>9,753,650</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>985,150</td>
<td>1,208,604</td>
</tr>
<tr>
<td>332,022</td>
<td>196,946</td>
<td>248,393</td>
<td>2,007,225</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>127,838</td>
<td>8,026,103</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>951,851</td>
<td>2,338,177</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>539,166</td>
<td>2,477,813</td>
</tr>
<tr>
<td>332,022</td>
<td>196,946</td>
<td>7,588,249</td>
<td>141,079,265</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>102,903</td>
<td>11,956,474</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>5,204,608</td>
<td>14,533,798</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>270,554</td>
<td>1,820,797</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>650,970</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,359,609</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,795,553</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>2,308,455</td>
<td>39,990,719</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>2,510,329</td>
<td>6,979,121</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>6,102,610</td>
<td>6,102,610</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>707,684</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>556,189</td>
<td>16,857,418</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,519,314</td>
</tr>
<tr>
<td>4,590,081</td>
<td>1,250,596</td>
<td>10,251,379</td>
<td>16,092,056</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,034,930</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,087,980</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>618,647</td>
</tr>
<tr>
<td>4,590,081</td>
<td>1,250,596</td>
<td>27,307,027</td>
<td>152,107,680</td>
</tr>
<tr>
<td>(4,258,059)</td>
<td>(1,053,650)</td>
<td>(19,718,778)</td>
<td>(11,028,415)</td>
</tr>
<tr>
<td>-</td>
<td>226,624</td>
<td>13,572,090</td>
<td>16,324,181</td>
</tr>
<tr>
<td>(2,463,296)</td>
<td>(233,304)</td>
<td>(1,577,106)</td>
<td>(16,324,181)</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,264,452</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>45,850,000</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,772,220</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(49,904,606)</td>
</tr>
<tr>
<td>(2,463,296)</td>
<td>(6,680)</td>
<td>11,994,984</td>
<td>982,066</td>
</tr>
<tr>
<td>(6,721,355)</td>
<td>(1,060,330)</td>
<td>(7,723,794)</td>
<td>(10,046,349)</td>
</tr>
<tr>
<td>17,367,132</td>
<td>10,037,646</td>
<td>14,743,298</td>
<td>49,570,392</td>
</tr>
<tr>
<td>$ 10,645,777</td>
<td>$ 8,977,316</td>
<td>$ 7,019,504</td>
<td>$ 39,524,043</td>
</tr>
</tbody>
</table>
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, 2005

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

Net change in fund balances - total governmental funds (page 35) $ (10,046,349)

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. 10,493,997

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, seizures, and donations) is to increase net assets. 26,264,683

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 3,961,959

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. 4,960,894

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. (929,490)

Change in net assets of governmental activities (page 29) $ 34,705,694

See accompanying notes to the financial statements.
## REVENUES:

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxes</strong></td>
<td>$72,775,112</td>
<td>$74,441,579</td>
<td>$74,921,693</td>
<td>$480,114</td>
</tr>
<tr>
<td><strong>Licenses and Permits</strong></td>
<td>1,125,955</td>
<td>1,261,058</td>
<td>1,261,058</td>
<td>54,349</td>
</tr>
<tr>
<td><strong>Fees</strong></td>
<td>9,120,238</td>
<td>10,954,243</td>
<td>10,954,243</td>
<td>585,690</td>
</tr>
<tr>
<td><strong>Intergovernmental</strong></td>
<td>125,000</td>
<td>4,943,706</td>
<td>4,943,706</td>
<td>(1,493,893)</td>
</tr>
<tr>
<td><strong>Charges for Services</strong></td>
<td>130,000</td>
<td>223,454</td>
<td>223,454</td>
<td>39,454</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>280,845</td>
<td>842,272</td>
<td>842,272</td>
<td>11,427</td>
</tr>
<tr>
<td><strong>Contract Reimbursements</strong></td>
<td>3,105,768</td>
<td>7,898,265</td>
<td>7,898,265</td>
<td>(1,493,893)</td>
</tr>
<tr>
<td><strong>Inmate Housing</strong></td>
<td>260,000</td>
<td>160,000</td>
<td>160,000</td>
<td>(109,570)</td>
</tr>
<tr>
<td><strong>Fines and Forfeitures</strong></td>
<td>96,000</td>
<td>208,906</td>
<td>208,906</td>
<td>112,906</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>679,500</td>
<td>1,441,802</td>
<td>1,441,802</td>
<td>19,802</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>87,598,418</td>
<td>102,745,829</td>
<td>102,745,829</td>
<td>(472,744)</td>
</tr>
</tbody>
</table>

## EXPENDITURES:

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Administration</strong></td>
<td>11,895,776</td>
<td>11,853,571</td>
<td>11,853,571</td>
<td>2,187,739</td>
</tr>
<tr>
<td><strong>Judicial</strong></td>
<td>9,220,142</td>
<td>9,329,190</td>
<td>9,329,190</td>
<td>38,664</td>
</tr>
<tr>
<td><strong>Legal Services</strong></td>
<td>1,501,030</td>
<td>1,550,243</td>
<td>1,550,243</td>
<td>(19,780)</td>
</tr>
<tr>
<td><strong>Elections</strong></td>
<td>540,790</td>
<td>650,970</td>
<td>650,970</td>
<td>2,102,348</td>
</tr>
<tr>
<td><strong>Financial Administration</strong></td>
<td>4,355,131</td>
<td>4,359,609</td>
<td>4,359,609</td>
<td>130,105</td>
</tr>
<tr>
<td><strong>Public Facilities</strong></td>
<td>14,837,964</td>
<td>15,795,553</td>
<td>15,795,553</td>
<td>210,345</td>
</tr>
<tr>
<td><strong>Public Safety</strong></td>
<td>27,671,054</td>
<td>37,682,264</td>
<td>37,682,264</td>
<td>1,477,052</td>
</tr>
<tr>
<td><strong>Health and Welfare</strong></td>
<td>2,964,618</td>
<td>4,468,792</td>
<td>4,468,792</td>
<td>152,734</td>
</tr>
<tr>
<td><strong>Conservation</strong></td>
<td>377,532</td>
<td>400,034</td>
<td>400,034</td>
<td>2,331</td>
</tr>
<tr>
<td><strong>Public Transportation</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>4,764,900</td>
<td>4,519,314</td>
<td>4,519,314</td>
<td>2,273,593</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>78,128,937</td>
<td>90,609,540</td>
<td>90,609,540</td>
<td>8,555,331</td>
</tr>
</tbody>
</table>

Excess (Deficiency) Revenues Over Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9,469,481</strong></td>
<td>4,053,702</td>
<td>12,136,289</td>
<td>8,082,587</td>
</tr>
</tbody>
</table>

## OTHER FINANCING SOURCES/(USES):

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transfers In</strong></td>
<td>-</td>
<td>2,394,165</td>
<td>1,128,896</td>
</tr>
<tr>
<td><strong>Transfers Out</strong></td>
<td>-</td>
<td>(10,761,411)</td>
<td>(10,213,129)</td>
</tr>
<tr>
<td><strong>Capital Lease Financing</strong></td>
<td>-</td>
<td>1,264,452</td>
<td>1,264,452</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES/(USES)</strong></td>
<td>-</td>
<td>(7,102,794)</td>
<td>(9,084,233)</td>
</tr>
</tbody>
</table>

Net Changes in Fund Balances

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9,469,481</strong></td>
<td>6,035,141</td>
<td>5,033,495</td>
<td>(1,001,646)</td>
</tr>
</tbody>
</table>

Fund Balances at Beginning of Year

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4,784,517</strong></td>
<td>4,784,517</td>
<td>4,784,517</td>
<td>-</td>
</tr>
</tbody>
</table>

**FUND BALANCES AT END OF YEAR**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>14,253,998</strong></td>
<td>10,819,658</td>
<td>9,818,012</td>
<td>(1,001,646)</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
### Road and Bridge Fund

<table>
<thead>
<tr>
<th>REVENUES:</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$10,257,900</td>
<td>$10,257,900</td>
<td>$10,272,809</td>
<td>$14,909</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>5,765,100</td>
<td>5,274,100</td>
<td>5,751,640</td>
<td>477,540</td>
</tr>
<tr>
<td>Fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>130,000</td>
<td>130,500</td>
<td>442,529</td>
<td>312,029</td>
</tr>
<tr>
<td>Charges for Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>25,000</td>
<td>25,000</td>
<td>68,597</td>
<td>43,597</td>
</tr>
<tr>
<td>Contract Reimbursements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inmate Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>1,175,000</td>
<td>1,175,000</td>
<td>1,177,420</td>
<td>2,420</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td>417,142</td>
<td>496,845</td>
<td>79,703</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>17,353,000</td>
<td>17,279,642</td>
<td>18,209,840</td>
<td>930,198</td>
</tr>
</tbody>
</table>

| EXPENDITURES:                   |                |              |                |                            |
| Current:                        |                |              |                |                            |
| General Administration         |                |              |                |                            |
| Judicial                       |                |              |                |                            |
| Legal Services                 |                |              |                |                            |
| Elections                      |                |              |                |                            |
| Financial Administration       |                |              |                |                            |
| Public Facilities              |                |              |                |                            |
| Public Safety                  |                |              |                |                            |
| Health and Welfare             |                |              |                |                            |
| Conservation                   | 153,279         | 307,651      | 307,650        | 1                          |
| Public Transportation          | 15,634,253      | 18,582,677   | 16,301,229     | 2,281,448                  |
| Miscellaneous                  |                |              |                |                            |
| **TOTAL EXPENDITURES**         | 15,787,532      | 18,890,328   | 16,608,879     | 2,281,449                  |

Excess (Deficiency) Revenues Over Expenditures: 1,565,468 (1,610,686) 1,600,961 3,211,647

### OTHER FINANCING SOURCES/USES:

| Transfers In                  |                |              |                |                            |
| Transfers Out                 |                | (14,354)     | (1,289,064)    | (1,274,710)                |
| Capital Lease Financing        |                |              |                |                            |
| **TOTAL OTHER FINANCING SOURCES/(USES)** |                | 419,944      | (1,157,762)    | (1,577,706)                |

Net Changes in Fund Balances: 1,565,468 (1,190,742) 443,199 1,633,941

Fund Balances at Beginning of Year: 477,540 477,540 477,540

**FUND BALANCES AT END OF YEAR**

$2,043,008 ($713,202) $920,739 $1,633,941

See accompanying notes to the financial statements.
## Statement of Revenues, Expenditures, and Changes in Fund Balances
### Budget (GAAP Basis) and Actual
#### Major Governmental Funds
#### Year Ended September 30, 2005

**EXHIBIT V**  
Page 3 of 3

<table>
<thead>
<tr>
<th>REVENUES:</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
<th>Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$83,033,012</td>
<td>$84,699,479</td>
<td>$85,194,502</td>
<td>$495,023</td>
<td></td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>6,891,055</td>
<td>6,480,809</td>
<td>7,012,698</td>
<td>531,889</td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td>9,120,238</td>
<td>10,368,553</td>
<td>10,954,243</td>
<td>585,690</td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>255,000</td>
<td>6,568,099</td>
<td>5,386,235</td>
<td>(1,181,864)</td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>130,000</td>
<td>184,000</td>
<td>223,454</td>
<td>39,454</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>305,845</td>
<td>855,845</td>
<td>910,869</td>
<td>55,024</td>
<td></td>
</tr>
<tr>
<td>Contract Reimbursements</td>
<td>3,105,768</td>
<td>8,071,288</td>
<td>7,898,265</td>
<td>(173,023)</td>
<td></td>
</tr>
<tr>
<td>Inmate Housing</td>
<td>160,000</td>
<td>160,000</td>
<td>50,430</td>
<td>(109,570)</td>
<td></td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>1,271,000</td>
<td>1,271,000</td>
<td>1,386,326</td>
<td>115,326</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>679,500</td>
<td>1,839,142</td>
<td>1,938,647</td>
<td>99,505</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>104,951,418</td>
<td>120,498,215</td>
<td>120,955,669</td>
<td>457,454</td>
<td></td>
</tr>
</tbody>
</table>

| EXPENDITURES:              |                 |              |        |                             |                     |
| Current:                  |                 |              |        |                             |                     |
| General Administration    | 11,895,776      | 14,041,310   | 11,853,571 | 2,187,739                    |                     |
| Judicial                  | 9,220,142       | 9,368,054    | 9,329,190 | 38,864                      |                     |
| Legal Services            | 1,501,030       | 1,530,463    | 1,550,243 | (19,780)                     |                     |
| Elections                 | 540,790         | 2,753,318    | 650,970  | 2,102,348                    |                     |
| Financial Administration  | 4,355,131       | 4,489,714    | 4,359,609 | 130,105                     |                     |
| Public Facilities         | 14,837,964      | 16,005,898   | 15,795,553 | 210,345                     |                     |
| Public Safety             | 27,671,054      | 39,159,316   | 37,682,264 | 1,477,052                    |                     |
| Health and Welfare        | 2,964,618       | 4,621,526    | 4,468,792 | 152,734                      |                     |
| Conservation              | 530,811         | 710,016      | 707,684  | 2,332                       |                     |
| Public Transportation     | 15,634,253      | 18,582,677   | 16,301,229 | 2,281,448                    |                     |
| Miscellaneous             | 4,764,900       | 6,792,907    | 4,519,314 | 2,273,593                    |                     |
| **TOTAL EXPENDITURES**     | 93,916,469      | 118,055,199  | 107,218,419 | 10,836,780                   |                     |

Excess (Deficiency) Revenues Over Expenditures:  
- Original Budget: 11,034,949  
- Final Budget: 2,443,016  
- Actual: 13,737,250  
- Variance with Final Budget: 11,294,234

**OTHER FINANCING SOURCES/(USES):**  
- Transfers In: -  
- Transfers Out: -  
- Capital Lease Financing: -  
- **TOTAL OTHER FINANCING SOURCES/(USES):** -  
- Net Changes in Fund Balances: 11,034,949  
- Fund Balances at Beginning of Year: 5,262,057  
- **FUND BALANCES AT END OF YEAR:** $16,297,006

See accompanying notes to the financial statements.
MONTGOMERY COUNTY, TEXAS  
Statement of Assets and Liabilities  
Fiduciary Funds  
September 30, 2005

EXHIBIT VI

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$8,570,611</td>
</tr>
<tr>
<td>Investments, at Fair Value</td>
<td>1,107,852</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>5,075</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$9,683,538</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$5,068,679</td>
</tr>
<tr>
<td>Due to Other Governments</td>
<td>4,614,859</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$9,683,538</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements.
NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A) REPORTING ENTITY:

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

In 1991, GASB issued Statement No. 14, The Financial Reporting Entity, which established standards for defining and reporting on the financial reporting entity. The discussion that follows sets forth the guidelines for an entity’s inclusion in the County’s financial statements.

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

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

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

Montgomery County 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 1022
McCall Street, Conroe, Texas, 77301.

B) IMPLEMENTATION OF NEW STANDARDS:
In the current year, the County implemented the following new standards:

GASB Statement No. 40, Deposit and Investment Risk Disclosures – an Amendment of GASB
Statement No. 3, which addresses common deposit and investment risks related to credit risk,
concentration of credit risk, interest rate risk and foreign currency risk.

GASB Statement No. 44, Economic Condition Reporting: The Statistical Section – an
Amendment of NCGA Statement 1, which amends the portions of NCGA Statement 1,
Governmental Accounting and Financial Reporting Principles, that guide the preparation of the
statistical section. The implementation of GASB Statement 34 created a need for the presentation
of new information in the statistical section.

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

Government-wide Statements
Government-wide financial statements consist of the Statement of Net Assets and the Statement
of Activities. These statements report information on all of the non-fiduciary activities of the
primary government and its blended component unit. 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 and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements. Non-major funds are aggregated into a single column in the fund financial statements. Detailed statements for non-major funds are presented within the Combining and Individual Fund Statements and Schedules.

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal year are reported as deferred revenue. Property taxes levied prior to September 30, 2004 that were due October 1, 2004, have been assessed to finance the budget of the fiscal year ending September 30, 2005. In accordance with the modified accrual basis of accounting, the balances outstanding at September 30, 2005, and beyond the 60 days after year end have been reflected as deferred revenue and taxes receivable in the fund financial statements. Property taxes and interest earned as of September 30 and received within 60 days of year end are accrued as income in the current period. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures, claims and judgments, and compensated absences are recorded only when payment is made.

Fiduciary fund level financial statements include fiduciary funds which are classified into private purpose trust and agency funds. 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, intergovernmental revenues, and investment interest income. 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.

The 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 certain capital leases. Financing is provided by a specific annual property tax levy, and the investment interest earned thereon.
The Capital Projects-Road Bonds, Series 2003A Fund is used to account for the second phase of the countywide road construction plan. The proceeds from the issuance of an additional $24 million in general obligation bonds were used to finance this fund. A portion of the proceeds will be used to satisfy the County’s obligation under several agreements with the State of Texas to improve state-owned roads in the County.

The Capital Projects-Road Bonds, Series 2004 Fund is used to account for the third and final phase of road construction bonds that were approved in 2001 by the voters of the County. The $10,205,000 in proceeds will be used to satisfy the County’s obligation under several agreements with the State of Texas to improve state-owned roads in the County.

The County reports the following nonmajor governmental funds:

Special revenue funds are used to account for specific revenue sources (other than capital projects) that are restricted to expenditures for specified purposes. These restrictions exist both externally (by agreement with other entities or by statute) and internally (by policy of Commissioners’ Court).

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital assets and infrastructure. Existing projects include construction of three new libraries, a courts building a jail expansion, road construction, airport improvements, and various remodeling plans.

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 trust funds, cash bail bonds, and other similar arrangements.

D) ASSETS, LIABILITIES, AND FUND EQUITY:

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

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

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

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

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

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

Receivables are shown net of an allowance for uncollectibles.

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. **Inventories and Prepaid Items**

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventory in the Road and Bridge Fund consists of expendable paving materials held for consumption in accordance with several contracts. The cost is recorded as an expenditure at the time individual inventory items are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and recorded as prepaid items in both government-wide and fund financial statements.

In the fund financial statements, reported inventories and prepaid items are offset by a reservation of fund balance, 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, infrastructure, and construction in progress, are reported in the government-wide financial statements. By policy of the Commissioners’ Court, acquisitions are capitalized when they cost at least $1,000 and have a useful life in excess of five years. 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, bridges, signals, and runways; however, the government-wide statements include only those infrastructure assets acquired subsequent to the fiscal year ended September 30, 2002. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation.
The costs of normal maintenance and repair that do not add to the value of the asset or materially extend the asset’s life are expensed rather than capitalized.

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

<table>
<thead>
<tr>
<th>Assets</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>5-50</td>
</tr>
<tr>
<td>Improvements</td>
<td>10-30</td>
</tr>
<tr>
<td>Equipment</td>
<td>5-15</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>5-50</td>
</tr>
</tbody>
</table>

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 Revenue**
   The County records deferred revenue for uncollected taxes, received but unearned grant revenues and other miscellaneous fee revenues in the fund financial statements. In the government-wide statements, tax revenues are not deferred, but are recognized in the year of levy.

8. **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, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

   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.

9. **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 has 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.

10. Arbitrage Rebate
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 2005.

11. Net Assets/Fund Balance (reserved, restricted)
For the government-wide financial statements, restricted net assets 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.

For the fund financial statements, reserved fund balances represent those portions of fund equity not available for appropriation or that are legally segregated for a specific future use. Fund reservations include debt service, capital projects, prepaid items, and inventories.

Generally, resources that are reserved in the fund financial statements are broader in scope than resources that are restricted. However, in some instances, there may be some resources that would be considered restricted in the government-wide financial statements, but not considered reserved in the fund financial statements.

12. Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
NOTE 2- RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:
The governmental fund statement of revenues, expenditures, and changes in fund balances includes a
reconciliation between net changes in fund balances – total governmental funds and changes in
net assets 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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital outlay</td>
<td>$20,777,372</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(10,283,375)</td>
</tr>
</tbody>
</table>

Net adjustment to increase net changes in fund balances-
total governmental funds to arrive at changes in net assets
of governmental activities $10,493,997

“The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins,
seizures, and donations) is to increase net assets.” 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 assets differs from the
change in fund balance by the cost of the capital assets sold. $190,996

The acquisition of capital assets by seizure and by donations increase net assets
in the statement of activities, but do not appear in the governmental funds
because they are not financial resources 26,151,508

The statement of activities reports losses arising from the trade-in of existing
capital assets, as well as the salvage of certain existing assets. Conversely,
governmental funds do not report any gain or loss on a trade-in of capital assets
or the retirement of a capital asset. (77,821)

Net adjustment to increase net changes in fund balances-total governmental
funds to arrive at changes in net assets of governmental activities $26,264,683

“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.” The details of this difference are as follows:

Debt issued or incurred:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance of general obligation bonds</td>
<td>$ (45,850,000)</td>
</tr>
<tr>
<td>Premium on bonds issued, net</td>
<td>(3,772,220)</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements
September 30, 2005

Capital lease financing $(1,264,452)
Payment to Bond Escrow Agent for refunding debt $49,904,606
Issuance Costs for refunding debt $618,647
Principal repayments:
    General obligation debt $2,767,847
    Certificates of obligation debt $905,000
    Capital leases $1,651,466

Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities $4,960,894

“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 $(990,964)
Accrued interest $112,502
Amortization of gain on refunding bonds $20,445
Amortization of accrued interest on refunding bonds $(56,326)
Amortization of issuance costs $(164,342)
Amortization of bond discounts $(7,227)
Amortization of bond premiums $110,127
Reduction of receivable for reimbursement of county expenditures $46,295

Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental activities $(929,490)

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 Budget Officer 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 seven calendar days after the filing of the budget and prior to its adoption.

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

For fiscal year 2005, 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 2005, budget amendments totaling $7,921,679 were approved that met this 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 2005, supplemental appropriations were approved in the amounts of $10,408,198, $4,986,420, and $1,264,452 for grants received, intergovernmental contracts executed, and capital leases approved, respectively.

B) EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS:
Expenditures exceeded appropriations in three funds during fiscal year 2005. Expenditures in the Forfeitures, FEMA Disaster Grants and Sheriff Commissary Special Revenue Funds exceeded appropriations by $413,006, $5,850, and $755, respectively. These excesses were absorbed by unanticipated revenues and transfers from the General Fund, and had an immaterial impact on fund balances.

C) DEFICIT FUND EQUITY:
At September 30, 2005, the FEMA Disaster Grants Revenue Fund, the Capital Project-Certificates of Obligation, Series 2005 Fund, and the Capital Project-County Jail Fund had deficit fund balances of $773, $2,268,226, and $856, respectively. Management anticipates that future revenues will replenish the FEMA Disaster Grants Fund. The deficit in the Capital Project-Certificates of Obligation, Series 2005 Fund will be addressed by issuing the certificates of obligation in the second half of the upcoming fiscal year. The shortage in the Capital Project-County Jail Fund will be covered with an operating transfer from the General Fund.

NOTE 4- DEPOSITS AND INVESTMENTS:
A) DEPOSITS:
\textit{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 deposit policy for custodial credit risk. As of September 30, 2005, the County’s bank balance (collected funds) was $18,001,980. At that same date, none of the County’s bank balance was exposed to custodial credit risk because 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.
INVESTMENTS:
As of September 30, 2005, the County has the following investments:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Fair Value</th>
<th>Weighted Average Maturity (in years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal National Mortgage Association</td>
<td>$2,976,074</td>
<td>0.25</td>
</tr>
<tr>
<td>Federal Home Loan Bank</td>
<td>2,988,290</td>
<td>0.26</td>
</tr>
<tr>
<td>State’s Investment Pool (TEXPOOL)</td>
<td>1,127,959</td>
<td>0.15</td>
</tr>
<tr>
<td>Money Market Mutual Fund (ICT)</td>
<td>11,627,214</td>
<td>0.11</td>
</tr>
<tr>
<td>Money Market Mutual Fund (BPIF)</td>
<td>9,290,188</td>
<td>0.01</td>
</tr>
<tr>
<td>Money Market Mutual Fund (AIM)</td>
<td>15,053,892</td>
<td>0.08</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>$43,063,617</strong></td>
<td></td>
</tr>
</tbody>
</table>

The County invested idle funds in a) the Government Portfolio of Investors’ Cash Trust, b) the Trust for Federal Securities (T-Fund) with BlackRock Provident Institutional Funds, and c) the Short-Term Investments Trust (STIT) Government and Agency Portfolio with AIM Funds. These three mutual funds share several characteristics that have a positive effect on the safety of the County’s funds, including:

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

Additionally, funds were invested in the Texas Local Government Investment Pool (TexPool). This external investment pool was created in conformity with certain acts in the Government Code of the Texas Civil Statutes. The financial operations of the pool are managed by a third-party investment service and oversight is provided by the Comptroller of Public Accounts of the State of Texas, along with a statewide advisory board. Although TexPool is not SEC-registered, it adheres to the same standards as money market mutual funds for limitations on its investments, the length of its average weighted maturity, and the valuation of its net assets.

**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.

As stated above, Standard and Poor’s has rated the state’s investment pool and the three mutual funds AAAm. The County’s investments in Federal National Mortgage Association (FNMA) and Federal Home Loan Bank (FHLB) were rated AAA by Standard and Poor’s.

**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%. At September 30, 2005, more that 5% of the County’s total invested amounts are in the Federal National Mortgage Association (6.91%) and Federal Home Loan Bank (6.94%).

**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 $0.4963 per $100, which means that the County has a tax margin of $0.3037 per $100, and could raise up to $57,606,517 in additional taxes from the present assessed valuation of $18,968,230,832 before the limit is reached.

The thirty years’ property taxes receivable at September 30, 2005, as reported by the Tax Assessor-Collector are presented as follows:

<table>
<thead>
<tr>
<th>Taxes Receivable</th>
<th>Less: Allowance for Uncollectibles</th>
<th>Net Taxes Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$4,628,125</td>
<td>$92,563</td>
</tr>
<tr>
<td>Road &amp; Bridge Fund</td>
<td>641,576</td>
<td>12,832</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>774,216</td>
<td>15,484</td>
</tr>
<tr>
<td><strong>Total Receivable</strong></td>
<td><strong>$6,043,917</strong></td>
<td><strong>$120,879</strong></td>
</tr>
</tbody>
</table>

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

Amounts due from other governments arise from funding received from federal and state grants, as well as interlocal agreements with local governments. At September 30, 2005, the following amounts were recorded as due to the County:

<table>
<thead>
<tr>
<th>Federal</th>
<th>State</th>
<th>Local</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$1,491,309</td>
<td>$522,070</td>
<td>$465,863</td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td>927,392</td>
<td>225,572</td>
<td>55,245</td>
</tr>
<tr>
<td>Capital Project Funds</td>
<td>-</td>
<td>218,985</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Due from Governments</strong></td>
<td><strong>$2,418,701</strong></td>
<td><strong>$966,627</strong></td>
<td><strong>$521,108</strong></td>
</tr>
</tbody>
</table>
NOTE 7- CAPITAL ASSETS:
A) CHANGES IN CAPITAL ASSETS FOR YEAR ENDED SEPTEMBER 30, 2005:

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Beginning Balance</th>
<th>Additions (1)</th>
<th>Deletions (1)</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 6,056,015</td>
<td>$ 1,347,000</td>
<td>$ (4,300)</td>
<td>$ 7,398,715</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>1,529,467</td>
<td>6,351,169</td>
<td>(3,591,462)</td>
<td>4,289,174</td>
</tr>
<tr>
<td>Total Capital Assets</td>
<td>7,585,482</td>
<td>7,698,169</td>
<td>(3,595,762)</td>
<td>11,687,889</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Additions (1)</th>
<th>Deletions (1)</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>99,624,866</td>
<td>6,007,982</td>
<td>(510,613)</td>
<td>105,122,235</td>
</tr>
<tr>
<td>Improvements</td>
<td>6,329,287</td>
<td>353,213</td>
<td>-</td>
<td>6,682,500</td>
</tr>
<tr>
<td>Equipment</td>
<td>39,611,440</td>
<td>5,382,213</td>
<td>(1,760,537)</td>
<td>43,233,116</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>50,637,487</td>
<td>31,742,109</td>
<td>(183,204)</td>
<td>82,196,392</td>
</tr>
<tr>
<td>Total Capital Assets</td>
<td>196,203,080</td>
<td>43,485,517</td>
<td>(2,454,354)</td>
<td>237,234,243</td>
</tr>
</tbody>
</table>

Less accumulated depreciation for:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance</th>
<th>Additions (1)</th>
<th>Deletions (1)</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>(23,306,557)</td>
<td>(2,198,085)</td>
<td>225,769</td>
<td>(25,278,873)</td>
</tr>
<tr>
<td>Improvements</td>
<td>(3,263,282)</td>
<td>(381,386)</td>
<td>-</td>
<td>(3,644,668)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(24,773,718)</td>
<td>(4,283,576)</td>
<td>1,682,715</td>
<td>(27,374,579)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(7,260,144)</td>
<td>(3,420,328)</td>
<td>-</td>
<td>(10,680,472)</td>
</tr>
<tr>
<td>Total Capital Assets</td>
<td>(145,184,861)</td>
<td>(40,900,311)</td>
<td>(4,141,632)</td>
<td>181,943,540</td>
</tr>
</tbody>
</table>

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

B) DEPRECIATION EXPENSE:
Depreciation expense on capital assets is recorded in the Government-wide financial statements, but not in the Fund financial statements. For the year ended September 30, 2005, the County charged depreciation expense to functions/programs as follows:

Governmental activities:
- General Administration $ 1,707,045
- Judicial 180,282
- Legal Services 86,123
- Elections 18,903
- Financial Administration 36,779
- Public Facilities 692,600
- Public Safety 1,600,523
- Health and Welfare 104,849
- Culture and Recreation 1,132,199
- Conservation 19,204
- Public Transportation 4,704,868

Total depreciation expense-governmental activities $ 10,283,375
C) CONSTRUCTION COMMITMENTS:
The County has entered into contracts for the construction, renovation, and improvement of real
property. The following projects were in progress at September 30, 2005:

<table>
<thead>
<tr>
<th>Project</th>
<th>Status</th>
<th>Commitment</th>
<th>Paid to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three Libraries</td>
<td>Substantially complete</td>
<td>$10,500,000</td>
<td>$7,673,556</td>
</tr>
<tr>
<td>Various road projects</td>
<td>Under construction</td>
<td>41,116,531</td>
<td>18,584,529</td>
</tr>
<tr>
<td>Airport Improvements</td>
<td>Design/planning phase</td>
<td>1,889,500</td>
<td>112,561</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$53,506,031</strong></td>
<td><strong>$26,370,646</strong></td>
</tr>
</tbody>
</table>

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, 2005, the following amounts were due to other governments:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Local</th>
<th>State</th>
<th>Federal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$1,634,941</td>
<td>$</td>
<td>$2,005</td>
<td>$1,636,946</td>
</tr>
<tr>
<td>Road &amp; Bridge</td>
<td>-</td>
<td>-</td>
<td>54,252</td>
<td>54,252</td>
</tr>
<tr>
<td>Other Nonmajor</td>
<td>-</td>
<td>224</td>
<td>-</td>
<td>224</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,634,941</td>
<td>$224</td>
<td>$56,257</td>
<td>$1,691,422</td>
</tr>
</tbody>
</table>

B) DEFERRED REVENUES:
The county reports deferred revenues in the governmental funds that consist of two categories: a) receivables for revenues that are not considered to be available to liquidate liabilities of the current period, and b) resources that have been received, but not yet earned. At the end of September, deferred revenues were presented as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Property Taxes</th>
<th>Unearned Fees</th>
<th>Total Deferred Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$4,345,511</td>
<td>$87,786</td>
<td>$4,433,297</td>
</tr>
<tr>
<td>Road &amp; Bridge</td>
<td>631,228</td>
<td>-</td>
<td>631,228</td>
</tr>
<tr>
<td>Debt Service</td>
<td>719,973</td>
<td>-</td>
<td>719,973</td>
</tr>
<tr>
<td>Other Nonmajor</td>
<td>-</td>
<td>1,963,442</td>
<td>1,963,442</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$5,696,712</td>
<td>$2,051,228</td>
<td>$7,747,940</td>
</tr>
</tbody>
</table>

NOTE 9- LONG-TERM DEBT:
Long-term debt consists of general obligation bonds, certificates of obligation, the County’s accrued liability for compensated absences and compensatory time, capital leases, and arbitrage due the federal government. Principal and interest payments on the County’s bonded debt are secured solely by ad valorem property taxes levied on all taxable property within the County. Payments are recorded in the Debt Service Fund.
A) BONDED DEBT:

A summary of the long-term bonded debt, at September 30, 2005 is presented:

<table>
<thead>
<tr>
<th>Bond Type</th>
<th>Interest Rate (%)</th>
<th>Issue Date</th>
<th>Maturity Date</th>
<th>Bonds Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL OBLIGATION BONDS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refunding Bonds, Series 1997</td>
<td>5.10-5.60</td>
<td>1997</td>
<td>2017</td>
<td>9,510,607</td>
</tr>
<tr>
<td>Permanent Improvement, Series 2000</td>
<td>4.50-5.25</td>
<td>2000</td>
<td>2020</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Road Bonds, Series 2002A</td>
<td>4.00-4.50</td>
<td>2002</td>
<td>2022</td>
<td>17,510,000</td>
</tr>
<tr>
<td>Refunding Bonds, Series 2002B</td>
<td>3.00-4.50</td>
<td>2002</td>
<td>2011</td>
<td>2,730,000</td>
</tr>
<tr>
<td>Road Bonds, Series 2003A</td>
<td>5.00</td>
<td>2003</td>
<td>2026</td>
<td>24,000,000</td>
</tr>
<tr>
<td>Library Bonds, Series 2003B</td>
<td>2.00-4.75</td>
<td>2003</td>
<td>2026</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Road Bonds, Series 2004</td>
<td>5.50</td>
<td>2004</td>
<td>2026</td>
<td>10,205,000</td>
</tr>
<tr>
<td>Refunding Bonds, Series 2005</td>
<td>4.00-5.00</td>
<td>2005</td>
<td>2020</td>
<td>45,850,000</td>
</tr>
<tr>
<td><strong>Total Principal</strong></td>
<td></td>
<td></td>
<td></td>
<td>122,050,678</td>
</tr>
<tr>
<td>Accretion of Cap Appreciation Bonds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refunding, Series 1997</td>
<td>5.10-5.60</td>
<td>1997</td>
<td>2017</td>
<td>5,999,445</td>
</tr>
<tr>
<td><strong>Total Accretion</strong></td>
<td></td>
<td></td>
<td></td>
<td>7,131,996</td>
</tr>
<tr>
<td><strong>TOTAL GENERAL OBLIGATION BONDS PAYABLE</strong></td>
<td>$129,182,674</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CERTIFICATES OF OBLIGATION:**

<table>
<thead>
<tr>
<th>Series</th>
<th>Interest Rate (%)</th>
<th>Issue Date</th>
<th>Maturity Date</th>
<th>Bonds Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>4.30-5.75</td>
<td>1996</td>
<td>2011</td>
<td>$525,000</td>
</tr>
<tr>
<td>1997</td>
<td>5.00-6.50</td>
<td>1997</td>
<td>2016</td>
<td>410,000</td>
</tr>
<tr>
<td>1997A</td>
<td>4.10-6.00</td>
<td>1997</td>
<td>2015</td>
<td>6,565,000</td>
</tr>
<tr>
<td>1998</td>
<td>4.60-6.50</td>
<td>1998</td>
<td>2018</td>
<td>2,520,000</td>
</tr>
<tr>
<td>2001</td>
<td>4.65</td>
<td>2001</td>
<td>2011</td>
<td>1,640,000</td>
</tr>
<tr>
<td>2003</td>
<td>2.00-4.75</td>
<td>2003</td>
<td>2022</td>
<td>11,600,000</td>
</tr>
<tr>
<td>2004</td>
<td>3.00-4.60</td>
<td>2004</td>
<td>2020</td>
<td>2,600,000</td>
</tr>
<tr>
<td><strong>TOTAL CERTIFICATES OF OBLIGATION</strong></td>
<td>$ 25,860,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL BONDED DEBT**

<table>
<thead>
<tr>
<th>Bonds Payable:</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation</td>
<td>$105,360,521</td>
<td>$45,850,000</td>
<td>($22,027,847)</td>
<td>$129,182,674</td>
<td>$1,805,069</td>
</tr>
<tr>
<td>Certificates of obligation</td>
<td>54,270,000</td>
<td>-</td>
<td>($28,410,000)</td>
<td>25,860,000</td>
<td>2,025,000</td>
</tr>
<tr>
<td>Less deferred amounts:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issuance discounts</td>
<td>(112,902)</td>
<td>-</td>
<td>7,227</td>
<td>(105,675)</td>
<td>(7,227)</td>
</tr>
<tr>
<td>Unamortized premiums</td>
<td>1,189,152</td>
<td>3,772,220</td>
<td>(110,127)</td>
<td>4,851,245</td>
<td>325,683</td>
</tr>
<tr>
<td>Total bonds payable</td>
<td>160,706,771</td>
<td>49,622,220</td>
<td>(50,540,747)</td>
<td>159,788,244</td>
<td>4,148,525</td>
</tr>
<tr>
<td>Capital leases</td>
<td>1,790,377</td>
<td>1,264,452</td>
<td>(1,651,466)</td>
<td>1,403,363</td>
<td>802,570</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>4,221,760</td>
<td>4,625,912</td>
<td>(3,634,948)</td>
<td>5,212,724</td>
<td>3,826,851</td>
</tr>
<tr>
<td><strong>Total Long-term Liabilities</strong></td>
<td>$166,718,908</td>
<td>$55,512,584</td>
<td>$(55,827,161)</td>
<td>$166,404,331</td>
<td>$8,777,946</td>
</tr>
</tbody>
</table>
C) **ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY:**

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

<table>
<thead>
<tr>
<th>Maturity</th>
<th>General Obligation</th>
<th>Certificates of Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2006</td>
<td>$1,805,071</td>
<td>$6,810,051</td>
</tr>
<tr>
<td>2007</td>
<td>2,625,000</td>
<td>5,517,358</td>
</tr>
<tr>
<td>2008</td>
<td>2,423,741</td>
<td>5,942,892</td>
</tr>
<tr>
<td>2009</td>
<td>4,106,809</td>
<td>5,876,423</td>
</tr>
<tr>
<td>2010</td>
<td>4,215,920</td>
<td>5,759,000</td>
</tr>
<tr>
<td>2011-2015</td>
<td>24,529,131</td>
<td>29,351,852</td>
</tr>
<tr>
<td>2016-2020</td>
<td>34,205,006</td>
<td>19,337,614</td>
</tr>
<tr>
<td>2021-2025</td>
<td>39,000,000</td>
<td>7,545,161</td>
</tr>
<tr>
<td>2026</td>
<td>9,140,000</td>
<td>233,363</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$122,050,678</strong></td>
<td><strong>$86,373,714</strong></td>
</tr>
</tbody>
</table>

D) **ADVANCE REFUNDING:**

On July 20, 2005, to take advantage of lower interest rates, the County issued $45,850,000 Limited Tax Refunding Bonds, Series 2005 with interest rates ranging from 4.0 percent to 5.0 percent to advance refund the following bonds:

<table>
<thead>
<tr>
<th>Series</th>
<th>Interest Rate (%)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Obligation, 1996</td>
<td>5.25-5.75</td>
<td>$3,050,000</td>
</tr>
<tr>
<td>Certificates of Obligation, 1997</td>
<td>5.00</td>
<td>2,490,000</td>
</tr>
<tr>
<td>Certificates of Obligation, 1997A</td>
<td>4.85-5.00</td>
<td>6,835,000</td>
</tr>
<tr>
<td>Certificates of Obligation, 1998</td>
<td>4.60-5.00</td>
<td>15,130,000</td>
</tr>
<tr>
<td>Permanent Improvement Bonds, 2000</td>
<td>4.75-5.25</td>
<td>12,300,000</td>
</tr>
<tr>
<td>Road Bonds, Series 2002A</td>
<td>5.625</td>
<td>6,960,000</td>
</tr>
<tr>
<td><strong>Total Refunded</strong></td>
<td></td>
<td><strong>$46,765,000</strong></td>
</tr>
</tbody>
</table>

The proceeds of this refunding were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the prior debt. As a result, that debt is considered to be defeased and the liability for the old debt has been removed from the Statement of Net Assets.

The County advance refunded the above debt to reduce its total debt service payments over the next fifteen years by $2,185,316 and to obtain an economic gain (the difference between the present value of the debt service payments on the old and new debt) of $1,788,905.

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

In prior years, the County defeased the 1988 Series and portions of the 1992 Series bonds 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. As of September 30, 2005, defeased but outstanding debt from prior a year refunding transaction consisted of the following:

- Refunding Bonds, Series 1988       1,515,000
- Refunding Bonds, Series 1992      2,742,394

**Total Defeased but Outstanding**  $4,257,394
F) FUTURE BORROWING:
In September of 2005, the voters of Montgomery County approved the issuance of $160,000,000 in unlimited tax road bonds to complete those projects that were begun with the Series 2002, 2003, and 2004 road bonds. It is anticipated that the first of three issues will occur in the second half of fiscal year 2006. When these bonds are issued, the County will report the debt with no corresponding asset due to the fact that these projects are primarily for the improvement of State-owned roads.

The County intends to issue certificates of obligation in the second half of fiscal year 2006 to fund improvements to existing libraries, the airport, the county jail, and a building recently acquired in the southern part of the county. In addition, the funds will be used to install fiber optic communications lines between various county buildings and to purchase additional voter equipment.

G) CONDUIT DEBT OBLIGATIONS:
Montgomery County Industrial Development Corporation and Harris County Health Facilities Development 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.

Montgomery County Industrial Development Corporation- The corporation issues industrial revenue bonds that promote and encourage employment and public welfare. As of September 30, 2005, there were fourteen series of bonds outstanding. The aggregate principal amount payable for the bonds issued prior to December 15, 1995, could not be determined; however, the original issues totaled $44,895,000. The bonds will be repaid from sources defined in underlying financing agreements between the corporation and the entities for whose benefit the bonds were issued.

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 September 30, 2005, there were twenty-seven series of bonds outstanding with an aggregate principal payable of $3,447,510,000. 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.

H) CAPITAL LEASES:
The County has entered into capital lease agreements for the lease/purchase of certain heavy road equipment, vehicles, and a building. Equipment with a value of $1,892,182 and a building with a value of $1,669,807 were acquired 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, 2005 and the funds from which they will be paid are as shown below:

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>General Fund</th>
<th>Special Revenue Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$436,359</td>
<td>$485,986</td>
</tr>
<tr>
<td>2007</td>
<td>436,359</td>
<td>113,044</td>
</tr>
<tr>
<td>Total Minimum Lease Payments</td>
<td>872,718</td>
<td>599,030</td>
</tr>
<tr>
<td>Less: amount representing interest</td>
<td>38,221</td>
<td>30,163</td>
</tr>
<tr>
<td>Present value-minimum lease payments</td>
<td>$834,497</td>
<td>$568,867</td>
</tr>
</tbody>
</table>

**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, 2005 is as follows:

<table>
<thead>
<tr>
<th>Receivables</th>
<th>Payables</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 4,051,446</td>
</tr>
<tr>
<td>Road and Bridge Fund</td>
<td>188,120</td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>1,226,178</td>
</tr>
<tr>
<td>Cap Project/Road Bonds 2003A</td>
<td>-</td>
</tr>
<tr>
<td>Cap Project/Road Bonds 2004</td>
<td>2,352,365</td>
</tr>
<tr>
<td>Non-major Governmental Funds</td>
<td>5,786,963</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$13,605,072</strong></td>
</tr>
</tbody>
</table>

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, 2005 were:

<table>
<thead>
<tr>
<th>Transfers In</th>
<th>Transfers Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$ 2,394,165</td>
</tr>
<tr>
<td>Road and Bridge Fund</td>
<td>131,302</td>
</tr>
<tr>
<td>Cap Project/Road Bonds 2003A</td>
<td>-</td>
</tr>
<tr>
<td>Cap Project/Road Bonds 2004</td>
<td>226,624</td>
</tr>
<tr>
<td>Nonmajor Governmental Funds</td>
<td>13,572,090</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$16,324,181</strong></td>
</tr>
</tbody>
</table>

Although inter-fund activity is reported in the fund financial statements, it has been eliminated in the government-wide financial statements.
NOTE 11- OPERATING LEASES:
The County is a party to several lease agreements. Significant terms are discussed below:

Automated Flight Service Station- The County leases the Automated Flight Service Station to the Federal Aviation Administration on an annually renewable lease that currently extends to September 30, 2006. The annual rent of $102,500 is recorded in the General Fund. The Flight Service Station is recorded as a Capital Asset in the County’s government-wide financial statements at a cost of $802,428, less accumulated depreciation of $337,020.

Office Space- The County leases 2,777 square feet of office space at the Montgomery County Annex Building to the Lone Star Groundwater Conservation District for a period of sixty months with two six-month extensions. The term of this lease is January 1, 2005 through December 31, 2009. The annual rent of $4,998 is recorded in the General Fund. The building is recorded as a Capital Asset in the County’s government-wide financial statements at a cost of $5,167,303, less accumulated depreciation of $205,561. Following is a schedule of lease payments receivable on office space leases through the ending dates of the agreements:

<table>
<thead>
<tr>
<th>Year Ending September 30</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$ 4,998</td>
</tr>
<tr>
<td>2007</td>
<td>4,998</td>
</tr>
<tr>
<td>2008</td>
<td>4,998</td>
</tr>
<tr>
<td>2009</td>
<td>4,998</td>
</tr>
<tr>
<td>2010</td>
<td>1,250</td>
</tr>
<tr>
<td>Total Lease Payments Receivable</td>
<td>$ 21,242</td>
</tr>
</tbody>
</table>

NOTE 12- RISK MANAGEMENT:

A) EMPLOYEE HEALTH BENEFITS:
Effective January, 1989, the County established a partially self-funded trust plan which offers medical, dental, vision, life, and disability 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 $125,000 for any individual claim. 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 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, 2005, were $710,505. Claims incurred but not reported (IBNR) at September 30, 2005, are estimated to be $1,781,206. Estimates are not based on actuarial calculations, but rather on historical trends. Both amounts have been recorded as expenditures in the General Fund and a liability has been established.

Changes in the health claims liability for the two fiscal years ended September 30, 2005 and September 30, 2004 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unpaid claims, beginning of year</td>
<td>$2,158,215</td>
<td>$1,603,273</td>
</tr>
<tr>
<td>Incurred claims (including IBNR)</td>
<td>12,769,975</td>
<td>12,640,505</td>
</tr>
<tr>
<td>Claim payments</td>
<td>(12,435,479)</td>
<td>(12,085,563)</td>
</tr>
<tr>
<td>Unpaid claims, end of year</td>
<td>$ 2,492,711</td>
<td>$ 2,158,215</td>
</tr>
</tbody>
</table>
During the year ended September 30, 2005, the plan received contributions in the amounts of $13,166,244 and $1,107,063 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 $393,138 in administrative costs and $1,110,194 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 level of $1,000,000 per occurrence. A third party administrator has been engaged by the County to administer claims. Excess loss insurance was purchased to limit the claims loss to the County to no more than $100,000 in 2005.

Costs associated with this program are recorded as expenditures 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, 2005, the County expended $41,907 for administrative costs and $237,216 for excess loss insurance premiums.

Changes in the workers’ compensation liability for the two fiscal years ended September 30, 2005 and September 30, 2004 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unpaid claims, beginning of year</td>
<td>$1,174,350</td>
<td>$262,846</td>
</tr>
<tr>
<td>Incurred claims (including IBNR)</td>
<td>591,344</td>
<td>1,402,190</td>
</tr>
<tr>
<td>Claim payments</td>
<td>(534,363)</td>
<td>(490,686)</td>
</tr>
<tr>
<td>Unpaid claims, end of year</td>
<td>$1,231,331</td>
<td>$1,174,350</td>
</tr>
</tbody>
</table>

C) PROPERTY AND CASUALTY:
The County purchased insurance coverage for certain plant, property, and equipment for the fiscal year. Deductibles are maintained at $1,000 for each occurrence. The County paid $357,980 in premiums in fiscal 2005, and recorded the expenditure in the General Fund. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

D) GENERAL LIABILITY:
Effective December 1, 2003, the County began participating in an individual public entity risk pool to transfer certain risks associated with property, casualty, and general liability. Note 15 describes the County’s obligation under liability claims for 2005.

NOTE 13- EMPLOYEE RETIREMENT PLAN:
A) PLAN DESCRIPTION:
The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The TCDRS Board of Trustees is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 517 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.

The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years 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 deposits to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the Commissioners’ Court of the County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee’s accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

B) **FUNDING POLICY:**
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 9.35% for the months of the accounting year in 2004, and 9.13% for the months of the accounting year in 2005.

The deposit rate payable by the employee members for calendar year 2005 was 6.0% 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.

C) **ANNUAL PENSION COST:**
For Montgomery County’s accounting year ended September 30, 2005, the pension cost for the TCDRS plan was $5,507,595, and the actual contributions were $5,507,595.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2002, and December 31, 2003, the basis for determining the contributions rates for calendar years 2004 and 2005. The December 31, 2004 actuarial valuation is the most recent valuation.

D) **ACTUARIAL VALUATION INFORMATION:**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial cost method</td>
<td>Entry age</td>
<td>Entry age</td>
<td>Entry age</td>
</tr>
<tr>
<td>Amortization method</td>
<td>Level percentage of payroll, open</td>
<td>Level percentage of payroll, open</td>
<td>Level percentage of payroll, open</td>
</tr>
<tr>
<td>Amortization period</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Asset valuation method</td>
<td>Long-term appreciation with adjustment</td>
<td>Long-term appreciation with adjustment</td>
<td>Long-term appreciation with adjustment</td>
</tr>
</tbody>
</table>

Actuarial assumptions:
- **Investment return** \(^{(1)}\) 8.00% 8.00% 8.00%
- **Projected salary increase** \(^{(1)}\) 5.50% 5.50% 5.50%
- **Inflation** 3.50% 3.50% 3.50%
- **Cost-of-living adjustments** 0.00% 0.00% 0.00%

\(^{(1)}\)Includes inflation at the stated rate.
E) **TREND INFORMATION:**

<table>
<thead>
<tr>
<th>Accounting Year Ended</th>
<th>Annual Pension Cost (APC)</th>
<th>Percentage of APC Contributed</th>
<th>Net Pension Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/30/03</td>
<td>$4,633,757</td>
<td>100.00%</td>
<td>$0.00</td>
</tr>
<tr>
<td>9/30/04</td>
<td>5,053,942</td>
<td>100.00%</td>
<td>0.00</td>
</tr>
<tr>
<td>9/30/05</td>
<td>5,507,595</td>
<td>100.00%</td>
<td>0.00</td>
</tr>
</tbody>
</table>

F) **SCHEDULE OF FUNDING PROGRESS FOR THE RETIREMENT PLAN FOR EMPLOYEES OF MONTGOMERY COUNTY:** (Amounts expressed in thousands)

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets (a)</th>
<th>Actuarial Accrued Liability (AAL) (b)</th>
<th>Unfunded AAL (UAAL) (b-a)</th>
<th>Funded Ratio (a/b)</th>
<th>Annual Covered Payroll (c)</th>
<th>UAAL as a Percentage of Covered Payroll ((b-a)/c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/02</td>
<td>$89,840</td>
<td>$107,275</td>
<td>$17,435</td>
<td>83.74%</td>
<td>$48,138</td>
<td>36.21%</td>
</tr>
<tr>
<td>12/31/03</td>
<td>102,230</td>
<td>119,499</td>
<td>17,269</td>
<td>85.55%</td>
<td>52,283</td>
<td>33.03%</td>
</tr>
<tr>
<td>12/31/04</td>
<td>113,133</td>
<td>131,656</td>
<td>18,523</td>
<td>85.93%</td>
<td>55,351</td>
<td>33.46%</td>
</tr>
</tbody>
</table>

(1) The annual covered payroll is based on the employee contributions received by TCDRS for the year ended with the valuation date.

**NOTE 14- OTHER POST-EMPLOYMENT BENEFITS:**

Effective January 1, 2000, Commissioners’ Court adopted a plan to pay for health benefit coverage for qualified retirees. To qualify for inclusion in the coverage, an individual must attain 15 continuous years of employment with the County and be eligible for a retirement annuity from the Texas County and District Retirement System. 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.

The coverage is the same as that for a full time regular employee, as further disclosed in Note 12-A. Management funds this benefit on a “pay-as-you-go” basis, as actuarial estimates are not available. For the year ended September 30, 2005, 25 employees retired from service with the County. Fifteen of those retirees met the qualifications stated above. Currently, there are 74 retirees covered by this benefit. The cost recorded by the County is included in Note 12.

During the year, the County incurred $683,474 in health care claims for retirees and their dependents. Retiree contributions for 2005 were $116,336, and the County paid the remaining amount of the claims.

**NOTE 15- CONTINGENT LIABILITIES:**

**A) GENERAL LIABILITY:**

For fiscal year 2005, the County participated in a public entity risk pool, to which certain losses arising from liability claims were transferred. The premium for this coverage, $325,075, was recorded in the General Fund. In addition, the County expended $102,299 for damages in connection with twenty-nine claims, for which the deductible had not been satisfied.

**B) GRANTS:**

The County receives various grant moneys that are subject to audit and adjustment by the grantor agencies. Any disallowed expenditure will become a liability of the County. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.
C) LITIGATION:
The County is a defendant in a number of lawsuits with claims for damages in excess of $5,000,000. These claims result primarily from assertions by former employees that they were wrongfully discharged, allegations by jail inmates that their rights were violated while incarcerated in the County jail, and claims by individuals arising from property damages. The County paid $41,521 for legal counsel to defend existing claims. 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.

NOTE 16 - 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. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, which establishes accounting and financial reporting standards for impairment of capital assets, along with clarifying and establishing accounting requirements for insurance recoveries. This statement will be effective for the County for the fiscal year ending September 30, 2006.

GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions, which establishes standards for the measurement, recognition, and display of other postemployment benefit expenditures and related liabilities, and note disclosures in the financial report. This statement will be effective for the County for the fiscal year ending September 30, 2009.

GASB Statement No. 46, Net Assets Restricted by Enabling Legislation – an Amendment of GASB Statement No. 34, which requires governments to disclose the portion of total net assets that is restricted by enabling legislation. This statement will be effective for the County for the fiscal year ending September 30, 2006.

GASB Statement No. 47, Accounting for Termination Benefits; which establishes accounting standards for voluntary and involuntary termination benefits. This statement will be effective for the County for the fiscal year ending September 30, 2009.
MONTGOMERY COUNTY

Birthplace of the

Lone Star Flag
ADDITIONAL SUPPLEMENTARY INFORMATION
## General Fund

### Schedule of Revenues and Other Financing Sources

**Budget (GAAP Basis) and Actual Year Ended September 30, 2005**

**Variance with Original Final Budget**

<table>
<thead>
<tr>
<th>TAXES:</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad Valorem Current</td>
<td>$70,329,712</td>
<td>$71,039,712</td>
<td>$71,202,712</td>
<td>$163,000</td>
</tr>
<tr>
<td>Ad Valorem Delinquent</td>
<td>968,700</td>
<td>1,358,700</td>
<td>1,387,296</td>
<td>28,596</td>
</tr>
<tr>
<td>Penalty and Interest</td>
<td>746,700</td>
<td>1,253,700</td>
<td>1,262,859</td>
<td>9,159</td>
</tr>
<tr>
<td>Mixed Beverage</td>
<td>625,000</td>
<td>625,000</td>
<td>770,620</td>
<td>145,620</td>
</tr>
<tr>
<td>Bingo Tax</td>
<td>80,000</td>
<td>80,000</td>
<td>131,336</td>
<td>51,336</td>
</tr>
<tr>
<td>Miscellaneous Taxes</td>
<td>25,000</td>
<td>84,467</td>
<td>166,870</td>
<td>82,403</td>
</tr>
<tr>
<td><strong>Total Taxes</strong></td>
<td>$72,775,112</td>
<td>$74,441,579</td>
<td>$74,921,693</td>
<td>$480,114</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LICENSES AND PERMITS:</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer Licenses</td>
<td>70,720</td>
<td>70,720</td>
<td>71,252</td>
<td>532</td>
</tr>
<tr>
<td>Trial Fees</td>
<td>5,000</td>
<td>5,000</td>
<td>7,012</td>
<td>2,012</td>
</tr>
<tr>
<td>Stenographer Fees</td>
<td>80,000</td>
<td>96,140</td>
<td>109,210</td>
<td>13,070</td>
</tr>
<tr>
<td>Health Permits</td>
<td>535,000</td>
<td>535,000</td>
<td>558,118</td>
<td>23,118</td>
</tr>
<tr>
<td>Park Permits</td>
<td>57,000</td>
<td>57,000</td>
<td>49,535</td>
<td>(7,465)</td>
</tr>
<tr>
<td>Animal Control Fees</td>
<td>3,000</td>
<td>3,000</td>
<td>6,265</td>
<td>3,265</td>
</tr>
<tr>
<td>Food Service Permits</td>
<td>321,307</td>
<td>321,307</td>
<td>310,940</td>
<td>(10,367)</td>
</tr>
<tr>
<td>Alarm Permits</td>
<td>53,928</td>
<td>93,928</td>
<td>96,339</td>
<td>2,411</td>
</tr>
<tr>
<td>Hazardous Waste Mgmt Fees</td>
<td>-</td>
<td>-</td>
<td>21,927</td>
<td>21,927</td>
</tr>
<tr>
<td>Flood Plain Fees</td>
<td>-</td>
<td>24,614</td>
<td>30,460</td>
<td>5,846</td>
</tr>
<tr>
<td><strong>Total Licenses and Permits</strong></td>
<td>$1,125,955</td>
<td>$1,206,709</td>
<td>$1,261,058</td>
<td>$54,349</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FEES:</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Judge</td>
<td>7,900</td>
<td>7,900</td>
<td>10,610</td>
<td>2,710</td>
</tr>
<tr>
<td>County Sheriff</td>
<td>205,000</td>
<td>205,000</td>
<td>245,034</td>
<td>40,034</td>
</tr>
<tr>
<td>County Attorney</td>
<td>77,000</td>
<td>77,000</td>
<td>83,555</td>
<td>6,555</td>
</tr>
<tr>
<td>County Clerk</td>
<td>2,901,606</td>
<td>3,110,861</td>
<td>3,603,125</td>
<td>492,264</td>
</tr>
<tr>
<td>Tax Assessor-Collector</td>
<td>604,800</td>
<td>1,225,854</td>
<td>1,167,804</td>
<td>(58,050)</td>
</tr>
<tr>
<td>District Clerk</td>
<td>795,000</td>
<td>952,724</td>
<td>1,025,024</td>
<td>72,300</td>
</tr>
<tr>
<td>Justice of the Peace</td>
<td>3,167,432</td>
<td>3,265,907</td>
<td>3,379,488</td>
<td>113,581</td>
</tr>
<tr>
<td>Constable</td>
<td>700,000</td>
<td>770,908</td>
<td>782,524</td>
<td>11,616</td>
</tr>
<tr>
<td>Voter Registration</td>
<td>5,000</td>
<td>5,000</td>
<td>1,548</td>
<td>(3,452)</td>
</tr>
<tr>
<td>Criminal Justice Fees</td>
<td>656,500</td>
<td>747,399</td>
<td>655,531</td>
<td>(91,868)</td>
</tr>
<tr>
<td><strong>Total Fees</strong></td>
<td>$9,120,238</td>
<td>$10,368,553</td>
<td>$10,954,243</td>
<td>$585,690</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INTERGOVERNMENTAL:</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Grants:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Agriculture</td>
<td>10,000</td>
<td>946,203</td>
<td>953,393</td>
<td>7,190</td>
</tr>
<tr>
<td>Dept Health/Human Services</td>
<td>-</td>
<td>32,212</td>
<td>35,150</td>
<td>2,938</td>
</tr>
<tr>
<td>Department of Homeland Security</td>
<td>-</td>
<td>2,346,620</td>
<td>2,332,431</td>
<td>(14,189)</td>
</tr>
<tr>
<td>Department of Justice</td>
<td>75,000</td>
<td>258,522</td>
<td>324,803</td>
<td>66,281</td>
</tr>
<tr>
<td>Department of Transportation</td>
<td>-</td>
<td>34,893</td>
<td>51,590</td>
<td>16,697</td>
</tr>
<tr>
<td>Federal Emergency Mgmt Agency</td>
<td>25,000</td>
<td>25,000</td>
<td>24,883</td>
<td>(117)</td>
</tr>
<tr>
<td>General Services Administration</td>
<td>-</td>
<td>1,492,188</td>
<td>8,247</td>
<td>(1,483,941)</td>
</tr>
<tr>
<td><strong>Total Federal Grants</strong></td>
<td>$110,000</td>
<td>$5,135,638</td>
<td>$3,730,497</td>
<td>($1,405,141)</td>
</tr>
</tbody>
</table>
MONTGOMERY COUNTY, TEXAS
General Fund
Schedule of Revenues and Other Financing Sources
Budget (GAAP Basis) and Actual Year Ended September 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>INTERGOVERNMENTAL(cont'd)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Grants:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auto Theft Prevention Authority</td>
<td>-</td>
<td>405,563</td>
<td>369,973</td>
<td>(35,590)</td>
</tr>
<tr>
<td>Department of Health</td>
<td>-</td>
<td>99,022</td>
<td>99,022</td>
<td>-</td>
</tr>
<tr>
<td>Office of the Attorney General</td>
<td>-</td>
<td>75,920</td>
<td>75,920</td>
<td>-</td>
</tr>
<tr>
<td>Tx Comm on Environmental Quality</td>
<td>-</td>
<td>593,722</td>
<td>465,506</td>
<td>(128,216)</td>
</tr>
<tr>
<td>Total State Grants</td>
<td>-</td>
<td>1,174,227</td>
<td>1,010,421</td>
<td>(163,806)</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Marshal Transportation</td>
<td>-</td>
<td>46,705</td>
<td>46,705</td>
<td>-</td>
</tr>
<tr>
<td>Prosecutor Salary Supplement</td>
<td>-</td>
<td>12,131</td>
<td>62,981</td>
<td>50,850</td>
</tr>
<tr>
<td>Intergovernmental Contracts</td>
<td>15,000</td>
<td>15,000</td>
<td>15,982</td>
<td>982</td>
</tr>
<tr>
<td>Senate Bill 55/Tobacco Settlement</td>
<td>-</td>
<td>4,000</td>
<td>4,000</td>
<td>-</td>
</tr>
<tr>
<td>Voter Registration</td>
<td>-</td>
<td>49,898</td>
<td>73,120</td>
<td>23,222</td>
</tr>
<tr>
<td>Total Other</td>
<td>15,000</td>
<td>127,734</td>
<td>202,788</td>
<td>75,054</td>
</tr>
<tr>
<td>Total Intergovernmental</td>
<td>125,000</td>
<td>6,437,599</td>
<td>4,943,706</td>
<td>(1,493,893)</td>
</tr>
<tr>
<td>CHARGES FOR SERVICES</td>
<td>130,000</td>
<td>184,000</td>
<td>223,454</td>
<td>39,454</td>
</tr>
<tr>
<td>INTEREST</td>
<td>280,845</td>
<td>830,845</td>
<td>842,272</td>
<td>11,427</td>
</tr>
<tr>
<td>CONTRACT REIMBURSEMENTS</td>
<td>3,105,768</td>
<td>8,071,288</td>
<td>7,898,265</td>
<td>(173,023)</td>
</tr>
<tr>
<td>INMATE HOUSING</td>
<td>160,000</td>
<td>160,000</td>
<td>50,430</td>
<td>(109,570)</td>
</tr>
<tr>
<td>FINES AND FORFEITURES</td>
<td>96,000</td>
<td>96,000</td>
<td>208,906</td>
<td>112,906</td>
</tr>
<tr>
<td>MISCELLANEOUS:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease of Facility</td>
<td>114,500</td>
<td>106,700</td>
<td>115,009</td>
<td>8,309</td>
</tr>
<tr>
<td>Commissions</td>
<td>505,000</td>
<td>580,000</td>
<td>589,676</td>
<td>9,676</td>
</tr>
<tr>
<td>Other</td>
<td>60,000</td>
<td>735,300</td>
<td>737,117</td>
<td>1,817</td>
</tr>
<tr>
<td>Total Miscellaneous</td>
<td>679,500</td>
<td>1,422,000</td>
<td>1,441,802</td>
<td>19,802</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>87,598,418</td>
<td>103,218,573</td>
<td>102,745,829</td>
<td>(472,744)</td>
</tr>
</tbody>
</table>

OTHER FINANCING SOURCES:
Transfers In - 1,265,269 2,394,165 1,128,896
Capital Lease Financing - 1,264,452 1,264,452 -
TOTAL OTHER FINANCING SOURCES - 2,529,721 3,658,617 1,128,896

TOTAL REVENUES AND OTHER FINANCING SOURCES $ 87,598,418 $ 105,748,294 $ 106,404,446 $ 656,152
## GENERAL ADMINISTRATION:

### County Judge:

<table>
<thead>
<tr>
<th>Item</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$212,860</td>
<td>$216,534</td>
<td>$216,534</td>
<td>$</td>
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<tr>
<td>Employee Benefits</td>
<td>59,468</td>
<td>54,363</td>
<td>54,362</td>
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<tr>
<td>Supplies</td>
<td>9,100</td>
<td>10,884</td>
<td>5,308</td>
<td>5,576</td>
</tr>
<tr>
<td>Contract Services</td>
<td>8,200</td>
<td>28,575</td>
<td>26,772</td>
<td>1,803</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>1,200</td>
<td>1,200</td>
<td>1,002</td>
<td>198</td>
</tr>
<tr>
<td><strong>Total County Judge</strong></td>
<td><strong>290,828</strong></td>
<td><strong>311,556</strong></td>
<td><strong>303,978</strong></td>
<td><strong>7,578</strong></td>
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### Human Resources:

<table>
<thead>
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<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
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</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>166,654</td>
<td>179,385</td>
<td>179,385</td>
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<tr>
<td>Employee Benefits</td>
<td>55,847</td>
<td>56,359</td>
<td>56,359</td>
<td>-</td>
</tr>
<tr>
<td>Supplies</td>
<td>8,600</td>
<td>7,210</td>
<td>5,979</td>
<td>1,231</td>
</tr>
<tr>
<td>Contract Services</td>
<td>17,200</td>
<td>18,333</td>
<td>15,530</td>
<td>2,803</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>1,042</td>
<td>1,042</td>
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<tr>
<td><strong>Total Human Resources</strong></td>
<td><strong>248,301</strong></td>
<td><strong>262,329</strong></td>
<td><strong>258,295</strong></td>
<td><strong>4,034</strong></td>
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### Risk Management:

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<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>131,836</td>
<td>148,245</td>
<td>148,121</td>
<td>124</td>
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<tr>
<td>Employee Benefits</td>
<td>49,980</td>
<td>50,080</td>
<td>48,961</td>
<td>1,119</td>
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<tr>
<td>Supplies</td>
<td>9,500</td>
<td>48,010</td>
<td>31,402</td>
<td>16,608</td>
</tr>
<tr>
<td>Contract Services</td>
<td>1,714,590</td>
<td>3,545,425</td>
<td>1,840,176</td>
<td>1,705,249</td>
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<tr>
<td><strong>Total Risk Management</strong></td>
<td><strong>1,905,906</strong></td>
<td><strong>3,791,760</strong></td>
<td><strong>2,068,660</strong></td>
<td><strong>1,723,100</strong></td>
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</table>

### County Clerk:

<table>
<thead>
<tr>
<th>Item</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>1,337,582</td>
<td>1,368,441</td>
<td>1,368,853</td>
<td>(412)</td>
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<tr>
<td>Employee Benefits</td>
<td>530,090</td>
<td>511,913</td>
<td>511,789</td>
<td>124</td>
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<tr>
<td>Supplies</td>
<td>82,700</td>
<td>83,114</td>
<td>72,854</td>
<td>10,260</td>
</tr>
<tr>
<td>Contract Services</td>
<td>146,290</td>
<td>241,397</td>
<td>198,136</td>
<td>43,261</td>
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<tr>
<td>Capital Outlay</td>
<td>26,200</td>
<td>29,152</td>
<td>19,785</td>
<td>9,367</td>
</tr>
<tr>
<td><strong>Total County Clerk</strong></td>
<td><strong>2,122,862</strong></td>
<td><strong>2,234,017</strong></td>
<td><strong>2,171,417</strong></td>
<td><strong>62,600</strong></td>
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### Collections:

<table>
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<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>281,615</td>
<td>283,610</td>
<td>283,608</td>
<td>2</td>
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<tr>
<td>Employee Benefits</td>
<td>108,603</td>
<td>96,478</td>
<td>96,474</td>
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<tr>
<td>Supplies</td>
<td>24,013</td>
<td>26,667</td>
<td>26,254</td>
<td>413</td>
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<tr>
<td>Contract Services</td>
<td>16,992</td>
<td>16,578</td>
<td>16,293</td>
<td>285</td>
</tr>
<tr>
<td><strong>Total Collections</strong></td>
<td><strong>431,223</strong></td>
<td><strong>423,333</strong></td>
<td><strong>422,629</strong></td>
<td><strong>704</strong></td>
</tr>
</tbody>
</table>
## MONTGOMERY COUNTY, TEXAS
### General Fund
#### Schedule of Expenditures and Other Financing Uses
##### Budget (GAAP Basis) and Actual Year Ended September 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td><strong>GENERAL ADMINISTRATION</strong>&lt;br&gt;(cont'd)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veterans' Service:</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>79,315</td>
<td>83,085</td>
<td>83,085</td>
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<tr>
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<td>27,248</td>
<td>25,340</td>
<td>25,340</td>
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<tr>
<td>Supplies</td>
<td>851</td>
<td>2,309</td>
<td>2,298</td>
<td>11</td>
</tr>
<tr>
<td>Contract Services</td>
<td>2,700</td>
<td>2,350</td>
<td>1,845</td>
<td>505</td>
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<tr>
<td>Total Veterans' Service</td>
<td>110,114</td>
<td>113,084</td>
<td>112,568</td>
<td>516</td>
</tr>
<tr>
<td>Communications/Information:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>1,073,462</td>
<td>1,117,116</td>
<td>1,117,116</td>
<td>-</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>325,998</td>
<td>315,285</td>
<td>315,285</td>
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<tr>
<td>Supplies</td>
<td>109,974</td>
<td>156,984</td>
<td>87,596</td>
<td>69,388</td>
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<tr>
<td>Contract Services</td>
<td>365,168</td>
<td>1,205,481</td>
<td>1,131,946</td>
<td>73,535</td>
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<td>50,000</td>
<td>104,510</td>
<td>87,575</td>
<td>16,935</td>
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<tr>
<td>Total Comms/Information</td>
<td>1,924,602</td>
<td>2,899,376</td>
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<td>Purchasing Agent:</td>
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<td></td>
<td></td>
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<tr>
<td>Salaries</td>
<td>543,788</td>
<td>551,533</td>
<td>551,509</td>
<td>24</td>
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<tr>
<td>Employee Benefits</td>
<td>174,925</td>
<td>172,062</td>
<td>172,054</td>
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<td>Supplies</td>
<td>16,500</td>
<td>37,881</td>
<td>18,833</td>
<td>19,048</td>
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<tr>
<td>Contract Services</td>
<td>208,977</td>
<td>202,129</td>
<td>135,739</td>
<td>66,390</td>
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<tr>
<td>Capital Outlay</td>
<td>250</td>
<td>6,750</td>
<td>6,750</td>
<td>-</td>
</tr>
<tr>
<td>Total Purchasing Agent</td>
<td>944,440</td>
<td>970,355</td>
<td>884,885</td>
<td>85,470</td>
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<td>County-Wide:</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>606,000</td>
<td>595,617</td>
<td>587,756</td>
<td>7,861</td>
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<td>Contract Services</td>
<td>3,311,500</td>
<td>2,439,883</td>
<td>2,303,865</td>
<td>136,018</td>
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<tr>
<td>Total County-Wide</td>
<td>3,917,500</td>
<td>3,035,500</td>
<td>2,891,621</td>
<td>143,879</td>
</tr>
<tr>
<td><strong>TOTAL GENERAL ADM</strong></td>
<td>11,895,776</td>
<td>14,041,310</td>
<td>11,853,571</td>
<td>2,187,739</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td><strong>JUDICIAL:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Court No1:</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Salaries</td>
<td>213,066</td>
<td>167,084</td>
<td>174,267</td>
<td>(7,183)</td>
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<tr>
<td>Employee Benefits</td>
<td>56,726</td>
<td>54,887</td>
<td>54,887</td>
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<tr>
<td>Supplies</td>
<td>6,924</td>
<td>12,039</td>
<td>9,277</td>
<td>2,762</td>
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<tr>
<td>Contract Services</td>
<td>8,025</td>
<td>8,337</td>
<td>5,921</td>
<td>2,416</td>
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<tr>
<td>Total County Court No1</td>
<td>284,741</td>
<td>242,347</td>
<td>244,352</td>
<td>(2,005)</td>
</tr>
</tbody>
</table>
## MONTGOMERY COUNTY, TEXAS

**General Fund**

**Schedule of Expenditures and Other Financing Uses**

**Budget (GAAP Basis) and Actual Year Ended September 30, 2005**

<table>
<thead>
<tr>
<th>JUDICIAL (cont'd)</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td><strong>County Court No2:</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Salaries</td>
<td>292,574</td>
<td>248,094</td>
<td>255,277</td>
<td>(7,183)</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>84,006</td>
<td>78,925</td>
<td>78,924</td>
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<tr>
<td>Supplies</td>
<td>6,500</td>
<td>9,243</td>
<td>6,783</td>
<td>2,460</td>
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<td>Contract Services</td>
<td>5,630</td>
<td>5,742</td>
<td>2,246</td>
<td>3,496</td>
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<td>Total County Court No2</td>
<td>388,710</td>
<td>342,004</td>
<td>343,230</td>
<td>(1,226)</td>
</tr>
<tr>
<td><strong>County Court No3:</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>210,961</td>
<td>164,330</td>
<td>171,513</td>
<td>(7,183)</td>
</tr>
<tr>
<td>Employee Benefits</td>
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<td>54,247</td>
<td>54,246</td>
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<tr>
<td>Supplies</td>
<td>15,800</td>
<td>11,484</td>
<td>10,393</td>
<td>1,091</td>
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<tr>
<td>Contract Services</td>
<td>15,075</td>
<td>14,610</td>
<td>13,012</td>
<td>1,598</td>
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<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>13,224</td>
<td>7,334</td>
<td>5,890</td>
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<td>Total County Court No3</td>
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<td>257,895</td>
<td>256,498</td>
<td>1,397</td>
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<td><strong>County Court No4:</strong></td>
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<td>Salaries</td>
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<td>168,518</td>
<td>175,701</td>
<td>(7,183)</td>
</tr>
<tr>
<td>Employee Benefits</td>
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<td>55,327</td>
<td>55,328</td>
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<tr>
<td>Supplies</td>
<td>13,300</td>
<td>18,616</td>
<td>13,691</td>
<td>4,925</td>
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<td>8,600</td>
<td>8,714</td>
<td>6,874</td>
<td>1,840</td>
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<td>Capital Outlay</td>
<td>-</td>
<td>22,350</td>
<td>22,350</td>
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<tr>
<td>Total County Court No4</td>
<td>293,286</td>
<td>273,525</td>
<td>273,944</td>
<td>(419)</td>
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<td><strong>District Attorney:</strong></td>
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<tr>
<td>Salaries</td>
<td>2,972,799</td>
<td>3,113,249</td>
<td>3,146,854</td>
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<tr>
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<td>958,546</td>
<td>955,288</td>
<td>955,288</td>
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<tr>
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<td>71,496</td>
<td>67,670</td>
<td>67,275</td>
<td>395</td>
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<td>Contract Services</td>
<td>123,530</td>
<td>142,581</td>
<td>104,156</td>
<td>38,425</td>
</tr>
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<td>Total District Attorney</td>
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<td>4,278,788</td>
<td>4,273,573</td>
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<tr>
<td><strong>District Clerk:</strong></td>
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<tr>
<td>Salaries</td>
<td>1,213,513</td>
<td>1,234,646</td>
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</tr>
<tr>
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<td>483,009</td>
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<td>Supplies</td>
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<td>44,307</td>
<td>40,614</td>
<td>3,693</td>
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<td>46,466</td>
<td>44,716</td>
<td>38,421</td>
<td>6,295</td>
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<tr>
<td>Capital Outlay</td>
<td>1,000</td>
<td>36,257</td>
<td>36,257</td>
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</tr>
<tr>
<td>Total District Clerk</td>
<td>1,802,920</td>
<td>1,842,936</td>
<td>1,832,947</td>
<td>9,989</td>
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<tr>
<td>JUDICIAL (cont'd)</td>
<td>Original Budget</td>
<td>Final Budget</td>
<td>Actual</td>
<td>Variance with Final Budget</td>
</tr>
<tr>
<td>------------------</td>
<td>----------------</td>
<td>--------------</td>
<td>--------</td>
<td>----------------------------</td>
</tr>
<tr>
<td><strong>Justice of Peace Pct 1:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>242,236</td>
<td>252,340</td>
<td>252,340</td>
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<tr>
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<td>77,956</td>
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<tr>
<td>Supplies</td>
<td>8,000</td>
<td>13,853</td>
<td>13,843</td>
<td>10</td>
</tr>
<tr>
<td>Contract Services</td>
<td>9,330</td>
<td>25,023</td>
<td>23,538</td>
<td>1,485</td>
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<tr>
<td>Capital Outlay</td>
<td>1,000</td>
<td>1,142</td>
<td>1,051</td>
<td>91</td>
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<td><strong>Total Justice of Peace Pct 1</strong></td>
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<td>370,314</td>
<td>368,728</td>
<td>1,586</td>
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<tr>
<td><strong>Justice of Peace Pct 2:</strong></td>
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<td>198,186</td>
<td>199,707</td>
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<tr>
<td>Employee Benefits</td>
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<td>66,883</td>
<td>66,883</td>
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<tr>
<td>Supplies</td>
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<td>5,375</td>
<td>5,374</td>
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<td>Contract Services</td>
<td>9,620</td>
<td>9,995</td>
<td>7,593</td>
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<td><strong>Total Justice of Peace Pct 2</strong></td>
<td>280,629</td>
<td>281,960</td>
<td>279,557</td>
<td>2,403</td>
</tr>
<tr>
<td><strong>Justice of Peace Pct 3:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>435,829</td>
<td>464,637</td>
<td>454,987</td>
<td>9,650</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>176,638</td>
<td>168,276</td>
<td>166,622</td>
<td>1,654</td>
</tr>
<tr>
<td>Supplies</td>
<td>8,861</td>
<td>17,596</td>
<td>15,083</td>
<td>2,513</td>
</tr>
<tr>
<td>Contract Services</td>
<td>12,525</td>
<td>18,575</td>
<td>16,593</td>
<td>1,982</td>
</tr>
<tr>
<td><strong>Total Justice of Peace Pct 3</strong></td>
<td>633,853</td>
<td>669,084</td>
<td>653,285</td>
<td>15,799</td>
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<tr>
<td><strong>Justice of Peace Pct 4:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Salaries</td>
<td>341,710</td>
<td>352,219</td>
<td>352,219</td>
<td>-</td>
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<tr>
<td>Employee Benefits</td>
<td>132,721</td>
<td>129,611</td>
<td>129,610</td>
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<tr>
<td>Supplies</td>
<td>9,903</td>
<td>11,987</td>
<td>11,976</td>
<td>11</td>
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<tr>
<td>Contract Services</td>
<td>10,737</td>
<td>25,127</td>
<td>22,763</td>
<td>2,364</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>1,051</td>
<td>1,051</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Justice of Peace Pct 4</strong></td>
<td>495,071</td>
<td>506,663</td>
<td>506,072</td>
<td>591</td>
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<tr>
<td><strong>Justice of Peace Pct 5:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>190,878</td>
<td>200,738</td>
<td>200,738</td>
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<tr>
<td>Employee Benefits</td>
<td>66,870</td>
<td>64,444</td>
<td>64,443</td>
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<tr>
<td>Supplies</td>
<td>9,362</td>
<td>12,229</td>
<td>9,060</td>
<td>3,169</td>
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<tr>
<td>Contract Services</td>
<td>7,750</td>
<td>25,127</td>
<td>22,763</td>
<td>2,364</td>
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<tr>
<td><strong>Total Justice of Peace Pct 5</strong></td>
<td>274,860</td>
<td>302,538</td>
<td>297,004</td>
<td>5,534</td>
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<tr>
<td><strong>TOTAL JUDICIAL</strong></td>
<td>9,220,142</td>
<td>9,368,054</td>
<td>9,329,190</td>
<td>38,864</td>
</tr>
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</table>
## MONTGOMERY COUNTY, TEXAS

### General Fund

#### Schedule of Expenditures and Other Financing Uses

**Budget (GAAP Basis) and Actual Year Ended September 30, 2005**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEGAL:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Attorney:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>1,112,699</td>
<td>1,142,142</td>
<td>1,159,141</td>
<td>(16,999)</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>340,201</td>
<td>341,960</td>
<td>341,961</td>
<td>(1)</td>
</tr>
<tr>
<td>Supplies</td>
<td>28,430</td>
<td>25,761</td>
<td>27,898</td>
<td>(2,137)</td>
</tr>
<tr>
<td>Contract Services</td>
<td>19,700</td>
<td>20,600</td>
<td>20,189</td>
<td>411</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>-</td>
<td>1,054</td>
<td>(1,054)</td>
</tr>
<tr>
<td><strong>TOTAL LEGAL</strong></td>
<td>1,501,030</td>
<td>1,530,463</td>
<td>1,550,243</td>
<td>(19,780)</td>
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<td><strong>ELECTIONS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>341,586</td>
<td>460,249</td>
<td>462,017</td>
<td>(1,768)</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>99,190</td>
<td>100,347</td>
<td>100,347</td>
<td>-</td>
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<tr>
<td>Supplies</td>
<td>43,039</td>
<td>33,554</td>
<td>30,111</td>
<td>3,443</td>
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<td>56,975</td>
<td>68,081</td>
<td>36,985</td>
<td>31,096</td>
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<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>2,091,087</td>
<td>21,510</td>
<td>2,069,577</td>
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<tr>
<td><strong>TOTAL ELECTIONS</strong></td>
<td>540,790</td>
<td>2,753,318</td>
<td>650,970</td>
<td>2,102,348</td>
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<td></td>
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</tr>
<tr>
<td>County Auditor:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>671,453</td>
<td>665,510</td>
<td>664,490</td>
<td>1,020</td>
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<td>231,143</td>
<td>210,711</td>
<td>210,540</td>
<td>171</td>
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<tr>
<td>Supplies</td>
<td>15,000</td>
<td>18,592</td>
<td>18,580</td>
<td>12</td>
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<td>Contract Services</td>
<td>11,090</td>
<td>37,937</td>
<td>30,823</td>
<td>7,114</td>
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<tr>
<td>Capital Outlay</td>
<td>3,600</td>
<td>2,128</td>
<td>2,128</td>
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<tr>
<td>Total County Auditor</td>
<td>932,286</td>
<td>934,878</td>
<td>926,561</td>
<td>8,317</td>
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<td>Budget Officer:</td>
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<tr>
<td>Salaries</td>
<td>147,758</td>
<td>159,063</td>
<td>159,062</td>
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<tr>
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<td>45,720</td>
<td>40,852</td>
<td>40,851</td>
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<tr>
<td>Supplies</td>
<td>4,760</td>
<td>10,280</td>
<td>9,160</td>
<td>1,120</td>
</tr>
<tr>
<td>Contract Services</td>
<td>5,755</td>
<td>12,668</td>
<td>9,572</td>
<td>3,096</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>3,083</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Budget Officer</td>
<td>207,076</td>
<td>222,863</td>
<td>218,645</td>
<td>4,218</td>
</tr>
<tr>
<td>County Treasurer:</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Salaries</td>
<td>272,245</td>
<td>293,886</td>
<td>293,886</td>
<td>-</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>94,463</td>
<td>94,593</td>
<td>94,593</td>
<td>-</td>
</tr>
<tr>
<td>Supplies</td>
<td>16,850</td>
<td>16,441</td>
<td>13,394</td>
<td>3,047</td>
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<tr>
<td>Contract Services</td>
<td>14,892</td>
<td>18,414</td>
<td>17,941</td>
<td>473</td>
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<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>2,252</td>
<td>1,042</td>
<td>1,210</td>
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<tr>
<td>Total County Treasurer</td>
<td>398,450</td>
<td>425,586</td>
<td>420,856</td>
<td>4,730</td>
</tr>
</tbody>
</table>
**MONTGOMERY COUNTY, TEXAS**

**General Fund**

**Schedule of Expenditures and Other Financing Uses**

**Budget (GAAP Basis) and Actual Year Ended September 30, 2005**

<table>
<thead>
<tr>
<th>FINANCIAL ADM(cont'd)</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Variance (Positive (Negative))</td>
</tr>
<tr>
<td>Tax Assessor-Collector:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>1,834,199</td>
<td>1,888,811</td>
<td>1,882,153</td>
<td>6,658</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>723,757</td>
<td>692,071</td>
<td>691,747</td>
<td>324</td>
</tr>
<tr>
<td>Supplies</td>
<td>121,137</td>
<td>133,246</td>
<td>70,584</td>
<td>62,662</td>
</tr>
<tr>
<td>Contract Services</td>
<td>118,730</td>
<td>145,319</td>
<td>105,550</td>
<td>39,769</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>19,496</td>
<td>46,940</td>
<td>43,513</td>
<td>3,427</td>
</tr>
<tr>
<td>Total Tax Assessor-Collector</td>
<td>2,817,319</td>
<td>2,906,387</td>
<td>2,793,547</td>
<td>112,840</td>
</tr>
<tr>
<td>TOTAL FINANCIAL ADM</td>
<td>4,355,131</td>
<td>4,489,714</td>
<td>4,359,609</td>
<td>130,105</td>
</tr>
</tbody>
</table>

**PUBLIC FACILITIES:**

**Custodial Services:**

|                       |                 |              |        |                           |
| Salaries              | 1,017,274       | 1,014,395    | 1,014,394 | 1                        |
| Employee Benefits     | 408,109         | 389,660      | 389,658 | 2                        |
| Supplies              | 201,716         | 207,043      | 205,418  | 1,625                     |
| Contract Services     | 84,866          | 78,636       | 73,684  | 4,952                     |
| Capital Outlay        | 38,370          | 117,699      | 117,181  | 518                       |
| Total Custodial Services | 1,750,335 | 1,807,433 | 1,800,335 | 7,098 |

**Building Maintenance:**

|                       |                 |              |        |                           |
| Salaries              | 933,005         | 943,872      | 943,871 | 1                        |
| Employee Benefits     | 318,286         | 307,634      | 307,633 | 1                        |
| Supplies              | 398,096         | 442,353      | 436,558 | 5,795                     |
| Contract Services     | 124,936         | 776,837      | 771,289 | 5,548                     |
| Capital Outlay        | 38,370          | 100,339      | 96,289  | 4,050                     |
| Total Building Maintenance | 1,774,323 | 2,571,035 | 2,555,640 | 15,395 |

**Jail:**

|                       |                 |              |        |                           |
| Salaries              | 6,045,834       | 6,205,632    | 6,166,700 | 38,932                    |
| Employee Benefits     | 2,219,585       | 2,103,273    | 2,103,272 | 1                        |
| Supplies              | 1,319,616       | 1,433,022    | 1,360,279 | 72,743                    |
| Contract Services     | 832,300         | 821,943      | 796,947  | 24,996                    |
| Capital Outlay        | -               | 59,353       | 59,350  | -                        |
| Total Jail            | 10,417,335      | 10,623,223   | 10,486,548 | 136,675 |

**Civic Center:**

|                       |                 |              |        |                           |
| Salaries              | 313,354         | 326,509      | 326,509 | -                        |
| Employee Benefits     | 114,814         | 105,122      | 105,121 | 1                        |
| Supplies              | 83,600          | 78,104       | 72,707  | 5,397                     |
| Contract Services     | 306,394         | 379,959      | 344,958 | 35,001                    |
| Capital Outlay        | -               | 21,939       | 21,939  | -                        |
| Total Civic Center    | 818,162         | 911,633      | 871,234 | 40,399                    |
### MONTGOMERY COUNTY, TEXAS

**General Fund**

Schedule of Expenditures and Other Financing Uses

Budget (GAAP Basis) and Actual Year Ended September 30, 2005

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>46,399</td>
<td>49,108</td>
<td>49,107</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>14,760</td>
<td>15,018</td>
<td>15,018</td>
</tr>
<tr>
<td>Supplies</td>
<td>3,300</td>
<td>3,302</td>
<td>2,385</td>
</tr>
<tr>
<td>Contract Services</td>
<td>13,100</td>
<td>22,109</td>
<td>15,246</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>250</td>
<td>3,037</td>
<td>40</td>
</tr>
<tr>
<td>Total Parks</td>
<td>77,809</td>
<td>92,574</td>
<td>81,796</td>
</tr>
<tr>
<td><strong>TOTAL PUBLIC FACILITIES</strong></td>
<td><strong>14,837,964</strong></td>
<td><strong>16,005,898</strong></td>
<td><strong>15,795,553</strong></td>
</tr>
</tbody>
</table>

| Public Safety:          |              |        |                             |
| Fire Marshal:           |              |        |                             |
| Salaries                | 395,265      | 390,667| 390,666                     | 1 positives |
| Employee Benefits       | 111,716      | 104,599| 104,599                     | 0 |
| Supplies                | 13,750       | 13,752 | 13,063                      | 689 negatives |
| Contract Services       | 14,495       | 17,685 | 14,048                      | 3,637 positives |
| Total Fire Marshal      | 535,226      | 526,703| 522,376                     | 4,327 positives |
| Crimestoppers:          |              |        |                             |
| Salaries                | 67,351       | 45,750 | 45,750                      | 0 |
| Employee Benefits       | 25,231       | 16,731 | 16,731                      | 0 |
| Total Crimestoppers     | 92,582       | 62,481 | 62,481                      | 0 |

| Constable Pct 1:        |              |        |                             |
| Salaries                | 1,299,203    | 1,397,125| 1,394,822                   | 2,303 positives |
| Employee Benefits       | 420,217      | 430,852 | 423,095                     | 7,757 positives |
| Supplies                | 68,559       | 77,536 | 69,386                      | 8,150 positives |
| Contract Services       | 38,781       | 67,933 | 62,784                      | 5,149 positives |
| Capital Outlay          |              | 19,054 | 19,054                      | 0 |
| Total Constable Pct 1   | 1,826,760    | 1,992,500| 1,969,141                   | 23,359 positives |

| Constable Pct 2:        |              |        |                             |
| Salaries                | 617,036      | 673,118| 669,536                     | 3,582 positives |
| Employee Benefits       | 194,416      | 201,515| 193,439                     | 8,076 positives |
| Supplies                | 34,773       | 27,629 | 26,112                      | 1,517 positives |
| Contract Services       | 17,400       | 28,832 | 21,248                      | 7,584 positives |
| Capital Outlay          |              | 16,105 | 7,591                       | 8,514 positives |
| Total Constable Pct 2   | 863,625      | 947,199| 917,926                     | 29,273 positives |
## MONTGOMERY COUNTY, TEXAS
### General Fund
#### Schedule of Expenditures and Other Financing Uses
##### Budget (GAAP Basis) and Actual Year Ended September 30, 2005

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Page 8 of 11

<table>
<thead>
<tr>
<th>Public Safety (cont'd)</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td>Constable Pct 3:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>1,363,818</td>
<td>1,560,387</td>
<td>1,560,274</td>
<td>113</td>
</tr>
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<td>Employee Benefits</td>
<td>436,611</td>
<td>476,097</td>
<td>468,615</td>
<td>7,482</td>
</tr>
<tr>
<td>Supplies</td>
<td>28,200</td>
<td>48,545</td>
<td>45,219</td>
<td>3,326</td>
</tr>
<tr>
<td>Contract Services</td>
<td>18,880</td>
<td>23,282</td>
<td>14,537</td>
<td>8,745</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>12,400</td>
<td>8,338</td>
<td>4,062</td>
</tr>
<tr>
<td>Total Constable Pct 3</td>
<td>1,847,509</td>
<td>2,120,711</td>
<td>2,096,983</td>
<td>23,728</td>
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<tr>
<td>Constable Pct 4:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>691,168</td>
<td>705,153</td>
<td>705,153</td>
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</tr>
<tr>
<td>Employee Benefits</td>
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<td>207,760</td>
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<tr>
<td>Supplies</td>
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<td>16,013</td>
<td>15</td>
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<tr>
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<td>16,254</td>
<td>15,868</td>
<td>386</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>324</td>
<td>324</td>
<td>-</td>
</tr>
<tr>
<td>Total Constable Pct 4</td>
<td>938,856</td>
<td>945,520</td>
<td>945,118</td>
<td>402</td>
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<tr>
<td>Constable Pct 5:</td>
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<td></td>
</tr>
<tr>
<td>Salaries</td>
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<td>1,191,528</td>
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</tr>
<tr>
<td>Employee Benefits</td>
<td>351,732</td>
<td>353,626</td>
<td>353,377</td>
<td>249</td>
</tr>
<tr>
<td>Supplies</td>
<td>41,275</td>
<td>37,276</td>
<td>34,343</td>
<td>2,933</td>
</tr>
<tr>
<td>Contract Services</td>
<td>28,115</td>
<td>46,715</td>
<td>43,920</td>
<td>2,795</td>
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<tr>
<td>Capital Outlay</td>
<td>-</td>
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<td>20,756</td>
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<td>Total Constable Pct 5</td>
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<tr>
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<td>3,825,094</td>
<td>3,701,388</td>
<td>123,706</td>
</tr>
<tr>
<td>Supplies</td>
<td>841,737</td>
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<td>110,984</td>
<td>1,735,371</td>
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<td>16,251,092</td>
<td>19,975,498</td>
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<td>Juvenile Services:</td>
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<td>3,584,079</td>
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</table>
MONTGOMERY COUNTY, TEXAS  
General Fund  
Schedule of Expenditures and Other Financing Uses  
Budget (GAAP Basis) and Actual Year Ended September 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
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<tbody>
<tr>
<td><strong>PUBLIC SAFETY (cont'd)</strong></td>
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<td>Adult Services:</td>
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<td>7,500</td>
<td>32,970</td>
<td>31,113</td>
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<td>8,330</td>
<td>4,649,530</td>
<td>4,645,774</td>
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<td>410</td>
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<td>Total Dept of Public Safety</td>
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<td>-</td>
<td>593,722</td>
<td>465,506</td>
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<td>254,555</td>
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<td>294,312</td>
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<td>34,627</td>
<td>12,280</td>
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<td>46,856</td>
<td>41,089</td>
<td>5,767</td>
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<tr>
<td>Total Environmental Health</td>
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<td>Final Budget</td>
<td>Actual</td>
<td>Variance with Final Budget</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------</td>
<td>--------------</td>
<td>--------</td>
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<tr>
<td><strong>HEALTH/WELFARE (cont'd)</strong></td>
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<tr>
<td>Animal Control:</td>
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<td>7,900</td>
<td>7,591</td>
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<td>Total Animal Control</td>
<td>563,827</td>
<td>568,911</td>
<td>564,226</td>
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<td>Welfare:</td>
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<td>871,122</td>
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<td><strong>TOTAL HEALTH/WELFARE</strong></td>
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<td>4,621,526</td>
<td>4,468,792</td>
<td>152,734</td>
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<td><strong>CONSERVATION:</strong></td>
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<td>Extension Agent:</td>
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<td>Contract Services</td>
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<td>50,552</td>
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<td>Total Extension Agent</td>
<td>377,532</td>
<td>402,365</td>
<td>400,034</td>
<td>2,331</td>
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<td><strong>TOTAL CONSERVATION</strong></td>
<td>377,532</td>
<td>402,365</td>
<td>400,034</td>
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<td><strong>MISCELLANEOUS:</strong></td>
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<td>Salaries</td>
<td>2,041,599</td>
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<td>Benefits</td>
<td>344,010</td>
<td>3,171,789</td>
<td>3,706,293</td>
<td>(534,504)</td>
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<td>Contingency</td>
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<td>813,021</td>
<td>2,808,097</td>
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<td>6,792,907</td>
<td>4,519,314</td>
<td>2,273,593</td>
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<td><strong>TOTAL EXPENDITURES</strong></td>
<td>78,128,937</td>
<td>99,164,871</td>
<td>90,609,540</td>
<td>8,555,331</td>
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</table>
### MONTGOMERY COUNTY, TEXAS

**General Fund**

**Schedule of Expenditures and Other Financing Uses**

**Budget (GAAP Basis) and Actual Year Ended September 30, 2005**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
<th>Positive (Negative)</th>
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<td><strong>OTHER FINANCING USES:</strong></td>
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<td>Transfers Out:</td>
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<tr>
<td>To Attorney Administration</td>
<td>-</td>
<td>-</td>
<td>13,570</td>
<td>(13,570)</td>
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<tr>
<td>To Jury</td>
<td>-</td>
<td>48,805</td>
<td>4,333,000</td>
<td>(4,284,195)</td>
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<td>To Road and Bridge</td>
<td>-</td>
<td>302,995</td>
<td>-</td>
<td>302,995</td>
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<td>To Memorial Library</td>
<td>-</td>
<td>31,000</td>
<td>5,735,000</td>
<td>(5,704,000)</td>
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</tr>
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<td>To Community Development</td>
<td>-</td>
<td>-</td>
<td>260,109</td>
<td>(260,109)</td>
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<tr>
<td>To Animal Shelter</td>
<td>-</td>
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<td>330,500</td>
<td>(330,500)</td>
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<td>To Historical Commission</td>
<td>-</td>
<td>-</td>
<td>28,232</td>
<td>(28,232)</td>
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<td>To Alternative Dispute Res.</td>
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<td>200</td>
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<td>129,870</td>
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<td>10,761,411</td>
<td>(10,213,129)</td>
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<td><strong>TOTAL EXPENDITURES AND FINANCING USES</strong></td>
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<td>$101,370,951</td>
<td>$(1,657,798)</td>
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<td>Original Budget</td>
<td>Final Budget</td>
<td>Actual</td>
<td>Variance with Final Budget Positive (Negative)</td>
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<td>---------------------</td>
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<td>--------------</td>
<td>--------</td>
<td>-----------------------------------------------</td>
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<tr>
<td><strong>REVENUES:</strong></td>
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<td>Taxes</td>
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<td>$11,687,384</td>
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<td>535,526</td>
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<td>$12,027,229</td>
<td>$12,006,379</td>
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<td>Debt Service:</td>
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<td>8,094,572</td>
<td>8,087,980</td>
<td>6,592</td>
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<td>Issuance Costs</td>
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<td>618,647</td>
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<td><strong>TOTAL EXPENDITURES</strong></td>
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<tr>
<td>Excess (Deficiency) Revenues Over Expenditures</td>
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<td>279,076</td>
<td>264,822</td>
<td>(14,254)</td>
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<td>Proceeds of Refunding Bonds</td>
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<td>45,850,000</td>
<td>45,850,000</td>
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<td>Premium on Refunding Bonds</td>
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<td>3,772,220</td>
<td>3,772,220</td>
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<td>Payment to Refunded Bond Escrow Agent</td>
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<td>(49,904,606)</td>
<td>(49,904,606)</td>
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<td>(282,386)</td>
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<td>(3,310)</td>
<td>(17,564)</td>
<td>(14,254)</td>
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<td><strong>FUND BALANCE AT END OF YEAR</strong></td>
<td>$2,156,950</td>
<td>$2,156,949</td>
<td>$2,142,695</td>
<td>$(14,254)</td>
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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES
MONTGOMERY COUNTY, TEXAS
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2005

<table>
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<th>Special Revenue</th>
<th>Capital Projects</th>
<th>Total</th>
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<tr>
<td>Cash</td>
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<td>$ 439,343</td>
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<td>Investments, at Fair Value</td>
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<td>5,671,376</td>
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<tr>
<td>Cash, Restricted for Retainage</td>
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<td>296,897</td>
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<td>Receivables:</td>
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<td>Accounts</td>
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<td>Accrued Interest</td>
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<td>Due from Other Funds</td>
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<td>4,872,383</td>
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<td>Due from Other Governments</td>
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<td>Prepaid Items</td>
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<td>$ 11,479,211</td>
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LIABILITIES AND FUND BALANCES:

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<tr>
<th></th>
<th>Special Revenue</th>
<th>Capital Projects</th>
<th>Total</th>
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<td>LIABILITIES:</td>
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<td>Accounts Payable</td>
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<tr>
<td>Retainage Payable</td>
<td>-</td>
<td>305,210</td>
<td>305,210</td>
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<tr>
<td>Due to Other Funds</td>
<td>2,318,960</td>
<td>2,376,858</td>
<td>4,695,818</td>
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<tr>
<td>Due to Other Governments</td>
<td>224</td>
<td>-</td>
<td>224</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>372,843</td>
<td>1,590,599</td>
<td>1,963,442</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>3,662,446</td>
<td>5,918,987</td>
<td>9,581,433</td>
</tr>
</tbody>
</table>

FUND BALANCES:

Reserved for:
- Prepaid Items: 1,799,127
- Capital Projects: 5,560,224

Unreserved, designated for:
- Encumbrances: 1,915
- Unreserved, undesignated: (341,762)

Total Fund Balances: 1,459,280

TOTAL LIABILITIES AND FUND BALANCES:

<table>
<thead>
<tr>
<th></th>
<th>Special Revenue</th>
<th>Capital Projects</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 5,121,726</td>
<td>$ 11,479,211</td>
<td>$ 16,600,937</td>
</tr>
</tbody>
</table>
### MONTGOMERY COUNTY, TEXAS

**Nonmajor Governmental Funds**

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

**Year Ended September 30, 2005**

<table>
<thead>
<tr>
<th>Special Revenue</th>
<th>Capital Projects</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>$77,426</td>
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<tr>
<td>Fees</td>
<td>291,010</td>
<td>-</td>
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<tr>
<td>Intergovernmental</td>
<td>4,367,415</td>
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<tr>
<td>Charges for Services</td>
<td>985,150</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>15,109</td>
<td>233,284</td>
</tr>
<tr>
<td>Contract Reimbursements</td>
<td>127,838</td>
<td>-</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>951,851</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>275,294</td>
<td>263,872</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>7,091,093</td>
<td>497,156</td>
</tr>
</tbody>
</table>

| **EXPENDITURES:** |                  |        |
| Current:          |                  |        |
| General Administration | 102,903 | - | 102,903 |
| Judicial          | 5,204,608        | - | 5,204,608 |
| Legal Services    | 270,554          | - | 270,554 |
| Public Safety     | 2,308,455        | - | 2,308,455 |
| Health and Welfare| 2,510,329        | - | 2,510,329 |
| Culture and Recreation | 6,102,610 | - | 6,102,610 |
| Public Transportation | 556,189 | - | 556,189 |
| Capital Projects  | -                | 10,251,379 | 10,251,379 |
| **TOTAL EXPENDITURES** | 17,055,648 | 10,251,379 | 27,307,027 |

(Deficiency) Revenues Over Expenditures

|                  | (9,964,555) | (9,754,223) | (19,718,778) |

**OTHER FINANCING SOURCES/USES:**

| Transfers In     | 11,085,911 | 2,486,179 | 13,572,090 |
| Transfers Out    | (1,092,612) | (484,494) | (1,577,106) |

**TOTAL OTHER FINANCING SOURCES**

| 9,993,299 | 2,001,685 | 11,994,984 |

Net Change in Fund Balances

| 28,744 | (7,752,538) | (7,723,794) |

Fund Balances at Beginning of Year

| 1,430,536 | 13,312,762 | 14,743,298 |

**FUND BALANCES AT END OF YEAR**

| $1,459,280 | $5,560,224 | $7,019,504 |
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.

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

**FEMA Disaster Grants Fund** - to account for grants from the Federal Emergency Management Agency. The purpose of these grants is to assist the County in recovering from Hurricanes Rita and Katrina.

**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 ad valorem taxes and user fees.

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

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

**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.

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

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

**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.

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

**Airport Maintenance Fund** - to account for operations of the County airport. Funding is provided by user fees and ad valorem taxes.
MONTGOMERY COUNTY, TEXAS  
Nonmajor Special Revenue Funds  
Combining Balance Sheet  
September 30, 2005

<table>
<thead>
<tr>
<th>Attorney Administration</th>
<th>Forfeitures</th>
<th>Civic Center Complex</th>
<th>FEMA Disaster Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 24,625</td>
<td>$ 554,271</td>
<td>$ -</td>
</tr>
<tr>
<td>Investments, at Fair Value</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts</td>
<td>4,935</td>
<td>-</td>
<td>2,191</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>-</td>
<td>56,805</td>
</tr>
<tr>
<td>Due from Other Governments</td>
<td>-</td>
<td>-</td>
<td>44,206</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 29,560</td>
<td>$ 554,271</td>
<td>$ 103,202</td>
</tr>
</tbody>
</table>

**LIABILITIES AND FUND BALANCES:**

**LIABILITIES:**

| Accounts Payable | $ 1,516 | $ - | $ 7,007 | $ 82,380 |
| Due to Other Funds | 8,654 | - | - | 39,913 |
| Due to Other Governments | - | - | - | - |
| Deferred Revenue | - | - | - | - |
| **Total Liabilities** | 10,170 | - | 7,007 | 122,293 |

**FUND BALANCES:**

Reserved for:

- Prepaid Items | - | - | - | 10,000 |

Unreserved, designated for:

- Encumbrances | - | - | - | - |

Unreserved, undesignated

| 19,390 | 554,271 | 96,195 | (10,773) |
| **Total Fund Balances** | 19,390 | 554,271 | 96,195 | (773) |

**TOTAL LIABILITIES AND FUND BALANCES**

<p>| $ 29,560 | $ 554,271 | $ 103,202 | $ 121,520 |</p>
<table>
<thead>
<tr>
<th></th>
<th>Jury</th>
<th>Sheriff Commissary</th>
<th>Memorial Library</th>
<th>Memo Totals from Page 91</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$13,604</td>
<td>$129,130</td>
<td>$530</td>
<td>$129,371</td>
<td>$851,531</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>$567,764</td>
<td>$567,764</td>
</tr>
<tr>
<td></td>
<td>252</td>
<td></td>
<td>34,277</td>
<td>2,245</td>
<td>43,900</td>
</tr>
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<td></td>
<td>2,307</td>
<td>2,307</td>
</tr>
<tr>
<td></td>
<td>250,005</td>
<td></td>
<td>232,767</td>
<td>375,003</td>
<td>914,580</td>
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<tr>
<td></td>
<td>88,520</td>
<td></td>
<td></td>
<td>698,271</td>
<td>942,517</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,789,127</td>
<td>1,799,127</td>
</tr>
<tr>
<td></td>
<td>$352,381</td>
<td>$129,130</td>
<td>$267,574</td>
<td>$3,564,088</td>
<td>$5,121,726</td>
</tr>
</tbody>
</table>

|                | $351,395| $-                | $245,713         | $282,408                 | $970,419|
|                |        |                    |                  | 2,249,448                | 2,318,960|
|                |        |                    |                  | 224                      | 224     |
|                |        |                    |                  | 372,843                  | 372,843 |
|                | 351,395|                    | 266,658          | 2,904,923                | 3,662,446|

|                |        |                    |                  | 1,789,127                | 1,799,127|
|                | 986    |                    | 916              | 13                       | 1,915   |
|                |        | 129,130            |                  | (1,129,975)              | (341,762)|
|                | 986    | 129,130            | 916              | 659,165                  | 1,459,280|

|                | $352,381| $129,130           | $267,574         | $3,564,088               | $5,121,726|

89
MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2005

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>Community Development</th>
<th>Animal Shelter</th>
<th>Law Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 71,348</td>
</tr>
<tr>
<td>Investments, at Fair Value</td>
<td>-</td>
<td>-</td>
<td>567,764</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts</td>
<td>-</td>
<td>1,678</td>
<td>-</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>-</td>
<td>2,307</td>
</tr>
<tr>
<td>Due from Other Governments</td>
<td>438,309</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$ 438,309</td>
<td>$ 29,673</td>
<td>$ 641,419</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCES:</th>
<th>Community Development</th>
<th>Animal Shelter</th>
<th>Law Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIABILITIES:</td>
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<tr>
<td>Accounts Payable</td>
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<td>-</td>
<td>1,747</td>
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<tr>
<td>Due to Other Governments</td>
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<td>-</td>
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</tr>
<tr>
<td>Deferred Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>438,308</td>
<td>29,435</td>
<td>11,339</td>
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</table>

<table>
<thead>
<tr>
<th>FUND BALANCES:</th>
<th>Community Development</th>
<th>Animal Shelter</th>
<th>Law Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserved for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid Items</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unreserved, designated for:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Encumbrances</td>
<td>-</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Unreserved, undesignated</td>
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<td>238</td>
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<tr>
<td>Total Fund Balances</td>
<td>1</td>
<td>238</td>
<td>630,080</td>
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</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITIES AND FUND BALANCES</th>
<th>Community Development</th>
<th>Animal Shelter</th>
<th>Law Library</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 438,309</td>
<td>$ 29,673</td>
<td>$ 641,419</td>
<td></td>
</tr>
<tr>
<td>Historical Commission</td>
<td>Alternate Dispute Resolution</td>
<td>Juvenile Probation</td>
<td>Child Welfare</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------------------</td>
<td>-------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>$ 1,980</td>
<td>$ 1,925</td>
<td>$ 145,727</td>
<td>$ 5,392</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>46,611</td>
</tr>
<tr>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>97,843</td>
<td>-</td>
</tr>
<tr>
<td>1,980</td>
<td>1,925</td>
<td>243,570</td>
<td>52,003</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Historical Commission</th>
<th>Alternate Dispute Resolution</th>
<th>Juvenile Probation</th>
<th>Child Welfare</th>
<th>Airport Maintenance</th>
<th>Memo Totals to Page 89</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,980</td>
<td>$ 13,873</td>
<td>$ 802</td>
<td>$ 43,301</td>
<td>$ 47</td>
<td>$ 129,371</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>567,764</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>81</td>
<td>-</td>
<td>2,245</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,307</td>
<td></td>
</tr>
<tr>
<td>1,980</td>
<td>-</td>
<td>25,528</td>
<td>-</td>
<td>319,500</td>
<td>375,003</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>233,026</td>
<td>9,492</td>
<td>17,444</td>
<td>698,271</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,789,127</td>
<td>1,789,127</td>
<td></td>
</tr>
<tr>
<td>$ 1,980</td>
<td>$ 13,873</td>
<td>$ 259,437</td>
<td>$ 52,793</td>
<td>$ 2,126,604</td>
<td>$ 3,564,088</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Historical Commission</th>
<th>Alternate Dispute Resolution</th>
<th>Juvenile Probation</th>
<th>Child Welfare</th>
<th>Airport Maintenance</th>
<th>Memo Totals to Page 89</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,980</td>
<td>$ 1,925</td>
<td>$ 145,727</td>
<td>$ 5,392</td>
<td>$ 17,784</td>
<td>$ 282,408</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>46,611</td>
<td>1,833,355</td>
<td>2,429,448</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>224</td>
<td>224</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>97,843</td>
<td>-</td>
<td>275,000</td>
<td>372,843</td>
</tr>
<tr>
<td>1,980</td>
<td>1,925</td>
<td>243,570</td>
<td>52,003</td>
<td>2,126,363</td>
<td>2,904,923</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Historical Commission</th>
<th>Alternate Dispute Resolution</th>
<th>Juvenile Probation</th>
<th>Child Welfare</th>
<th>Airport Maintenance</th>
<th>Memo Totals to Page 89</th>
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</thead>
<tbody>
<tr>
<td>$ 1,980</td>
<td>$ 13,873</td>
<td>$ 802</td>
<td>$ 43,301</td>
<td>$ 47</td>
<td>$ 129,371</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>567,764</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>81</td>
<td>-</td>
<td>2,245</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,307</td>
<td></td>
</tr>
<tr>
<td>1,980</td>
<td>-</td>
<td>25,528</td>
<td>-</td>
<td>319,500</td>
<td>375,003</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>233,026</td>
<td>9,492</td>
<td>17,444</td>
<td>698,271</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,789,127</td>
<td>1,789,127</td>
<td></td>
</tr>
<tr>
<td>$ 1,980</td>
<td>$ 13,873</td>
<td>$ 259,437</td>
<td>$ 52,793</td>
<td>$ 2,126,604</td>
<td>$ 3,564,088</td>
</tr>
</tbody>
</table>
## MONTGOMERY COUNTY, TEXAS
### Nonmajor Special Revenue Funds
### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
#### Year Ended September 30, 2005

<table>
<thead>
<tr>
<th>REVENUES:</th>
<th>Attorney Administration</th>
<th>Forfeitures</th>
<th>Civic Center Complex</th>
<th>FEMA Disaster Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licenses and Permits</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Fees</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>-</td>
<td>-</td>
<td>162,328</td>
<td>111,520</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>118,307</td>
<td>-</td>
<td>308,650</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>80</td>
<td>2,684</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Contract Reimbursements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>-</td>
<td>622,699</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>118,399</td>
<td>625,383</td>
<td>470,978</td>
<td>111,520</td>
</tr>
</tbody>
</table>

| EXPENDITURES: | | | | |
| General Administration | 102,903 | - | - | - |
| Judicial | - | - | - | - |
| Legal Services | - | - | - | - |
| Public Safety | - | 476,915 | - | 112,293 |
| Health and Welfare | - | - | - | - |
| Culture and Recreation | - | - | - | - |
| Public Transportation | - | - | - | - |
| **TOTAL EXPENDITURES** | 102,903 | 476,915 | - | 112,293 |

Excess (Deficiency) Revenues Over Expenditures

| Excess (Deficiency) Revenues Over Expenditures | 15,496 | 148,468 | 470,978 | (773) |

### OTHER FINANCING SOURCES/
#### (USES):

| Transfers In | 13,570 | - | - | - |
| Transfers Out | - | - | (900,000) | - |
| **TOTAL OTHER FINANCING SOURCES/(USES)** | 13,570 | - | (900,000) | - |

Net Change in Fund Balances

| Net Change in Fund Balances | 29,066 | 148,468 | (429,022) | (773) |

Fund Balances at Beginning of Year

| Fund Balances at Beginning of Year | (9,676) | 405,803 | 525,217 | - |

### FUND BALANCES AT END OF YEAR

<p>| FUND BALANCES AT END OF YEAR | $ 19,390 | $ 554,271 | $ 96,195 | $ (773) |</p>
<table>
<thead>
<tr>
<th>Jury</th>
<th>Sheriff Commissary</th>
<th>Memorial Library</th>
<th>Memo Totals from Page 95</th>
<th>Totals</th>
</tr>
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<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
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<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 77,426</td>
<td>$ 77,426</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 290,998</td>
<td>$ 291,010</td>
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<td>985,150</td>
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<td>213</td>
<td>777</td>
<td>36</td>
<td>11,319</td>
<td>15,109</td>
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<td>127,838</td>
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<td>102,903</td>
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<td>5,204,608</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,204,608</td>
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<td>270,554</td>
<td>270,554</td>
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<tr>
<td>-</td>
<td>116,955</td>
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<td>-</td>
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<td>2,510,329</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>6,074,378</td>
<td>28,232</td>
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<td>556,189</td>
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<tr>
<td>5,204,608</td>
<td>116,955</td>
<td>6,074,378</td>
<td>4,967,596</td>
<td>17,055,648</td>
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<tr>
<td>(4,337,014)</td>
<td>27,532</td>
<td>(5,713,139)</td>
<td>(576,103)</td>
<td>(9,964,555)</td>
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<td>-</td>
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<td>11,085,911</td>
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<td>-</td>
<td>(20,945)</td>
<td>(171,667)</td>
<td>(1,092,612)</td>
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<td>4,338,000</td>
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<td>9,993,299</td>
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<td>27,532</td>
<td>916</td>
<td>251,571</td>
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<td>101,598</td>
<td>-</td>
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<td>$ 129,130</td>
<td>$ 916</td>
<td>$ 659,165</td>
<td>$ 1,459,280</td>
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</table>
## MONTGOMERY COUNTY, TEXAS
### Nonmajor Special Revenue Funds
#### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
##### Year Ended September 30, 2005

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Community Development</th>
<th>Animal Shelter</th>
<th>Law Library</th>
<th>Historical Commission</th>
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<td></td>
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<td>$ -</td>
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<td>Charges for Services</td>
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<td>-</td>
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<td>Interest</td>
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<td>Contract Reimbursements</td>
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<td>-</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
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<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
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<td>34,978</td>
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<td><strong>EXPENDITURES:</strong></td>
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<td>-</td>
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<td>Legal Services</td>
<td>-</td>
<td>-</td>
<td>128,555</td>
<td>-</td>
</tr>
<tr>
<td>Public Safety</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Health and Welfare</td>
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<td>464,174</td>
<td>-</td>
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<tr>
<td>Culture and Recreation</td>
<td>-</td>
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<td>-</td>
<td>28,232</td>
</tr>
<tr>
<td>Public Transportation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>1,948,245</strong></td>
<td><strong>464,174</strong></td>
<td><strong>128,555</strong></td>
<td><strong>28,232</strong></td>
</tr>
<tr>
<td>Excess (Deficiency) Revenues Over Expenditures</td>
<td>(5,869)</td>
<td>(330,262)</td>
<td>102,125</td>
<td>(28,232)</td>
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<td><strong>OTHER FINANCING SOURCES/USES:</strong></td>
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<td></td>
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<tr>
<td>Transfers In</td>
<td>260,109</td>
<td>330,500</td>
<td>-</td>
<td>28,232</td>
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<tr>
<td>Transfers Out</td>
<td>-</td>
<td>-</td>
<td>(5,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES/(USES)</strong></td>
<td><strong>260,109</strong></td>
<td><strong>330,500</strong></td>
<td><strong>(5,000)</strong></td>
<td><strong>28,232</strong></td>
</tr>
<tr>
<td>Net Change in Fund Balances</td>
<td>254,240</td>
<td>238</td>
<td>97,125</td>
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<tr>
<td>Fund Balances at Beginning of Year</td>
<td>(254,239)</td>
<td>-</td>
<td>532,955</td>
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<td><strong>FUND BALANCES AT END OF YEAR</strong></td>
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<td><strong>$</strong> 238</td>
<td><strong>$</strong> 630,080</td>
<td><strong>$</strong> -</td>
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94
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<th>Alternate Issue</th>
<th>Juvenile Resolution</th>
<th>CHILD Welfare</th>
<th>Airport Maintenance</th>
<th>Memo</th>
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</tr>
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</tr>
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<td>95,262</td>
<td>1,547,966</td>
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<td>403,597</td>
<td>4,391,493</td>
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<td>-</td>
<td>-</td>
<td>1,602,292</td>
</tr>
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<td>-</td>
<td>-</td>
<td>97,910</td>
<td>-</td>
<td>2,510,329</td>
</tr>
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<td>-</td>
<td>-</td>
<td>28,232</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>556,189</td>
</tr>
<tr>
<td>141,999</td>
<td>1,602,292</td>
<td>97,910</td>
<td>556,189</td>
<td>4,967,596</td>
</tr>
<tr>
<td>(46,737)</td>
<td>(54,326)</td>
<td>(60,210)</td>
<td>(152,592)</td>
<td>(576,103)</td>
</tr>
<tr>
<td>-</td>
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<td>61,000</td>
<td>319,500</td>
<td>999,341</td>
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<td>(166,667)</td>
<td>(171,667)</td>
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<td>61,000</td>
<td>152,833</td>
<td>827,674</td>
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<tr>
<td>(46,737)</td>
<td>(54,326)</td>
<td>790</td>
<td>241</td>
<td>251,571</td>
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<tr>
<td>58,685</td>
<td>70,193</td>
<td>-</td>
<td>-</td>
<td>407,594</td>
</tr>
<tr>
<td>$</td>
<td>11,948</td>
<td>$</td>
<td>$</td>
<td>$</td>
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<tr>
<td>$</td>
<td>15,867</td>
<td>$</td>
<td>790</td>
<td>$</td>
</tr>
<tr>
<td>$</td>
<td>241</td>
<td>$</td>
<td>241</td>
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<tr>
<td>$</td>
<td>659,165</td>
<td>$</td>
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</table>

Page 93
## MONTGOMERY COUNTY, TEXAS
### Attorney Administration Special Revenue Fund
### Schedule of Revenues, Expenditures, and Changes in Fund Balance
### Budget (GAAP Basis) and Actual Year Ended September 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
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</thead>
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<tr>
<td><strong>REVENUES:</strong></td>
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<tr>
<td>Fees</td>
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<td>- $</td>
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<td>$ 12</td>
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<td>199,289</td>
<td>118,307</td>
<td>(80,982)</td>
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<td>-</td>
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<td>80</td>
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<td>Total Revenues</td>
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<td>199,289</td>
<td>118,399</td>
<td>(80,890)</td>
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<td>Salaries</td>
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<td>126,535</td>
<td>64,067</td>
<td>62,468</td>
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<td>48,684</td>
<td>25,612</td>
<td>23,072</td>
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<td>10,037</td>
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<td>8,690</td>
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### OTHER FINANCING SOURCES:

#### Transfers In

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<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
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<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>13,570</td>
<td>13,570</td>
</tr>
</tbody>
</table>

Net Change in Fund Balance

|                      | -               | -            | 29,066 | 29,066                     |

Fund Balance at Beginning of Year

|                      | (9,676)         | (9,676)      | (9,676) | -                          |

### FUND BALANCE AT END OF YEAR

|                      | $ (9,676)       | $ (9,676)    | $ 19,390| $ 29,066                   |

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MONTGOMERY COUNTY, TEXAS
Forfeitures Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2005

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<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
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</thead>
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<td>Interest</td>
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<td>$ -</td>
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<td>559,474</td>
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<tr>
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<td>10,867</td>
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<td>63,909</td>
<td>476,915</td>
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<td>Over Expenditures</td>
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<td>146,468</td>
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<tr>
<td>Transfers Out</td>
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<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
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<td>-</td>
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<td>148,468</td>
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<td>Fund Balance at Beginning of Year</td>
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<td>405,803</td>
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<td>$405,803</td>
<td>$554,271</td>
<td>$148,468</td>
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</table>
## MONTGOMERY COUNTY, TEXAS

**Civic Center Complex Special Revenue Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**

**Budget (GAAP Basis) and Actual Year Ended September 30, 2005**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$ 160,000</td>
<td>$ 160,000</td>
<td>$ 162,328</td>
<td>$ 2,328</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>313,000</td>
<td>313,000</td>
<td>308,650</td>
<td>(4,350)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>473,000</strong></td>
<td><strong>473,000</strong></td>
<td><strong>470,978</strong></td>
<td>(2,022)</td>
</tr>
<tr>
<td><strong>OTHER FINANCING (USES):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>-</td>
<td>-</td>
<td>(900,000)</td>
<td>(900,000)</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>473,000</td>
<td>473,000</td>
<td>(429,022)</td>
<td>(902,022)</td>
</tr>
<tr>
<td>Fund Balance at Beginning of Year</td>
<td>525,217</td>
<td>525,217</td>
<td>525,217</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCE AT END OF YEAR</strong></td>
<td>$ 998,217</td>
<td>$ 998,217</td>
<td>$ 96,195</td>
<td>$ (902,022)</td>
</tr>
</tbody>
</table>
## Schedule of Revenues, Expenditures, and Changes in Fund Balance

**Budget (GAAP Basis) and Actual Year Ended September 30, 2005**

### REVENUES:

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergovernmental</td>
<td>$ -</td>
<td>$ 106,443</td>
<td>$ 111,520</td>
<td>$ 5,077</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>-</td>
<td>106,443</td>
<td>111,520</td>
<td>5,077</td>
</tr>
</tbody>
</table>

### EXPENDITURES:

**Public Safety:**

- **Salaries:**
  - Original Budget: $ -
  - Final Budget: $ 11,800
  - Actual: $ 13,225
  - Variance: $(1,425)

- **Employee Benefits:**
  - Original Budget: $ -
  - Final Budget: $ 2,000
  - Actual: $ 2,219
  - Variance: $(219)

- **Supplies:**
  - Original Budget: $ -
  - Final Budget: $ 12,700
  - Actual: $ 12,703
  - Variance: $(3)

- **Contract Services:**
  - Original Budget: $ -
  - Final Budget: $ 79,943
  - Actual: $ 84,146
  - Variance: $(4,203)

- **Capital Outlay:**
  - Original Budget: $ -
  - Final Budget: $ -
  - Actual: $ -
  - Variance: $ -

**Total Expenditures:**

- Original Budget: $ -
- Final Budget: $ 106,443
- Actual: $ 112,293
- Variance: $(5,850)

### (Deficiency) Revenues Over Expenditures:

- Original Budget: $ -
- Final Budget: $ -
- Actual: $(773)
- Variance: $(773)

### Fund Balance at Beginning of Year:

- Original Budget: $ -
- Final Budget: $ -
- Actual: $ -
- Variance: $ -

### FUND BALANCE AT END OF YEAR:

- Original Budget: $ -
- Final Budget: $ -
- Actual: $(773)
- Variance: $(773)
## Schedule of Revenues, Expenditures, and Changes in Fund Balance

**Jury Special Revenue Fund**

**Budget (GAAP Basis) and Actual Year Ended September 30, 2005**

### REVENUES:

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intergovernmental:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Grants</td>
<td>$ -</td>
<td>$ 109,375</td>
<td>$ 113,955</td>
<td>$ 4,580</td>
</tr>
<tr>
<td>State Grants</td>
<td>225,000</td>
<td>125,000</td>
<td>160,858</td>
<td>35,858</td>
</tr>
<tr>
<td>Other</td>
<td>15,000</td>
<td>15,000</td>
<td>55,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>82,000</td>
<td>82,000</td>
<td>77,844</td>
<td>(4,156)</td>
</tr>
<tr>
<td>Interest</td>
<td>500</td>
<td>500</td>
<td>213</td>
<td>(287)</td>
</tr>
<tr>
<td>Contract Reimbursements</td>
<td>108,130</td>
<td>129,030</td>
<td>127,838</td>
<td>(1,192)</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>270,000</td>
<td>320,000</td>
<td>329,152</td>
<td>9,152</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>2,734</td>
<td>2,734</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>700,630</td>
<td>780,905</td>
<td>867,594</td>
<td>86,689</td>
</tr>
</tbody>
</table>

### EXPENDITURES:

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Judicial:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>1,086,111</td>
<td>1,126,783</td>
<td>1,126,776</td>
<td>7</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>384,309</td>
<td>357,284</td>
<td>357,231</td>
<td>53</td>
</tr>
<tr>
<td>Supplies</td>
<td>66,825</td>
<td>70,558</td>
<td>43,364</td>
<td>27,194</td>
</tr>
<tr>
<td>Contract Services</td>
<td>3,644,144</td>
<td>3,730,534</td>
<td>3,663,656</td>
<td>66,878</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>25,530</td>
<td>13,581</td>
<td>11,949</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>5,181,389</td>
<td>5,310,689</td>
<td>5,204,608</td>
<td>106,081</td>
</tr>
</tbody>
</table>

(Deficiency) Revenues Over Expenditures:  
(4,480,759)  (4,529,784)  (4,337,014)  (192,770)

### OTHERFINANCING SOURCES/USES:

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>48,805</td>
<td>4,338,000</td>
<td>4,289,195</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>-</td>
<td>(49,508)</td>
<td>-</td>
<td>49,508</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES</strong></td>
<td>-</td>
<td>(703)</td>
<td>4,338,000</td>
<td>4,338,703</td>
</tr>
</tbody>
</table>

Net Change in Fund Balance:  
(4,480,759)  (4,530,487)  986  4,531,473

Fund Balance at Beginning of Year:  
-  -  -  -

**FUND BALANCE AT END OF YEAR:**  
$ (4,480,759)  $ (4,530,487)  $ 986  $ 4,531,473
**MONTGOMERY COUNTY, TEXAS**  
Sheriff Commissary Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual Year Ended September 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$ 116,200</td>
<td>$ 116,200</td>
<td>$ 143,710</td>
<td>$ 27,510</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>777</td>
<td>777</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>116,200</td>
<td>116,200</td>
<td>144,487</td>
<td>28,287</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Safety:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>19,200</td>
<td>19,200</td>
<td>21,440</td>
<td>(2,240)</td>
</tr>
<tr>
<td>Supplies</td>
<td>73,000</td>
<td>73,000</td>
<td>72,102</td>
<td>898</td>
</tr>
<tr>
<td>Contract Services</td>
<td>10,000</td>
<td>10,000</td>
<td>9,399</td>
<td>601</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>14,000</td>
<td>14,000</td>
<td>14,014</td>
<td>(14)</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>116,200</td>
<td>116,200</td>
<td>116,955</td>
<td>(755)</td>
</tr>
<tr>
<td>Excess Revenues Over Expenditures</td>
<td>-</td>
<td>-</td>
<td>27,532</td>
<td>27,532</td>
</tr>
<tr>
<td>Fund Balance at Beginning of Year</td>
<td>101,598</td>
<td>101,598</td>
<td>101,598</td>
<td>-</td>
</tr>
</tbody>
</table>

**FUND BALANCE AT END OF YEAR**  
$ 101,598  $ 101,598  $ 129,130  $ 27,532
# MONTGOMERY COUNTY, TEXAS

Memorial Library Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2005

## REVENUES:

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergovernmental</td>
<td>$ -</td>
<td>$ 31,026</td>
<td>$ 31,026</td>
<td>$ -</td>
</tr>
<tr>
<td>Charges for Service</td>
<td>85,000</td>
<td>85,000</td>
<td>103,664</td>
<td>18,664</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>242,799</td>
<td>226,513</td>
<td>(16,286)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>85,000</strong></td>
<td><strong>358,825</strong></td>
<td><strong>361,239</strong></td>
<td><strong>2,414</strong></td>
</tr>
</tbody>
</table>

## EXPENDITURES:

### Culture and Recreation:

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>2,880,378</td>
<td>2,937,894</td>
<td>2,637,892</td>
<td>300,002</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>1,115,752</td>
<td>1,102,423</td>
<td>902,423</td>
<td>200,000</td>
</tr>
<tr>
<td>Supplies</td>
<td>638,523</td>
<td>796,292</td>
<td>626,478</td>
<td>169,814</td>
</tr>
<tr>
<td>Contract Services</td>
<td>549,170</td>
<td>627,214</td>
<td>519,212</td>
<td>108,002</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>1,388,978</td>
<td>1,498,634</td>
<td>1,388,373</td>
<td>110,261</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>6,572,801</strong></td>
<td><strong>6,962,457</strong></td>
<td><strong>6,074,378</strong></td>
<td><strong>888,079</strong></td>
</tr>
</tbody>
</table>

(Deficiency) Revenues Over Expenditures

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Other Financing Sources</strong></td>
<td><strong>(6,487,801)</strong></td>
<td><strong>(6,603,632)</strong></td>
<td><strong>(5,713,139)</strong></td>
<td><strong>890,493</strong></td>
</tr>
</tbody>
</table>

## OTHER FINANCING SOURCES/(USES):

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>31,000</td>
<td>5,735,000</td>
<td>5,704,000</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>-</td>
<td>(102,425)</td>
<td>(20,945)</td>
<td>81,480</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES</strong></td>
<td><strong>-</strong></td>
<td><strong>(71,425)</strong></td>
<td><strong>5,714,055</strong></td>
<td><strong>5,785,480</strong></td>
</tr>
</tbody>
</table>

Net Change in Fund Balance

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>(6,487,801)</td>
<td>(6,603,632)</td>
<td>(5,713,139)</td>
<td>$ 916</td>
<td>$ 6,675,973</td>
</tr>
</tbody>
</table>

Fund Balance at Beginning of Year

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

## FUND BALANCE AT END OF YEAR

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(6,487,801)</td>
<td>$(6,603,632)</td>
<td>$ 916</td>
<td>$ 6,675,973</td>
<td></td>
</tr>
</tbody>
</table>

102
MONTGOMERY COUNTY, TEXAS
Community Development Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$2,065,000</td>
<td>$2,065,000</td>
<td>$1,942,376</td>
<td>$ (122,624)</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and Welfare:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>348,537</td>
<td>518,258</td>
<td>239,878</td>
<td>278,380</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>67,341</td>
<td>136,454</td>
<td>68,615</td>
<td>67,839</td>
</tr>
<tr>
<td>Supplies</td>
<td>20,000</td>
<td>905,943</td>
<td>18,507</td>
<td>887,436</td>
</tr>
<tr>
<td>Contract Services</td>
<td>656,570</td>
<td>2,851,949</td>
<td>1,367,099</td>
<td>1,484,850</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>972,552</td>
<td>887,090</td>
<td>254,146</td>
<td>632,944</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>2,065,000</td>
<td>5,299,694</td>
<td>1,948,245</td>
<td>3,351,449</td>
</tr>
<tr>
<td><strong>(Deficiency) Revenues Over Expenditures</strong></td>
<td>-</td>
<td>(3,234,694)</td>
<td>(5,869)</td>
<td>3,228,825</td>
</tr>
<tr>
<td><strong>OTHER FINANCING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOURCES:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>-</td>
<td>260,109</td>
<td>260,109</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>-</td>
<td>(3,234,694)</td>
<td>254,240</td>
<td>3,488,934</td>
</tr>
<tr>
<td>Fund Balance at Beginning of Year</td>
<td>(254,239)</td>
<td>(254,239)</td>
<td>(254,239)</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCE AT END OF YEAR</strong></td>
<td>$ (254,239)</td>
<td>$(3,488,933)</td>
<td>$ 1</td>
<td>$ 3,488,934</td>
</tr>
</tbody>
</table>
# MONTGOMERY COUNTY, TEXAS

## Animal Shelter Special Revenue Fund

### Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2005

<table>
<thead>
<tr>
<th>Variance with Original Budget</th>
<th>Actual</th>
<th>Final Budget</th>
<th>Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>$ 90,000</td>
<td>$ 94,832</td>
<td>$ 77,426</td>
</tr>
<tr>
<td>Charges for Service</td>
<td>-</td>
<td>21,478</td>
<td>21,508</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>11,000</td>
<td>37,000</td>
<td>34,978</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>101,000</td>
<td>153,310</td>
<td>133,912</td>
</tr>
</tbody>
</table>

| **EXPENDITURES:**             |        |              |                     |
| Health and Welfare:           |        |              |                     |
| Salaries                      | 201,715 | 203,856     | 203,855     | 1 |
| Employee Benefits             | 96,082  | 91,076      | 91,076      | - |
| Supplies                      | 37,700  | 90,082      | 82,521      | 7,561 |
| Contract Services             | 80,662  | 95,862      | 85,397      | 10,465 |
| Capital Outlay                | 2,138   | 2,138       | 1,325       | 813 |
| **Total Expenditures**        | 418,297 | 483,014     | 464,174     | 18,840 |

(Deficiency) Revenues Over Expenditures

### OTHER FINANCING SOURCES/(USES):

| Transfers In                 | -       | 8,737       | 330,500     | 321,763 |
| Transfers Out                | (8,737) | -           | -           | 8,737   |

**TOTAL OTHER FINANCING SOURCES**

| - | - | 330,500 | 330,500 |

Net Change in Fund Balance

| (317,297) | (329,704) | 238 | 329,942 |

Fund Balance at Beginning of Year

| - | - | - | - |

**FUND BALANCE AT END OF YEAR**

| $ (317,297) | $ (329,704) | $ 238 | $ 329,942 |
# MONTGOMERY COUNTY, TEXAS
## Law Library Special Revenue Fund
### Schedule of Revenues, Expenditures, and Changes in Fund Balance
#### Budget (GAAP Basis) and Actual Year Ended September 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
<th>Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td>$ 246,385</td>
<td>$ 246,385</td>
<td>$ 220,538</td>
<td></td>
<td>$ (25,847)</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>10,142</td>
<td></td>
<td>10,142</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>246,385</td>
<td>246,385</td>
<td>230,680</td>
<td>(15,705)</td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>26,000</td>
<td>26,000</td>
<td>26,601</td>
<td>(601)</td>
<td></td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>10,985</td>
<td>10,985</td>
<td>10,941</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>79,800</td>
<td>79,800</td>
<td>1,162</td>
<td>78,638</td>
<td></td>
</tr>
<tr>
<td>Contract Services</td>
<td>19,600</td>
<td>19,600</td>
<td>10,906</td>
<td>8,694</td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>110,000</td>
<td>110,000</td>
<td>78,945</td>
<td>31,055</td>
<td></td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>246,385</td>
<td>246,385</td>
<td>128,555</td>
<td>117,830</td>
<td></td>
</tr>
<tr>
<td>Excess Revenues Over</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td>-</td>
<td>-</td>
<td>102,125</td>
<td>102,125</td>
<td></td>
</tr>
<tr>
<td><strong>OTHER FINANCING (USES):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>-</td>
<td>-</td>
<td>(5,000)</td>
<td>(5,000)</td>
<td></td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>-</td>
<td>-</td>
<td>97,125</td>
<td>97,125</td>
<td></td>
</tr>
<tr>
<td>Fund Balance at Beginning of Year</td>
<td>532,955</td>
<td>532,955</td>
<td>532,955</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>FUND BALANCE AT END OF YEAR</strong></td>
<td>$ 532,955</td>
<td>$ 532,955</td>
<td>$ 630,080</td>
<td>$ 97,125</td>
<td></td>
</tr>
</tbody>
</table>
## MONTGOMERY COUNTY, TEXAS
### Historical Commission Special Revenue Fund
### Schedule of Revenues, Expenditures, and Changes in Fund Balance
### Budget (GAAP Basis) and Actual Year Ended September 30, 2005

C-13

<table>
<thead>
<tr>
<th>EXPENDITURES:</th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture and Recreation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract Services</td>
<td>$ 9,000</td>
<td>$ 29,344</td>
<td>$ 28,232</td>
<td>$ 1,112</td>
</tr>
<tr>
<td>(Deficiency) Revenues Over Expenditures</td>
<td>(9,000)</td>
<td>(29,344)</td>
<td>(28,232)</td>
<td>1,112</td>
</tr>
</tbody>
</table>

| OTHER FINANCING SOURCES: | | | | |
| Transfers In | - | 20,000 | 28,232 | 8,232 |

Net Change in Fund Balance | (9,000) | (9,344) | - | 9,344 |

Fund Balance at Beginning of Year | - | - | - | - |

### FUND BALANCE AT END OF YEAR

<table>
<thead>
<tr>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (9,000)</td>
<td>$ (9,344)</td>
<td>$ -</td>
<td>$ 9,344</td>
</tr>
</tbody>
</table>
MONTGOMERY COUNTY, TEXAS  
Alternate Dispute Resolution Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual Year Ended September 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive (Negative)</td>
</tr>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td>$152,865</td>
<td>$152,865</td>
<td>$70,460</td>
<td>$(82,405)</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>-</td>
<td>-</td>
<td>24,500</td>
<td>24,500</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>302</td>
<td>302</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$152,865</td>
<td>$152,865</td>
<td>95,262</td>
<td>(57,603)</td>
</tr>
</tbody>
</table>

| **EXPENDITURES:**       |                 |              |        |                           |
| Legal Services:         |                 |              |        |                           |
| Salaries                | 113,000         | 113,000      | 107,522| 5,478                     |
| Employee Benefits       | 39,865          | 39,865       | 34,301 | 5,564                     |
| Contract Services       | -               | 200          | 176    | 24                        |
| **Total Expenditures**  | $152,865        | $153,065     | $141,999| 11,066                    |

(Deficiency) Revenues Over Expenditures: - (200) (46,737) (46,537)

| **OTHER FINANCING SOURCES:** | | | |
| Transfers In               | -               | 200           | -     | (200)                     |

Net Change in Fund Balance: - (46,737) (46,737)

Fund Balance at Beginning of Year: 58,685 58,685 58,685

**FUND BALANCE AT END OF YEAR**  
$58,685 $58,685 $11,948 $(46,737)
<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dept Health/Human Services Grant</td>
<td>$ -</td>
<td>$ 441,348</td>
<td>$ 263,526</td>
<td>$ (177,822)</td>
</tr>
<tr>
<td>Texas Juvenile Prob Comm Grants</td>
<td>-</td>
<td>1,213,772</td>
<td>1,261,095</td>
<td>47,323</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>-</td>
<td>-</td>
<td>22,709</td>
<td>22,709</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>636</td>
<td>636</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>-</td>
<td>1,655,120</td>
<td>1,547,966</td>
<td>(107,154)</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Safety:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>-</td>
<td>1,510,233</td>
<td>760,597</td>
<td>749,636</td>
</tr>
<tr>
<td>Benefits</td>
<td>-</td>
<td>497,593</td>
<td>227,958</td>
<td>269,635</td>
</tr>
<tr>
<td>Supplies</td>
<td>-</td>
<td>111,852</td>
<td>71,952</td>
<td>39,900</td>
</tr>
<tr>
<td>Contract Services</td>
<td>-</td>
<td>1,435,972</td>
<td>486,910</td>
<td>949,062</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>54,875</td>
<td>54,875</td>
<td>-</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>-</td>
<td>3,610,525</td>
<td>1,602,292</td>
<td>2,008,233</td>
</tr>
<tr>
<td>(Deficiency) Revenues Over Expenditures</td>
<td>-</td>
<td>(1,955,405)</td>
<td>(54,326)</td>
<td>1,901,079</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>129,870</td>
<td>-</td>
<td>(129,870)</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>-</td>
<td>(1,825,535)</td>
<td>(54,326)</td>
<td>1,771,209</td>
</tr>
<tr>
<td>Fund Balance at Beginning of Year</td>
<td>-</td>
<td>70,193</td>
<td>70,193</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCE AT END OF YEAR</strong></td>
<td>$ -</td>
<td>$(1,755,342)</td>
<td>$ 15,867</td>
<td>$ 1,771,209</td>
</tr>
</tbody>
</table>
### MONTGOMERY COUNTY, TEXAS
Child Welfare Special Revenue Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance**
Budget (GAAP Basis) and Actual Year Ended September 30, 2005

C-16

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$26,631</td>
<td>$11,631</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>11,069</td>
<td>11,069</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>15,000</td>
<td>15,000</td>
<td>37,700</td>
<td>22,700</td>
</tr>
</tbody>
</table>

| **EXPENDITURES:**    |                 |              |          |                            |
| Health and Welfare:  |                 |              |          |                            |
| Salaries             | -               | 20,000       | 19,375   | 625                        |
| Supplies             | 31,250          | 43,862       | 35,683   | 8,179                      |
| Contract Services    | 44,700          | 44,385       | 42,852   | 1,533                      |
| Total Expenditures   | 75,950          | 108,247      | 97,910   | 10,337                     |

(Deficiency) Revenues Over Expenditures 

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>32,212</td>
<td>61,000</td>
<td>28,788</td>
</tr>
</tbody>
</table>

Net Change in Fund Balance 

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>(60,950)</td>
<td>(60,950)</td>
<td>(61,035)</td>
<td>790</td>
<td>61,825</td>
</tr>
</tbody>
</table>

Fund Balance at Beginning of Year 

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**FUND BALANCE AT END OF YEAR**

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (60,950)</td>
<td>$ (61,035)</td>
<td>$ 790</td>
<td>$ 61,825</td>
<td></td>
</tr>
</tbody>
</table>
## MONTGOMERY COUNTY, TEXAS
### Airport Maintenance Special Revenue Fund
#### Schedule of Revenues, Expenditures, and Changes in Fund Balance
##### Budget (GAAP Basis) and Actual Year Ended September 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance with Final Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Grants</td>
<td>$ -</td>
<td>$ 2,375,869</td>
<td>$ 203,986</td>
<td>$ (2,171,883)</td>
</tr>
<tr>
<td>State Grants</td>
<td>-</td>
<td>30,000</td>
<td>35,114</td>
<td>5,114</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>182,500</td>
<td>182,500</td>
<td>164,258</td>
<td>(18,242)</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>-</td>
<td>239</td>
<td>239</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>182,500</td>
<td>2,588,369</td>
<td>403,597</td>
<td>(2,184,772)</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Transportation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>198,963</td>
<td>206,796</td>
<td>206,796</td>
<td>-</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>59,194</td>
<td>58,559</td>
<td>58,559</td>
<td>-</td>
</tr>
<tr>
<td>Supplies</td>
<td>29,927</td>
<td>29,649</td>
<td>23,976</td>
<td>5,673</td>
</tr>
<tr>
<td>Contract Services</td>
<td>43,250</td>
<td>46,933</td>
<td>44,967</td>
<td>1,966</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>221,857</td>
<td>221,891</td>
<td>(34)</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>331,334</td>
<td>563,794</td>
<td>556,189</td>
<td>7,605</td>
</tr>
<tr>
<td>(Deficiency) Revenues Over Expenditures</td>
<td>(148,834)</td>
<td>2,024,575</td>
<td>(152,592)</td>
<td>(2,177,167)</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES/(USES):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>3,200</td>
<td>319,500</td>
<td>316,300</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>-</td>
<td>(2,204,823)</td>
<td>(166,667)</td>
<td>2,038,156</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES</strong></td>
<td>-</td>
<td>(2,201,623)</td>
<td>152,833</td>
<td>2,354,456</td>
</tr>
<tr>
<td>Net Change in Fund Balance</td>
<td>(148,834)</td>
<td>(177,048)</td>
<td>241</td>
<td>177,289</td>
</tr>
<tr>
<td>Fund Balance at Beginning of Year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>FUND BALANCE AT END OF YEAR</strong></td>
<td>$ (148,834)</td>
<td>$ (177,048)</td>
<td>$ 241</td>
<td>$ 177,289</td>
</tr>
</tbody>
</table>
NONMAJOR CAPITAL PROJECT FUNDS

County Jail - to account for the construction of a County Law Enforcement Complex, including a Juvenile Service Center. Financing for this fund includes the proceeds from the issuance of general obligation bonds.

Library Construction - to account for the construction of three libraries. Financing for this fund includes the proceeds from the issuance of general obligation bonds.

Road Bonds Series 2002A - to account for various road improvements to be made with the proceeds of general obligation bonds.

Certificates of Obligation, Series 1997A/1998 - to account for the construction of a civic center and multipurpose facility, the construction of a law enforcement building in South County, and improvements to various roads and parks throughout the county. Funding is provided by the issuance of certificates of obligation.

Certificates of Obligation, Series 2001 - to account for the acquisition and renovation of a former church building and parking area to be utilized as a courts building. Funding for this fund is provided by the issuance of $2.5million in certificates of obligation.

Certificates of Obligation, Series 2003 - to account for the acquisition of a parking garage, an animal shelter, and an office building, and the second phase of construction of an office building for court support services. Funding is provided by the issuance of $11.6million in certificates of obligation.

Certificates of Obligation, Series 2004 - to account for the remodel of county buildings and improvements to the County’s municipal airport. Financing is provided by the issuance of $2.6million in certificates of obligation.

Certificates of Obligation, Series 2006 - to account for library improvements, the purchase of a building for use by the County as a replacement for the inadequate south county courts and public safety buildings, and the acquisition of certain equipment. The County intends to reimburse itself for these current expenditures upon issuance of certificates of obligation in late 2006.
### Nonmajor Capital Project Funds

#### Combining Balance Sheet

**September 30, 2005**

<table>
<thead>
<tr>
<th>Country</th>
<th>Library</th>
<th>Road Bonds</th>
<th>Certificates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jail</td>
<td>Construction</td>
<td>Series 2002A</td>
<td>Series 97A-98</td>
</tr>
</tbody>
</table>

#### ASSETS:

<table>
<thead>
<tr>
<th>Description</th>
<th>County</th>
<th>Library</th>
<th>Road Bonds</th>
<th>Certificates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 44</td>
<td>$ 218,971</td>
<td>$ -</td>
<td>$ 49,050</td>
</tr>
<tr>
<td>Investments, at Fair Value</td>
<td>-</td>
<td>4,211,091</td>
<td>421,740</td>
<td>200,000</td>
</tr>
<tr>
<td>Cash, Restricted for Retainage</td>
<td>-</td>
<td>281,080</td>
<td>15,817</td>
<td>-</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,537</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>20,945</td>
<td>2,288,599</td>
<td>-</td>
</tr>
<tr>
<td>Due from Other Governments</td>
<td>-</td>
<td>-</td>
<td>193,155</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 44</td>
<td>$ 4,732,087</td>
<td>$ 2,919,311</td>
<td>$ 250,587</td>
</tr>
</tbody>
</table>

#### LIABILITIES AND FUND BALANCES:

**LIABILITIES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>County</th>
<th>Library</th>
<th>Road Bonds</th>
<th>Certificates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$ -</td>
<td>$ 1,017,200</td>
<td>$ 616,684</td>
<td>$ -</td>
</tr>
<tr>
<td>Retainage Payable</td>
<td>-</td>
<td>281,080</td>
<td>19,878</td>
<td>-</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>900</td>
<td>118,089</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>900</td>
<td>1,416,369</td>
<td>636,562</td>
<td>-</td>
</tr>
</tbody>
</table>

**FUND BALANCES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>County</th>
<th>Library</th>
<th>Road Bonds</th>
<th>Certificates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserved for Capital Projects</td>
<td>(856)</td>
<td>3,315,718</td>
<td>2,282,749</td>
<td>250,587</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND FUND BALANCES**

<table>
<thead>
<tr>
<th>Description</th>
<th>County</th>
<th>Library</th>
<th>Road Bonds</th>
<th>Certificates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUND BALANCES</strong></td>
<td>$ 44</td>
<td>$ 4,732,087</td>
<td>$ 2,919,311</td>
<td>$ 250,587</td>
</tr>
<tr>
<td>Certificates Obligation</td>
<td>Certificates Obligation</td>
<td>Certificates Obligation</td>
<td>Certificates Obligation</td>
<td>Totals</td>
</tr>
<tr>
<td>------------------------</td>
<td>------------------------</td>
<td>------------------------</td>
<td>------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>$ 126,758</td>
<td>$ 7,994</td>
<td>$ 36,526</td>
<td>$ -</td>
<td>$ 439,343</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>838,545</td>
<td>-</td>
<td>5,671,376</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>296,897</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>4,520</td>
<td>-</td>
<td>6,057</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>2,562,839</td>
<td>-</td>
<td>4,872,383</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>193,155</td>
</tr>
<tr>
<td>$ 126,758</td>
<td>$ 7,994</td>
<td>$ 3,442,430</td>
<td>$ -</td>
<td>$ 11,479,211</td>
</tr>
</tbody>
</table>

| $ 1,331                | $ -                    | $ 5,000                | $ 6,105                | $ 1,646,320 |
| -                      | -                      | -                      | 4,252                  | 305,210    |
| -                      | -                      | -                      | 2,257,869              | 2,376,858  |
| -                      | -                      | 1,590,599              | -                      | 1,590,599  |
| 1,331                  | -                      | 1,595,599              | 2,268,226              | 5,918,987  |

125,427 7,994 1,846,831 (2,268,226) 5,560,224

| $ 126,758              | $ 7,994                | $ 3,442,430            | $ -                    | $ 11,479,211 |
MONTGOMERY COUNTY, TEXAS  
Nonmajor Capital Project Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended September 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>County Jail</th>
<th>Library Construction</th>
<th>Road Bonds Series 2002A</th>
<th>Certificates Obligation Series 97A-98</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>$403</td>
<td>$172,958</td>
<td>$31,373</td>
<td>$3,287</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>263,872</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>403</td>
<td>436,830</td>
<td>31,373</td>
<td>3,287</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>6,200,953</td>
<td>1,638,891</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>-</td>
<td>6,200,953</td>
<td>1,638,891</td>
<td>-</td>
</tr>
<tr>
<td>Excess (Deficiency) Revenues Over Expenditures</td>
<td>403</td>
<td>(5,764,123)</td>
<td>(1,607,518)</td>
<td>3,287</td>
</tr>
</tbody>
</table>

**OTHER FINANCING SOURCES/(USES):**

<table>
<thead>
<tr>
<th></th>
<th>County Jail</th>
<th>Library Construction</th>
<th>Road Bonds Series 2002A</th>
<th>Certificates Obligation Series 97A-98</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers In</td>
<td>-</td>
<td>20,945</td>
<td>2,298,567</td>
<td>-</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(76,000)</td>
<td>(100,636)</td>
<td>(192,912)</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES/(USES)</strong></td>
<td>(76,000)</td>
<td>(79,691)</td>
<td>2,105,655</td>
<td>-</td>
</tr>
</tbody>
</table>

Excess (Deficiency) Revenues/ Other Sources Over Expenditures/ Other Uses

<table>
<thead>
<tr>
<th></th>
<th>County Jail</th>
<th>Library Construction</th>
<th>Road Bonds Series 2002A</th>
<th>Certificates Obligation Series 97A-98</th>
</tr>
</thead>
<tbody>
<tr>
<td>(75,597)</td>
<td>(5,843,814)</td>
<td>498,137</td>
<td>3,287</td>
<td></td>
</tr>
<tr>
<td>Fund Balance at Beginning of Year</td>
<td>74,741</td>
<td>9,159,532</td>
<td>1,784,612</td>
<td>247,300</td>
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</table>

**FUND BALANCES AT END OF YEAR**

<table>
<thead>
<tr>
<th></th>
<th>County Jail</th>
<th>Library Construction</th>
<th>Road Bonds Series 2002A</th>
<th>Certificates Obligation Series 97A-98</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>(856)</td>
<td>$3,315,718</td>
<td>$2,282,749</td>
<td>$250,587</td>
</tr>
<tr>
<td>Certificates Obligation Series 2001</td>
<td>Certificates Obligation Series 2003</td>
<td>Certificates Obligation Series 2004</td>
<td>Certificates Obligation Series 2006</td>
<td>Totals</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>$ 1,563</td>
<td>$ 117</td>
<td>$ 23,583</td>
<td>$ -</td>
<td>$ 233,284</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>263,872</td>
</tr>
<tr>
<td>1,563</td>
<td>117</td>
<td>23,583</td>
<td>-</td>
<td>497,156</td>
</tr>
<tr>
<td>63,223</td>
<td>-</td>
<td>80,086</td>
<td>2,268,226</td>
<td>10,251,379</td>
</tr>
<tr>
<td>63,223</td>
<td>-</td>
<td>80,086</td>
<td>2,268,226</td>
<td>10,251,379</td>
</tr>
<tr>
<td>(61,660)</td>
<td>117</td>
<td>(56,503)</td>
<td>(2,268,226)</td>
<td>(9,754,223)</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>166,667</td>
<td>-</td>
<td>2,486,179</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>(114,946)</td>
<td>-</td>
<td>(484,494)</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>51,721</td>
<td>-</td>
<td>2,001,685</td>
</tr>
<tr>
<td>(61,660)</td>
<td>117</td>
<td>(4,782)</td>
<td>(2,268,226)</td>
<td>(7,752,538)</td>
</tr>
<tr>
<td>187,087</td>
<td>7,877</td>
<td>1,851,613</td>
<td>-</td>
<td>13,312,762</td>
</tr>
<tr>
<td>$ 125,427</td>
<td>$ 7,994</td>
<td>$ 1,846,831</td>
<td>$ (2,268,226)</td>
<td>$ 5,560,224</td>
</tr>
</tbody>
</table>
AGENCY FUNDS

**Restitution Center Fund** - to account for the earnings by probationers housed in the Montgomery County Residential Treatment Center. Expenditure of the funds is limited to obligations incurred by the probationers while residing in the Center.

**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, 2005

<table>
<thead>
<tr>
<th></th>
<th>Restitution Center</th>
<th>County Officials</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 11,304</td>
<td>$ 8,559,307</td>
<td>$ 8,570,611</td>
</tr>
<tr>
<td>Investments, at Fair Value</td>
<td>-</td>
<td>1,107,852</td>
<td>1,107,852</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>-</td>
<td>5,075</td>
<td>5,075</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 11,304</td>
<td>$ 9,672,234</td>
<td>$ 9,683,538</td>
</tr>
<tr>
<td><strong>LIABILITIES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$ 11,304</td>
<td>$ 5,057,375</td>
<td>$ 5,068,679</td>
</tr>
<tr>
<td>Due to Other Governments</td>
<td>-</td>
<td>4,614,859</td>
<td>4,614,859</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>$ 11,304</td>
<td>$ 9,672,234</td>
<td>$ 9,683,538</td>
</tr>
</tbody>
</table>
MONTGOMERY COUNTY, TEXAS
Agency Funds
Combining Statement of Changes in Assets and Liabilities
Year Ended September 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>October 1, 2004</th>
<th>Additions</th>
<th>Deductions</th>
<th>September 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RESTITUTION CENTER:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets:</td>
<td>$5,476</td>
<td>$509,062</td>
<td>$503,234</td>
<td>$11,304</td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td>$5,476</td>
<td>$509,062</td>
<td>$503,234</td>
<td>$11,304</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**COUNTY OFFICIALS:**

|                          |                 |           |            |                     |
| Assets:                  |                 |           |            |                     |
| Cash                     | $8,556,074      | $796,535,381 | $796,532,148 | $8,559,307          |
| Investments, at Fair Value| 962,918        | 1,434,511  | 1,289,577  | 1,107,852           |
| Accounts Receivable      | 5,236           | 8,966      | 9,127      | 5,075               |
| Due from Other Funds     | -               | 25         | 25         | -                   |
| Total Assets             | $9,524,228      | $797,978,883 | $797,830,877 | $9,672,234          |

|                          |                 |           |            |                     |
| Liabilities:             |                 |           |            |                     |
| Accounts Payable         | $3,733,809      | $15,094,668 | $13,771,102 | $5,057,375          |
| Due to Other Funds       | 1,022,599       | 322,270,056 | 323,292,655 | -                   |
| Due to Other Governments | 4,767,820       | 460,614,159 | 460,767,120 | 4,614,859           |
| Total Liabilities        | $9,524,228      | $797,978,883 | $797,830,877 | $9,672,234          |

**TOTALS - ALL AGENCY FUNDS:**

|                          |                 |           |            |                     |
| Assets:                  |                 |           |            |                     |
| Cash                     | $8,561,550      | $797,044,443 | $797,035,382 | $8,570,611          |
| Investments, at Fair Value| 962,918        | 1,434,511  | 1,289,577  | 1,107,852           |
| Accounts Receivable      | 5,236           | 8,966      | 9,127      | 5,075               |
| Due from Other Funds     | -               | 25         | 25         | -                   |
| Total Assets             | $9,529,704      | $798,487,945 | $798,334,111 | $9,683,538          |

|                          |                 |           |            |                     |
| Liabilities:             |                 |           |            |                     |
| Accounts Payable         | $3,739,285      | $15,603,730 | $14,274,336 | $5,068,679          |
| Due to Other Funds       | 1,022,599       | 322,270,056 | 323,292,655 | -                   |
| Due to Other Governments | 4,767,820       | 460,614,159 | 460,767,120 | 4,614,859           |
| Total Liabilities        | $9,529,704      | $798,487,945 | $798,334,111 | $9,683,538          |
CAPITAL ASSETS
USED IN THE OPERATION
OF
GOVERNMENTAL FUNDS
MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
September 30, 2005

<table>
<thead>
<tr>
<th>GOVERNMENTAL FUNDS CAPITAL ASSETS:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$7,398,715</td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>105,122,235</td>
<td></td>
</tr>
<tr>
<td>Improvements Other than Buildings</td>
<td>6,682,500</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>43,233,116</td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>82,196,392</td>
<td></td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>4,289,174</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</strong></td>
<td><strong>$248,922,132</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$106,633,098</td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td>137,999,860</td>
</tr>
<tr>
<td>Capital Project Funds</td>
<td>4,289,174</td>
</tr>
<tr>
<td><strong>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</strong></td>
<td><strong>$248,922,132</strong></td>
</tr>
<tr>
<td>Function and Activity</td>
<td>Total</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td><strong>GENERAL ADMINISTRATION:</strong></td>
<td></td>
</tr>
<tr>
<td>County Judge</td>
<td>$24,471</td>
</tr>
<tr>
<td>Human Resources</td>
<td>15,415</td>
</tr>
<tr>
<td>Risk Management</td>
<td>12,926</td>
</tr>
<tr>
<td>County Clerk</td>
<td>621,082</td>
</tr>
<tr>
<td>Collections</td>
<td>23,808</td>
</tr>
<tr>
<td>Veterans' Service</td>
<td>1,376</td>
</tr>
<tr>
<td>Purchasing Agent</td>
<td>61,238</td>
</tr>
<tr>
<td>Motor Pool</td>
<td>42,569</td>
</tr>
<tr>
<td>Commns/Info Services</td>
<td>1,171,262</td>
</tr>
<tr>
<td>County Buildings</td>
<td>76,013,447</td>
</tr>
<tr>
<td>County Land</td>
<td>4,597,222</td>
</tr>
<tr>
<td>Worthless Check Administration</td>
<td>11,622</td>
</tr>
<tr>
<td><strong>TOTAL GENERAL ADM</strong></td>
<td>82,596,438</td>
</tr>
<tr>
<td><strong>FINANCIAL ADMINISTRATION:</strong></td>
<td></td>
</tr>
<tr>
<td>County Auditor</td>
<td>77,042</td>
</tr>
<tr>
<td>Budget Office</td>
<td>8,622</td>
</tr>
<tr>
<td>County Treasurer</td>
<td>32,116</td>
</tr>
<tr>
<td>Tax Assessor/Collector</td>
<td>306,286</td>
</tr>
<tr>
<td><strong>TOTAL FINANCIAL ADM</strong></td>
<td>424,066</td>
</tr>
<tr>
<td><strong>CONSERVATION:</strong></td>
<td></td>
</tr>
<tr>
<td>Extension Agents</td>
<td>68,433</td>
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<tr>
<td>Recycling Stations</td>
<td>164,142</td>
</tr>
<tr>
<td><strong>TOTAL CONSERVATION</strong></td>
<td>232,575</td>
</tr>
<tr>
<td><strong>ELECTIONS:</strong></td>
<td></td>
</tr>
<tr>
<td>Elections Administrator</td>
<td>371,663</td>
</tr>
<tr>
<td><strong>TOTAL ELECTIONS ADM</strong></td>
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</tr>
<tr>
<td><strong>FACILITIES:</strong></td>
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</tr>
<tr>
<td>Custodial Services</td>
<td>594,503</td>
</tr>
<tr>
<td>Building Maintenance</td>
<td>716,218</td>
</tr>
<tr>
<td>Parks</td>
<td>6,386,292</td>
</tr>
<tr>
<td>Jail</td>
<td>593,903</td>
</tr>
<tr>
<td>Civic Center</td>
<td>15,162,309</td>
</tr>
<tr>
<td><strong>TOTAL FACILITIES</strong></td>
<td>23,453,225</td>
</tr>
<tr>
<td><strong>HEALTH AND WELFARE:</strong></td>
<td></td>
</tr>
<tr>
<td>Public Health</td>
<td>2,407,582</td>
</tr>
<tr>
<td>Child Welfare</td>
<td>5,600</td>
</tr>
<tr>
<td>Community Development</td>
<td>1,333,524</td>
</tr>
<tr>
<td><strong>TOTAL HEALTH/WELFARE</strong></td>
<td>3,746,706</td>
</tr>
</tbody>
</table>
**MONTGOMERY COUNTY, TEXAS**  
Capital Assets Used in the Operation of Governmental Funds  
Schedule by Function and Activity  
*September 30, 2005*  

<table>
<thead>
<tr>
<th>Function and Activity</th>
<th>Total</th>
<th>Land</th>
<th>Buildings</th>
<th>Buildings</th>
<th>Equipment</th>
<th>Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>JUDICIAL:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courts</td>
<td>431,198</td>
<td>-</td>
<td>-</td>
<td>924</td>
<td>430,274</td>
<td>-</td>
</tr>
<tr>
<td>District Attorney</td>
<td>345,144</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>345,144</td>
<td>-</td>
</tr>
<tr>
<td>District Clerk</td>
<td>465,440</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>465,440</td>
<td>-</td>
</tr>
<tr>
<td>Justice of Peace</td>
<td>165,471</td>
<td>-</td>
<td>6,580</td>
<td>1,440</td>
<td>157,451</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL JUDICIAL</strong></td>
<td>1,407,253</td>
<td>-</td>
<td>6,580</td>
<td>2,364</td>
<td>1,398,309</td>
<td>-</td>
</tr>
<tr>
<td><strong>LEGAL SERVICES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Attorney</td>
<td>66,833</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>66,833</td>
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</tr>
<tr>
<td>Law Library</td>
<td>713,569</td>
<td>-</td>
<td>-</td>
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<td>713,569</td>
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<tr>
<td><strong>TOTAL LEGAL SERVICES</strong></td>
<td>780,402</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>780,402</td>
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<tr>
<td><strong>PUBLIC SAFETY:</strong></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Emergency Management</td>
<td>1,224,121</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,224,121</td>
<td>-</td>
</tr>
<tr>
<td>Fire Marshal</td>
<td>21,184</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>21,184</td>
<td>-</td>
</tr>
<tr>
<td>Department of Public Safety</td>
<td>3,648</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,648</td>
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</tr>
<tr>
<td>Constables</td>
<td>1,644,164</td>
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<td>36,891</td>
<td>1,440</td>
<td>1,605,833</td>
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<tr>
<td>Sheriff</td>
<td>10,569,314</td>
<td>10,907</td>
<td>306,551</td>
<td>528,900</td>
<td>9,722,956</td>
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<tr>
<td>District Attorney Forfeitures</td>
<td>29,194</td>
<td>-</td>
<td>-</td>
<td>8,900</td>
<td>20,294</td>
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<td>County Attorney Forfeitures</td>
<td>2,752</td>
<td>-</td>
<td>-</td>
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<td>2,752</td>
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<tr>
<td>Juvenile Probation</td>
<td>316,777</td>
<td>-</td>
<td>14,127</td>
<td>-</td>
<td>302,650</td>
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<tr>
<td>Adult Probation</td>
<td>69,285</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>69,285</td>
<td>-</td>
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<tr>
<td><strong>TOTAL PUBLIC SAFETY</strong></td>
<td>13,880,439</td>
<td>10,907</td>
<td>357,569</td>
<td>539,240</td>
<td>12,972,723</td>
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<tr>
<td><strong>PUBLIC TRANSPORTATION:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineer</td>
<td>106,774</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>106,774</td>
<td>-</td>
</tr>
<tr>
<td>Commissioners’ Operations</td>
<td>96,323,315</td>
<td>1,165,452</td>
<td>2,557,342</td>
<td>1,992,328</td>
<td>11,884,296</td>
<td>78,723,897</td>
</tr>
<tr>
<td>Airport</td>
<td>5,872,959</td>
<td>86,806</td>
<td>1,652,537</td>
<td>453,974</td>
<td>207,147</td>
<td>3,472,495</td>
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<tr>
<td><strong>TOTAL PUBLIC TRANSPORTATION</strong></td>
<td>102,303,048</td>
<td>1,252,258</td>
<td>4,209,879</td>
<td>2,446,302</td>
<td>12,198,217</td>
<td>82,196,392</td>
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<tr>
<td><strong>CULTURE AND RECREATION:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memorial Library</td>
<td>15,437,143</td>
<td>699,259</td>
<td>4,053,416</td>
<td>8,344</td>
<td>10,676,124</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL CULTURE/REC</strong></td>
<td>15,437,143</td>
<td>699,259</td>
<td>4,053,416</td>
<td>8,344</td>
<td>10,676,124</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</strong></td>
<td>244,632,958</td>
<td>$7,398,715</td>
<td>$105,122,235</td>
<td>$6,682,500</td>
<td>$43,233,116</td>
<td>$82,196,392</td>
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<tr>
<td>Construction In Progress</td>
<td>4,289,174</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td><strong>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</strong></td>
<td>$248,922,132</td>
<td></td>
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</tbody>
</table>
## MONTGOMERY COUNTY, TEXAS

**Capital Assets Used in the Operation of Governmental Funds**

**Schedule of Changes by Function and Activity**

**Year Ended September 30, 2005**

<table>
<thead>
<tr>
<th>Function and Activity</th>
<th>Govtl Funds Capital Assets October 1, 2004</th>
<th>Additions</th>
<th>Deletions</th>
<th>Govtl Funds Capital Assets September 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL ADMINISTRATION:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Judge</td>
<td>$27,967</td>
<td>$1,002</td>
<td>$4,498</td>
<td>$24,471</td>
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<tr>
<td>Human Resources</td>
<td>13,165</td>
<td>4,438</td>
<td>2,188</td>
<td>15,415</td>
</tr>
<tr>
<td>Risk Management</td>
<td>13,442</td>
<td>-</td>
<td>516</td>
<td>12,926</td>
</tr>
<tr>
<td>County Clerk</td>
<td>612,938</td>
<td>8,662</td>
<td>518</td>
<td>621,082</td>
</tr>
<tr>
<td>Collections</td>
<td>31,095</td>
<td>-</td>
<td>7,287</td>
<td>23,808</td>
</tr>
<tr>
<td>Veterans' Service</td>
<td>2,115</td>
<td>-</td>
<td>739</td>
<td>1,376</td>
</tr>
<tr>
<td>Purchasing Agent</td>
<td>32,343</td>
<td>36,441</td>
<td>7,546</td>
<td>61,238</td>
</tr>
<tr>
<td>Motor Pool</td>
<td>42,569</td>
<td>-</td>
<td>-</td>
<td>42,569</td>
</tr>
<tr>
<td>Comms/Info Services</td>
<td>1,050,106</td>
<td>133,921</td>
<td>-</td>
<td>1,171,262</td>
</tr>
<tr>
<td>County Buildings</td>
<td>74,036,801</td>
<td>2,445,884</td>
<td>469,238</td>
<td>76,013,447</td>
</tr>
<tr>
<td>County Land</td>
<td>4,150,222</td>
<td>447,000</td>
<td>-</td>
<td>4,597,222</td>
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<tr>
<td>Worthless Check Administration</td>
<td>12,521</td>
<td>-</td>
<td>899</td>
<td>11,622</td>
</tr>
<tr>
<td><strong>TOTAL GENERAL ADM</strong></td>
<td>80,025,284</td>
<td>3,077,348</td>
<td>506,194</td>
<td>82,596,438</td>
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<tr>
<td><strong>FINANCIAL ADMINISTRATION:</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>County Auditor</td>
<td>71,041</td>
<td>6,001</td>
<td>-</td>
<td>77,042</td>
</tr>
<tr>
<td>Budget Office</td>
<td>9,992</td>
<td>-</td>
<td>1,370</td>
<td>8,622</td>
</tr>
<tr>
<td>County Treasurer</td>
<td>36,985</td>
<td>1,042</td>
<td>5,911</td>
<td>32,116</td>
</tr>
<tr>
<td>Tax Assessor/Collector</td>
<td>271,883</td>
<td>42,337</td>
<td>7,934</td>
<td>306,286</td>
</tr>
<tr>
<td><strong>TOTAL FINANCIAL ADM</strong></td>
<td>389,901</td>
<td>49,380</td>
<td>15,215</td>
<td>424,066</td>
</tr>
<tr>
<td><strong>CONSERVATION:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extension Agents</td>
<td>75,652</td>
<td>-</td>
<td>7,219</td>
<td>68,433</td>
</tr>
<tr>
<td>Recycling Stations</td>
<td>152,102</td>
<td>12,040</td>
<td>-</td>
<td>164,142</td>
</tr>
<tr>
<td><strong>TOTAL CONSERVATION</strong></td>
<td>227,754</td>
<td>12,040</td>
<td>7,219</td>
<td>232,575</td>
</tr>
<tr>
<td><strong>ELECTIONS:</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elections Administrator</td>
<td>345,614</td>
<td>39,524</td>
<td>13,475</td>
<td>371,663</td>
</tr>
<tr>
<td><strong>TOTAL ELECTIONS</strong></td>
<td>345,614</td>
<td>39,524</td>
<td>13,475</td>
<td>371,663</td>
</tr>
<tr>
<td><strong>FACILITIES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Custodial Services</td>
<td>321,998</td>
<td>272,505</td>
<td>-</td>
<td>594,503</td>
</tr>
<tr>
<td>Building Maintenance</td>
<td>678,868</td>
<td>37,350</td>
<td>-</td>
<td>716,218</td>
</tr>
<tr>
<td>Parks</td>
<td>6,387,181</td>
<td>-</td>
<td>889</td>
<td>6,386,292</td>
</tr>
<tr>
<td>Jail</td>
<td>432,721</td>
<td>169,122</td>
<td>7,940</td>
<td>593,903</td>
</tr>
<tr>
<td>Civic Center</td>
<td>15,261,446</td>
<td>22,527</td>
<td>121,664</td>
<td>15,162,309</td>
</tr>
<tr>
<td><strong>TOTAL FACILITIES</strong></td>
<td>23,082,214</td>
<td>501,504</td>
<td>130,493</td>
<td>23,453,225</td>
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<tr>
<td><strong>HEALTH AND WELFARE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Health</td>
<td>2,395,466</td>
<td>58,690</td>
<td>46,574</td>
<td>2,407,582</td>
</tr>
<tr>
<td>Child Welfare</td>
<td>6,739</td>
<td>-</td>
<td>1,139</td>
<td>5,600</td>
</tr>
<tr>
<td>Community Development</td>
<td>1,330,577</td>
<td>2,947</td>
<td>-</td>
<td>1,333,524</td>
</tr>
<tr>
<td><strong>TOTAL HEALTH &amp; WELFARE</strong></td>
<td>3,732,782</td>
<td>61,637</td>
<td>47,713</td>
<td>3,746,706</td>
</tr>
</tbody>
</table>
# Capital Assets Used in the Operation of Governmental Funds

## Schedule of Changes by Function and Activity

### Year Ended September 30, 2005

<table>
<thead>
<tr>
<th>Function and Activity</th>
<th>Govtl Funds Capital Assets</th>
<th>Governmental Funds Capital Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>October 1, 2004</td>
<td>Additions</td>
</tr>
<tr>
<td><strong>JUDICIAL:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courts</td>
<td>416,416</td>
<td>38,243</td>
</tr>
<tr>
<td>District Attorney</td>
<td>416,316</td>
<td>1,334</td>
</tr>
<tr>
<td>District Clerk</td>
<td>430,018</td>
<td>36,257</td>
</tr>
<tr>
<td>Justice of Peace</td>
<td>167,857</td>
<td>4,652</td>
</tr>
<tr>
<td><strong>TOTAL JUDICIAL</strong></td>
<td>1,430,607</td>
<td>80,486</td>
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<tr>
<td><strong>LEGAL SERVICES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Attorney</td>
<td>68,286</td>
<td>1,054</td>
</tr>
<tr>
<td>Law Library</td>
<td>619,623</td>
<td>94,806</td>
</tr>
<tr>
<td><strong>TOTAL LEGAL SERVICES</strong></td>
<td>687,909</td>
<td>95,860</td>
</tr>
<tr>
<td><strong>PUBLIC SAFETY:</strong></td>
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<td></td>
</tr>
<tr>
<td>Emergency Management</td>
<td>76,028</td>
<td>1,148,093</td>
</tr>
<tr>
<td>Fire Marshal</td>
<td>22,161</td>
<td>-</td>
</tr>
<tr>
<td>Department of Public Safety</td>
<td>15,220</td>
<td>-</td>
</tr>
<tr>
<td>Constables</td>
<td>1,502,139</td>
<td>238,489</td>
</tr>
<tr>
<td>Sheriff</td>
<td>9,862,800</td>
<td>1,613,541</td>
</tr>
<tr>
<td>District Attorney Forfeitures</td>
<td>31,288</td>
<td>1,079</td>
</tr>
<tr>
<td>County Attorney Forfeitures</td>
<td>2,752</td>
<td>-</td>
</tr>
<tr>
<td>Juvenile Probation</td>
<td>264,397</td>
<td>66,273</td>
</tr>
<tr>
<td>Adult Probation</td>
<td>69,285</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL PUBLIC SAFETY</strong></td>
<td>11,846,070</td>
<td>3,067,475</td>
</tr>
<tr>
<td><strong>PUBLIC TRANSPORTATION:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineers</td>
<td>116,919</td>
<td>1,870</td>
</tr>
<tr>
<td>Commissioners' Operations</td>
<td>64,467,520</td>
<td>32,405,238</td>
</tr>
<tr>
<td>Airport</td>
<td>5,740,277</td>
<td>134,532</td>
</tr>
<tr>
<td><strong>TOTAL PUBLIC TRANS</strong></td>
<td>70,324,716</td>
<td>32,541,640</td>
</tr>
<tr>
<td><strong>CULTURE &amp; RECREATION:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memorial Library</td>
<td>10,166,244</td>
<td>5,305,623</td>
</tr>
<tr>
<td><strong>TOTAL CULTURE/REC</strong></td>
<td>10,166,244</td>
<td>5,305,623</td>
</tr>
<tr>
<td>Construction In Progress</td>
<td>1,529,467</td>
<td>6,351,169</td>
</tr>
<tr>
<td><strong>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</strong></td>
<td>$ 203,788,562</td>
<td>$ 51,183,686</td>
</tr>
</tbody>
</table>

MONTGOMERY COUNTY, TEXAS

[Page 2 of 2]
MONTGOMERY COUNTY

Birthplace of the

Lone Star Flag
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

**Financial Trends** - These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

**Revenue Capacity** - These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

**Debt Capacity** - These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

**Economic and Demographic Indicators** - These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.

**Operating Information** - These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.
MONTGOMERY COUNTY, TEXAS

Net Assets by Component

Last Three Fiscal Years

(accrual basis of accounting)

TABLE I

Governmental Activities:

<table>
<thead>
<tr>
<th>Year</th>
<th>Net of Related Debt</th>
<th>Invested in Capital Assets</th>
<th>Restricted for:</th>
<th>Total Net Assets</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Capital Projects</td>
<td>Debt Service</td>
</tr>
<tr>
<td>2003</td>
<td>$70,953,418</td>
<td>$9,716,809</td>
<td>$3,998,299</td>
<td>$(50,153,484)</td>
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<tr>
<td>2004</td>
<td>78,432,519</td>
<td>82,619</td>
<td>4,221,760</td>
<td>(41,868,121)</td>
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<tr>
<td>2005</td>
<td>122,477,741</td>
<td>7,138</td>
<td>5,212,724</td>
<td>(52,123,132)</td>
</tr>
</tbody>
</table>

Note: Accounting standards require that net assets be reported in 3 components in the financial statements: Invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are 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.
## Changes in Net Assets

### Last Three Fiscal Years

(accrual basis of accounting)

<table>
<thead>
<tr>
<th>TABLE II</th>
<th>Fiscal Year</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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</thead>
</table>

### Expenses

#### Governmental Activities:

<table>
<thead>
<tr>
<th>Activity</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Administration</td>
<td>$11,648,705</td>
<td>$11,020,255</td>
<td>$11,228,147</td>
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<tr>
<td>Judicial</td>
<td>12,773,623</td>
<td>14,196,220</td>
<td>14,787,696</td>
</tr>
<tr>
<td>Legal</td>
<td>1,535,772</td>
<td>1,688,226</td>
<td>1,823,681</td>
</tr>
<tr>
<td>Elections</td>
<td>578,472</td>
<td>741,325</td>
<td>460,869</td>
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<tr>
<td>Financial Administration</td>
<td>3,545,228</td>
<td>3,775,200</td>
<td>4,398,998</td>
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<tr>
<td>Public Facilities</td>
<td>6,756,690</td>
<td>6,351,995</td>
<td>16,611,013</td>
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<tr>
<td>Public Safety</td>
<td>39,426,821</td>
<td>41,783,788</td>
<td>38,293,859</td>
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<tr>
<td>Health and Welfare</td>
<td>4,735,049</td>
<td>5,679,181</td>
<td>6,253,621</td>
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<tr>
<td>Culture and Recreation</td>
<td>4,207,762</td>
<td>4,746,828</td>
<td>6,257,162</td>
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<tr>
<td>Conservation</td>
<td>595,714</td>
<td>565,941</td>
<td>721,238</td>
</tr>
<tr>
<td>Public Transportation</td>
<td>1,447,670</td>
<td>14,662,727</td>
<td>23,780,503</td>
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<td>Debt Service</td>
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<td>8,062,860</td>
<td>7,464,112</td>
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<tr>
<td>Miscellaneous</td>
<td>4,589,512</td>
<td>7,234,220</td>
<td>4,519,314</td>
</tr>
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<td><strong>Total Governmental Activities Expenses</strong></td>
<td>$100,070,386</td>
<td>$120,508,766</td>
<td>$136,600,213</td>
</tr>
</tbody>
</table>

#### Program Revenues

#### Governmental Activities:

<table>
<thead>
<tr>
<th>Activity</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<tbody>
<tr>
<td>Fees, Fines, Forfeitures and Charges for Services</td>
<td>$28,355,009</td>
<td>$31,299,005</td>
<td>$35,943,376</td>
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<tr>
<td>Operating Grants and Contributions</td>
<td>6,205,454</td>
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<tr>
<td>Capital Grants and Contributions</td>
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<td>1,032,241</td>
<td>27,335,093</td>
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<td><strong>Total Governmental Activities Program Revenues</strong></td>
<td>34,880,208</td>
<td>38,118,731</td>
<td>71,516,966</td>
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#### General Revenues and Other Changes in Net Assets

#### Governmental Activities:

<table>
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<tr>
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<th>2004</th>
<th>2005</th>
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<tr>
<td>Taxes</td>
<td>$78,482,657</td>
<td>$86,767,811</td>
<td>$95,927,528</td>
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<tr>
<td>Other Taxes</td>
<td>730,506</td>
<td>929,853</td>
<td>1,077,680</td>
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<tr>
<td>Unrestricted Grants and Contributions</td>
<td>1,016,103</td>
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<tr>
<td>Investment Earnings</td>
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<td>Miscellaneous</td>
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<td>260,233</td>
<td>776,504</td>
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<td><strong>Total Governmental Activities</strong></td>
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<td>$99,788,941</td>
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#### Change in Net Assets

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<th>2005</th>
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<td>$16,338,329</td>
<td>$6,353,735</td>
<td>$34,705,694</td>
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## Montgomery County, Texas

### Governmental Fund Balances

#### Last Ten Fiscal Years

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<th>1997</th>
<th>1998</th>
<th>1999</th>
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<tr>
<td>General Fund</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Reserved for:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid items</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Unreserved</td>
<td>7,487,153</td>
<td>8,715,824</td>
<td>9,529,258</td>
<td>8,193,737</td>
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<tr>
<td>Total General Fund</td>
<td>$ 7,487,153</td>
<td>$ 8,715,824</td>
<td>$ 9,529,258</td>
<td>$ 8,193,737</td>
</tr>
</tbody>
</table>

| All Other Governmental Funds |               |               |               |               |
| Reserved for: |               |               |               |               |
| Prepaid items | $ 176        | $ 176        | $ 176        | $             |
| Capital projects | 3,476,017   | 18,573,531   | 27,255,971   | 19,992,422   |
| Inventory     | 11,922       | 16,014       | 3,346        | 25,642       |
| Debt service  | 818,225      | 844,838      | 1,065,497    | 1,005,634    |
| Unreserved, reported in: |               |               |               |               |
| Special revenue funds | 4,947,799   | 4,175,796    | 5,404,266    | 6,015,497    |
| Total All Other Governmental Funds | $ 9,254,139 | $ 23,610,355 | $ 33,729,256 | $ 27,039,195 |


<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<tbody>
<tr>
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<td>-</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>5,703,369</td>
<td>1,097,068</td>
<td>1,452,802</td>
<td>3,111,416</td>
<td>4,597,977</td>
<td>9,818,012</td>
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</tr>
<tr>
<td>$ 5,703,369</td>
<td>$ 1,097,068</td>
<td>$ 1,452,802</td>
<td>$ 3,136,625</td>
<td>$ 4,784,517</td>
<td>$ 9,818,012</td>
<td></td>
</tr>
</tbody>
</table>

| $           | 500  | $    | $    | $    | $    | $    |
| 6,221,991   | 13,836,579 | 23,390,216 | 42,881,808 | 40,717,540 | 25,183,317 |
| 33,786      | 49,274   | 59,883   | 72,409   | 77,008   | 80,227 |
| 811,885     | 2,860,746 | 1,580,961 | 2,043,861 | 2,160,259 | 2,142,695 |
| 5,711,670   | 4,987,601 | 4,390,626 | 2,466,223 | 1,774,849 | 500,665 |
| $ 12,779,832 | $ 21,744,668 | $ 29,715,372 | $ 47,509,166 | $ 44,785,875 | $ 29,706,031 |
# MONTGOMERY COUNTY, TEXAS
## Changes in Fund Balances, Governmental Funds
### Last Ten Fiscal Years

(modified accrual basis of accounting)

<table>
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<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>$42,386,987</td>
<td>$45,180,562</td>
<td>$48,584,808</td>
<td>$52,611,626</td>
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<td>Licenses and Permits</td>
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<td>5,426,093</td>
<td>5,858,172</td>
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<td>4,661,065</td>
<td>5,714,570</td>
<td>6,704,550</td>
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<td>Intergovernment</td>
<td>11,372,008</td>
<td>2,419,889</td>
<td>3,159,165</td>
<td>4,892,718</td>
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<td>Charges for Services</td>
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<td>696,049</td>
<td>753,979</td>
<td>817,254</td>
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<td>Interest</td>
<td>1,252,815</td>
<td>1,816,309</td>
<td>2,545,836</td>
<td>2,893,175</td>
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<td>Contract Reimbursements</td>
<td>4,494,549</td>
<td>4,700,322</td>
<td>5,368,916</td>
<td>5,435,479</td>
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<td>Inmate Housing</td>
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<td>2,797,921</td>
<td>2,890,049</td>
<td>2,777,248</td>
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<tr>
<td>Fines and Forfeitures</td>
<td>997,313</td>
<td>1,045,391</td>
<td>1,146,969</td>
<td>1,547,650</td>
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<tr>
<td>Miscellaneous</td>
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<td>1,107,811</td>
<td>2,141,712</td>
<td>2,805,512</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>74,390,104</td>
<td>69,362,129</td>
<td>77,732,097</td>
<td>86,343,384</td>
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<table>
<thead>
<tr>
<th>Expenditures</th>
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<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>General Administration</td>
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<td>6,400,141</td>
<td>7,505,752</td>
<td>8,141,208</td>
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<td>Judicial</td>
<td>4,991,447</td>
<td>5,648,210</td>
<td>6,331,292</td>
<td>6,800,845</td>
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<td>Legal Services</td>
<td>1,405,570</td>
<td>1,434,643</td>
<td>1,515,382</td>
<td>1,583,830</td>
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<td>Elections</td>
<td>415,223</td>
<td>369,015</td>
<td>441,725</td>
<td>330,022</td>
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<td>2,228,841</td>
<td>2,463,660</td>
<td>2,686,149</td>
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<td>3,651,170</td>
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<td>Public Safety</td>
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<td>24,114,850</td>
<td>27,104,453</td>
<td>28,561,434</td>
</tr>
<tr>
<td>Health and Welfare</td>
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<td>2,837,989</td>
<td>3,751,987</td>
<td>4,950,959</td>
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<tr>
<td>Culture and Recreation</td>
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<td>2,378,063</td>
<td>2,829,968</td>
<td>3,317,301</td>
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<td>264,074</td>
<td>272,788</td>
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<td>Public Transportation</td>
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<td>13,424,111</td>
<td>12,551,589</td>
<td>14,823,006</td>
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<td>Miscellaneous</td>
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<td>633,668</td>
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<td>3,778,928</td>
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<td>2,589,398</td>
<td>3,031,236</td>
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<td>Interest and Fiscal Charges</td>
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<td>3,074,921</td>
<td>3,849,657</td>
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<td>Issuance Costs</td>
<td>-</td>
<td>-</td>
<td>318,315</td>
<td>33,889</td>
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<td><strong>Total Expenditures</strong></td>
<td>75,014,812</td>
<td>72,886,476</td>
<td>86,710,400</td>
<td>94,558,680</td>
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</table>

(Deficiency) Revenues over Expenditures $(624,708) (3,524,347) (8,978,303) (8,215,296)

**Other Financing Sources/(Uses)**

| Transfers In               | 9,702,527     | 3,909,073     | 5,986,790     | 4,918,647     |
| Transfers Out              | (9,702,527)   | (3,909,073)   | (5,986,790)   | (4,918,647)   |
| Capital Lease Financing    | 717,660       | 152,300       | 1,560,638     | 189,714       |
| Issuance of Refunding Bonds| -             | 9,510,608     | -             | -             |
| Payment to Refunded Bond Escrow Agent | - (9,304,166) | -             | -             |
| Issuance of Other Bonds    | 4,973,172     | 18,750,492    | 18,350,000    | -             |
| Discounts/Premiums on Debt Issuance | - - | - |
| **Total Other Financing Sources/(Uses)** | 5,690,832 | 19,109,234 | 19,910,638 | 189,714 |
| Prior Period Adjustment    | -             | -             | -             | -             |
| Net Change in Fund Balances| $5,066,124    | $15,584,887   | $10,932,335   | $(8,025,582)  |

Debt Service as a percentage of noncapital expenditures 7.7% 9.4% 7.6% 8.1%
<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<tbody>
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<td>$</td>
<td>55,606,396</td>
<td>61,792,434</td>
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<td>7,780,777</td>
<td>9,753,650</td>
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<td>1,126,189</td>
<td>1,159,017</td>
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<td>2,135,375</td>
<td>1,201,707</td>
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<td>6,160,532</td>
<td>7,351,963</td>
<td>6,952,378</td>
<td>7,587,085</td>
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<td>3,237,591</td>
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<tr>
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<td>(13,784,412)</td>
<td>(25,001,324)</td>
<td>(26,332,375)</td>
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<td>16,324,181</td>
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<tr>
<td>(</td>
<td>(8,089,320)</td>
<td>(11,554,566)</td>
<td>(13,891,059)</td>
<td>(19,849,875)</td>
<td>(14,571,754)</td>
<td>(16,324,181)</td>
</tr>
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<td>1,660,192</td>
<td>19,897,596</td>
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<td>982,066</td>
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<tr>
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<td>-</td>
<td>-</td>
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<td>-</td>
<td></td>
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<tr>
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<td>(16,637,398)</td>
<td>4,358,535</td>
<td>8,326,438</td>
<td>19,519,480</td>
<td>(1,075,399)</td>
<td>(10,046,349)</td>
</tr>
<tr>
<td>7.5%</td>
<td>6.9%</td>
<td>7.3%</td>
<td>13.3%</td>
<td>9.6%</td>
<td>8.6%</td>
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</tr>
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</table>
## TABLE V

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Residential Property</th>
<th>Commercial Property</th>
<th>Other Property</th>
<th>Personal Property</th>
<th>Less: Tax Exempt Property</th>
<th>Total Taxable Assessed Value</th>
<th>Total Direct Tax Rate (3)</th>
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</thead>
<tbody>
<tr>
<td>1996</td>
<td>$4,708,172</td>
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(1) Amounts expressed in thousands.

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

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

Source: Montgomery Central Appraisal District
MONTGOMERY COUNTY, TEXAS
Property Tax Rates\(^{(1)}\) - Direct and Overlapping Governments
Last Ten Fiscal Years

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SOUTH MONTGOMERY COUNTY, TEXAS ROAD DISTRICT NO. 1:

| Debt Service Fund | 0.0398 | 0.0358 | 0.0213 | 0.0213 |

OVERLAPPING GOVERNMENTS:

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\(^{(1)}\) Fiscal periods consistent with the state of Texas budget fiscal year.
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Annexed | Annexed | Annexed | Annexed | Annexed | Annexed | Annexed |

|       | 1.2900   | 1.2900   | 1.2900   | 1.2900   | 1.2900   | 1.2900   |
|       | 0.6593   | 0.6300   | 0.5000   | 0.5000   | 0.5000   | 0.5000   |
|       | 0.8285   | 0.7848   | 0.7500   | 0.7200   | 0.7200   | 0.6339   |
|       | 0.3358   | 0.3052   | 0.3052   | 0.2922   | 0.2922   | 0.2800   |
|       | -        | -        | -        | -        | -        | 0.4580   |
|       | 0.3618   | 0.4200   | 0.3924   | 0.3774   | 0.3774   | 0.3945   |
|       | 0.1378   | 0.1378   | 0.1338   | 0.1082   | 0.1082   | 0.0999   |
|       | 0.5650   | 0.5550   | 0.5000   | 0.3000   | 0.3000   | 0.2500   |
|       | 0.4576   | 0.4400   | 0.4200   | 0.3800   | 0.3800   | 0.3400   |
|       | 0.2671   | 0.2682   | 0.2263   | 0.2263   | 0.2263   | 0.2171   |
|       | 0.9700   | 0.9700   | 0.8600   | 0.7000   | 0.7000   | 0.6000   |
### MONTGOMERY COUNTY, TEXAS

**Property Tax Rates**<sup>(1)</sup> - Direct and Overlapping Governments

**Last Ten Fiscal Years**

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### MONTGOMERY COUNTY, TEXAS

**Property Tax Rates (1)** - Direct and Overlapping Governments

**Last Ten Fiscal Years**

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# MONTGOMERY COUNTY, TEXAS

## Property Tax Rates\(^{(1)}\) - Direct and Overlapping Governments

### Last Ten Fiscal Years

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## TOTAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

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\(^{(1)}\) Per $100 of assessed valuation.

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

Sources: Montgomery Central Appraisal District, Harris County Appraisal District, Liberty County Appraisal District, Tomball Independent School District.
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<td>$65.8151</td>
<td>$64.8435</td>
<td>$63.8575</td>
<td>$66.4771</td>
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</table>
### TABLE VII

<table>
<thead>
<tr>
<th>2005 Taxpayer</th>
<th>Type of Business</th>
<th>2005 Assessed Valuation $</th>
<th>Percentage of Total Assessed Valuation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wal-Mart Real Estate Bus Trust</td>
<td>Land Development</td>
<td>230,295,718</td>
<td>1.21</td>
</tr>
<tr>
<td>Gulf States Utilities Company</td>
<td>Electric Utility</td>
<td>166,928,160</td>
<td>0.88</td>
</tr>
<tr>
<td>Woodlands Land Development, LP</td>
<td>Land Development</td>
<td>101,052,710</td>
<td>0.53</td>
</tr>
<tr>
<td>Huntsman Petrochemical Corp.</td>
<td>Industrial</td>
<td>95,626,773</td>
<td>0.50</td>
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<tr>
<td>Conroe Hospital Corporation</td>
<td>Medical</td>
<td>73,584,080</td>
<td>0.39</td>
</tr>
<tr>
<td>Consolidated Communications of Texas</td>
<td>Communications</td>
<td>69,977,630</td>
<td>0.37</td>
</tr>
<tr>
<td>CVS Distribution Center and Regional Offices</td>
<td>Retail</td>
<td>61,185,954</td>
<td>0.32</td>
</tr>
<tr>
<td>The Woodlands Mall Association</td>
<td>Retail</td>
<td>58,698,870</td>
<td>0.31</td>
</tr>
<tr>
<td>SBC Communications Inc.</td>
<td>Telephone Utility</td>
<td>51,764,976</td>
<td>0.27</td>
</tr>
<tr>
<td>Devon Energy Operating Company</td>
<td>Industrial</td>
<td>47,211,230</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 956,326,101</td>
<td>5.03</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1996 Taxpayer</th>
<th>Type of Business</th>
<th>1996 Assessed Valuation $</th>
<th>Percentage of Total Assessed Valuation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodlands Corporation</td>
<td>Land Development</td>
<td>327,701,020</td>
<td>3.95</td>
</tr>
<tr>
<td>Exxon Corporation</td>
<td>Oil Properties</td>
<td>112,681,080</td>
<td>1.36</td>
</tr>
<tr>
<td>Gulf States Utilities</td>
<td>Electric Utility</td>
<td>99,876,140</td>
<td>1.20</td>
</tr>
<tr>
<td>Compaq Computer, Inc.</td>
<td>Manufacturer</td>
<td>88,159,021</td>
<td>1.06</td>
</tr>
<tr>
<td>Huntsman Corp.</td>
<td>Chemical Productions</td>
<td>79,484,379</td>
<td>0.96</td>
</tr>
<tr>
<td>Conroe Hospital Corp.</td>
<td>Medical</td>
<td>78,263,908</td>
<td>0.94</td>
</tr>
<tr>
<td>Lufkin-Conroe Telephone</td>
<td>Telephone Utility</td>
<td>50,605,190</td>
<td>0.61</td>
</tr>
<tr>
<td>Eckerd Distribution</td>
<td>Retail Distribution</td>
<td>45,364,412</td>
<td>0.55</td>
</tr>
<tr>
<td>Ball Manufacturing</td>
<td>Manufacturer</td>
<td>33,830,330</td>
<td>0.41</td>
</tr>
<tr>
<td>Crown Cork &amp; Seal Co.</td>
<td>Manufacturer</td>
<td>28,377,040</td>
<td>0.34</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 944,342,520</td>
<td>11.38</td>
</tr>
</tbody>
</table>

(1) Source: Montgomery Central Appraisal District

(2) Net Assessed Valuation - 2005 $ 18,968,230,832

(3) Net Assessed Valuation - 1996 $ 8,289,411,384
## MONTGOMERY COUNTY, TEXAS

### Property Tax Levies and Collections (1)

#### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Tax Levy</th>
<th>Current Tax Collections</th>
<th>Percent of Levy Collected</th>
<th>Delinquent Tax Collections</th>
<th>Total Tax Collections</th>
<th>Percent of Total Tax Collections to Tax Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>$41,110,603</td>
<td>$39,921,462</td>
<td>97.1%</td>
<td>$1,187,826</td>
<td>$41,109,288</td>
<td>100.0%</td>
</tr>
<tr>
<td>1997</td>
<td>43,694,149</td>
<td>42,119,201</td>
<td>96.4%</td>
<td>1,764,514</td>
<td>43,883,715</td>
<td>100.4</td>
</tr>
<tr>
<td>1998</td>
<td>46,937,541</td>
<td>45,882,279</td>
<td>97.8%</td>
<td>1,208,829</td>
<td>47,091,108</td>
<td>100.3</td>
</tr>
<tr>
<td>1999</td>
<td>50,889,079</td>
<td>49,887,250</td>
<td>98.0%</td>
<td>1,247,664</td>
<td>51,134,914</td>
<td>100.5</td>
</tr>
<tr>
<td>2000</td>
<td>54,051,832</td>
<td>52,810,108</td>
<td>97.7%</td>
<td>1,244,737</td>
<td>54,054,845</td>
<td>100.0</td>
</tr>
<tr>
<td>2001</td>
<td>59,831,094</td>
<td>58,384,869</td>
<td>97.6%</td>
<td>1,547,076</td>
<td>59,931,945</td>
<td>100.2</td>
</tr>
<tr>
<td>2002</td>
<td>67,447,935</td>
<td>65,714,723</td>
<td>97.4%</td>
<td>1,608,717</td>
<td>67,323,440</td>
<td>99.8</td>
</tr>
<tr>
<td>2003</td>
<td>77,043,931</td>
<td>75,232,037</td>
<td>97.6%</td>
<td>1,784,876</td>
<td>77,016,913</td>
<td>100.0</td>
</tr>
<tr>
<td>2004</td>
<td>85,764,910</td>
<td>83,960,577</td>
<td>97.9%</td>
<td>1,839,076</td>
<td>85,799,653</td>
<td>100.0</td>
</tr>
<tr>
<td>2005</td>
<td>94,513,506</td>
<td>92,527,246</td>
<td>97.9%</td>
<td>1,856,421</td>
<td>94,383,667</td>
<td>99.9</td>
</tr>
</tbody>
</table>

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

Source: Montgomery County Tax Assessor-Collector
### MONTGOMERY COUNTY, TEXAS

#### Ratios of Outstanding Debt by Type

#### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Obligation</th>
<th>Certificates of Obligation</th>
<th>Capital Leases Obligation</th>
<th>Total Long-Term Debt</th>
<th>Percent of Personal Income</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>$37,216,656</td>
<td>$5,000,000</td>
<td>$2,304,550</td>
<td>$44,521,206</td>
<td>0.74%</td>
<td>$188.89</td>
</tr>
<tr>
<td>1997</td>
<td>33,656,104</td>
<td>23,775,000</td>
<td>1,541,680</td>
<td>58,972,784</td>
<td>0.85%</td>
<td>250.20</td>
</tr>
<tr>
<td>1998</td>
<td>33,915,028</td>
<td>41,725,000</td>
<td>1,969,579</td>
<td>77,609,607</td>
<td>0.98%</td>
<td>329.27</td>
</tr>
<tr>
<td>1999</td>
<td>31,122,243</td>
<td>41,295,000</td>
<td>1,391,288</td>
<td>73,808,531</td>
<td>0.87%</td>
<td>280.53</td>
</tr>
<tr>
<td>2000</td>
<td>29,537,239</td>
<td>40,730,000</td>
<td>2,048,336</td>
<td>72,315,575</td>
<td>0.74%</td>
<td>249.00</td>
</tr>
<tr>
<td>2001</td>
<td>42,686,392</td>
<td>42,630,000</td>
<td>3,888,079</td>
<td>89,204,471</td>
<td>0.85%</td>
<td>303.66</td>
</tr>
<tr>
<td>2002</td>
<td>65,821,669</td>
<td>41,775,000</td>
<td>10,509,449</td>
<td>118,106,118</td>
<td>1.11%</td>
<td>375.10</td>
</tr>
<tr>
<td>2003</td>
<td>97,746,800</td>
<td>52,540,000</td>
<td>2,588,746</td>
<td>152,875,546</td>
<td>1.38%</td>
<td>444.59</td>
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<tr>
<td>2004</td>
<td>97,515,414</td>
<td>54,270,000</td>
<td>1,790,377</td>
<td>153,575,791</td>
<td>N/A</td>
<td>426.10</td>
</tr>
<tr>
<td>2005</td>
<td>122,050,678</td>
<td>25,860,000</td>
<td>1,403,363</td>
<td>149,314,041</td>
<td>N/A</td>
<td>397.62</td>
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</table>

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

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

Personal income for 2004 and 2005 not available.
MONTGOMERY COUNTY, TEXAS
Ratios of Net General Bonded Debt Outstanding (1)
Last Ten Fiscal Years

TABLE X

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>General Bonded Debt Outstanding(2)</th>
<th>Less: Amounts Available for Debt Service</th>
<th>Percentage of Actual Value of Property(3)</th>
<th>Per Capita(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General Obligation</td>
<td>Certificates of Obligation</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>1996</td>
<td>$37,216,656</td>
<td>$ 5,000,000</td>
<td>$ 42,216,656</td>
<td>$818,225</td>
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<tr>
<td>1997</td>
<td>33,656,104</td>
<td>23,775,000</td>
<td>57,431,104</td>
<td>844,838</td>
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<tr>
<td>1998</td>
<td>33,915,028</td>
<td>41,725,000</td>
<td>75,640,028</td>
<td>1,065,497</td>
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<td>1999</td>
<td>31,122,243</td>
<td>41,295,000</td>
<td>72,417,243</td>
<td>1,005,634</td>
</tr>
<tr>
<td>2000</td>
<td>29,537,239</td>
<td>40,730,000</td>
<td>70,267,239</td>
<td>811,885</td>
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<tr>
<td>2001</td>
<td>42,686,392</td>
<td>42,630,000</td>
<td>85,316,392</td>
<td>2,860,746</td>
</tr>
<tr>
<td>2002</td>
<td>65,821,669</td>
<td>41,775,000</td>
<td>107,596,669</td>
<td>1,580,961</td>
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<tr>
<td>2003</td>
<td>97,746,800</td>
<td>52,540,000</td>
<td>150,286,800</td>
<td>2,043,861</td>
</tr>
<tr>
<td>2004</td>
<td>97,515,414</td>
<td>54,270,000</td>
<td>151,785,414</td>
<td>2,160,259</td>
</tr>
<tr>
<td>2005</td>
<td>122,050,678</td>
<td>25,860,000</td>
<td>147,910,678</td>
<td>2,142,695</td>
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</tbody>
</table>

(1) Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(2) Includes debt of South Montgomery County, Texas Road District No. 1 for fiscal years through 1999.
(3) Taxable Assessed Valuation can be found in Table V.
(4) Population data can be found in Table XII.
## MONTGOMERY COUNTY, TEXAS

### Legal Debt Margin

#### Last Ten Fiscal Years (1)

<table>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed value</td>
<td>$6,981,063</td>
<td>$7,164,696</td>
<td>$7,811,763</td>
<td>$8,597,552</td>
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<tr>
<td>Debt limit (2)</td>
<td>1,745,266</td>
<td>1,791,174</td>
<td>1,952,941</td>
<td>2,149,388</td>
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<tr>
<td>Debt applicable to limit</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total bonded debt</td>
<td>42,217</td>
<td>57,431</td>
<td>75,640</td>
<td>72,417</td>
</tr>
<tr>
<td>Less: Assets in Debt Service Funds available for payment of principal</td>
<td>(819)</td>
<td>(845)</td>
<td>(1,065)</td>
<td>(1,006)</td>
</tr>
<tr>
<td>Total debt applicable to limit</td>
<td>41,398</td>
<td>56,586</td>
<td>74,575</td>
<td>71,411</td>
</tr>
<tr>
<td>Legal debt margin</td>
<td>$1,703,867</td>
<td>$1,734,588</td>
<td>$1,878,366</td>
<td>$2,077,977</td>
</tr>
<tr>
<td>Total debt applicable to the limit as a percent of debt limit</td>
<td>2.37%</td>
<td>3.16%</td>
<td>3.82%</td>
<td>3.32%</td>
</tr>
</tbody>
</table>

(1) Amounts expressed in thousands.

(2) 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.
<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$9,497,283</td>
<td>$10,671,089</td>
<td>$12,252,007</td>
<td>$14,154,934</td>
<td>$15,380,063</td>
<td>$16,586,307</td>
</tr>
<tr>
<td></td>
<td>2,374,321</td>
<td>2,667,772</td>
<td>3,063,002</td>
<td>3,538,734</td>
<td>3,845,016</td>
<td>4,146,577</td>
</tr>
<tr>
<td>Balance at beginning of year</td>
<td>70,267</td>
<td>85,316</td>
<td>107,597</td>
<td>150,287</td>
<td>159,631</td>
<td>155,043</td>
</tr>
<tr>
<td>Increment</td>
<td>(812)</td>
<td>(2,860)</td>
<td>(1,581)</td>
<td>(2,044)</td>
<td>(2,160)</td>
<td>(2,143)</td>
</tr>
<tr>
<td>Value</td>
<td>69,455</td>
<td>82,456</td>
<td>106,016</td>
<td>148,243</td>
<td>157,470</td>
<td>152,900</td>
</tr>
<tr>
<td>Value at end of year</td>
<td>$2,304,865</td>
<td>$2,585,317</td>
<td>$2,956,986</td>
<td>$3,390,491</td>
<td>$3,687,545</td>
<td>$3,993,677</td>
</tr>
<tr>
<td></td>
<td>2.93%</td>
<td>3.09%</td>
<td>3.46%</td>
<td>4.19%</td>
<td>4.10%</td>
<td>3.69%</td>
</tr>
</tbody>
</table>
### TABLE XII

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (1)</th>
<th>Personal Income (2)(3)</th>
<th>Per Capita Personal Income (3)</th>
<th>School Enrollment (4)</th>
<th>School Average Daily Attendance (4)</th>
<th>Unemployment Rate (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>235,700</td>
<td>$ 6,054,408</td>
<td>$ 24,893</td>
<td>56,363</td>
<td>51,026</td>
<td>4.2 %</td>
</tr>
<tr>
<td>1997</td>
<td>235,700</td>
<td>6,915,429</td>
<td>27,060</td>
<td>59,073</td>
<td>54,051</td>
<td>3.4</td>
</tr>
<tr>
<td>1998</td>
<td>235,700</td>
<td>7,922,471</td>
<td>29,447</td>
<td>61,933</td>
<td>56,608</td>
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</tr>
<tr>
<td>1999</td>
<td>263,100</td>
<td>8,460,358</td>
<td>29,762</td>
<td>64,589</td>
<td>60,591</td>
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<td>2000</td>
<td>290,426</td>
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<td>32,989</td>
<td>67,430</td>
<td>61,575</td>
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<td>2001</td>
<td>293,768</td>
<td>10,459,126</td>
<td>33,446</td>
<td>70,201</td>
<td>64,461</td>
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<tr>
<td>2002</td>
<td>314,866</td>
<td>10,637,961</td>
<td>32,383</td>
<td>75,091</td>
<td>68,723</td>
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<td>2003</td>
<td>343,856</td>
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<td>77,693</td>
<td>71,479</td>
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<tr>
<td>2004</td>
<td>360,419</td>
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<td>N/A</td>
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<tr>
<td>2005</td>
<td>375,519</td>
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<td>N/A</td>
<td>84,924</td>
<td>78,259</td>
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</tbody>
</table>

(1) Source: Greater Conroe Economic Development Council, U.S. Census Bureau
(2) Amounts expressed in thousands.
(3) Source: Texas Workforce Commission website
Personal income information for 2004 and 2005 is not available.
(4) Source: Superintendent's Annual Report: Includes the nine independent school districts located in the County.
(5) Source: The Work Source website
http://www.theworksource.org/employer/lmio/unemploymentrates/2005
Information for fiscal years 1996 through 2004 was obtained from the financial reports of the appropriate year.
### TABLE XIII

<table>
<thead>
<tr>
<th>2005 Employer (1)</th>
<th>Employees</th>
<th>Percentage of Total County Employment (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conroe Independent School District</td>
<td>5,149</td>
<td>2.99 %</td>
</tr>
<tr>
<td>Anadarko Petroleum</td>
<td>1,900</td>
<td>1.10</td>
</tr>
<tr>
<td>Hewitt Associates</td>
<td>1,800</td>
<td>1.05</td>
</tr>
<tr>
<td>Montgomery County, Texas</td>
<td>1,471</td>
<td>0.85</td>
</tr>
<tr>
<td>Conroe Regional Medical Center</td>
<td>1,200</td>
<td>0.70</td>
</tr>
<tr>
<td>Memorial Hermann The Woodlands Hospital</td>
<td>1,050</td>
<td>0.61</td>
</tr>
<tr>
<td>Montgomery College</td>
<td>751</td>
<td>0.44</td>
</tr>
<tr>
<td>Lexicon Genetics, Inc.</td>
<td>710</td>
<td>0.41</td>
</tr>
<tr>
<td>Woodlands Resort &amp; Conference Center</td>
<td>611</td>
<td>0.36</td>
</tr>
<tr>
<td>Chevron Phillips Chemical Co.</td>
<td>600</td>
<td>0.35</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,242</strong></td>
<td><strong>8.86 %</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1996 Employer (3)</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hughes Christensen</td>
<td>250-499</td>
</tr>
<tr>
<td>Huntsman Corporation</td>
<td>250-499</td>
</tr>
<tr>
<td>Ball Metal Container Corporation</td>
<td>100-249</td>
</tr>
<tr>
<td>Capro Inc.</td>
<td>100-249</td>
</tr>
<tr>
<td>Drexel Oilfield Services</td>
<td>100-249</td>
</tr>
<tr>
<td>Maverick Tube Company</td>
<td>100-249</td>
</tr>
<tr>
<td>OIC Tanks</td>
<td>100-249</td>
</tr>
<tr>
<td>Sparkler Filters</td>
<td>100-249</td>
</tr>
<tr>
<td>Surgimedics/TMP</td>
<td>100-249</td>
</tr>
<tr>
<td>Texas Oil Tools Inc.</td>
<td>100-249</td>
</tr>
</tbody>
</table>

---

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

(2) County Employment for 2005: 172,082

Source: The Work Source

(3) 1996 Information is limited to manufacturers in the County and available in the form of ranges of employees.

Information has been derived from 1996 Directory of Texas Manufacturers and the Conroe Chamber of Commerce.

No information regarding County employment in prior years is available.
### MONTGOMERY COUNTY, TEXAS

#### County Employees by Function (1)

#### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Administration</td>
<td>72</td>
<td>74</td>
<td>70</td>
<td>69</td>
<td>80</td>
<td>85</td>
<td>90</td>
<td>94</td>
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</tr>
<tr>
<td>Judicial</td>
<td>111</td>
<td>117</td>
<td>133</td>
<td>139</td>
<td>141</td>
<td>151</td>
<td>168</td>
<td>190</td>
<td>190</td>
<td>201</td>
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<tr>
<td>Legal Services</td>
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<td>31</td>
<td>31</td>
<td>30</td>
<td>32</td>
<td>33</td>
<td>23</td>
<td>23</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Elections</td>
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<td>5</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6</td>
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<tr>
<td>Financial Administration</td>
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<td>72</td>
<td>71</td>
<td>74</td>
<td>79</td>
<td>80</td>
<td>82</td>
<td>83</td>
<td>85</td>
<td>87</td>
</tr>
<tr>
<td>Public Facilities</td>
<td>35</td>
<td>32</td>
<td>36</td>
<td>39</td>
<td>45</td>
<td>50</td>
<td>57</td>
<td>65</td>
<td>69</td>
<td>238</td>
</tr>
<tr>
<td>Public Safety</td>
<td>482</td>
<td>483</td>
<td>497</td>
<td>529</td>
<td>554</td>
<td>671</td>
<td>666</td>
<td>647</td>
<td>670</td>
<td>498</td>
</tr>
<tr>
<td>Health and Welfare</td>
<td>15</td>
<td>14</td>
<td>18</td>
<td>24</td>
<td>21</td>
<td>28</td>
<td>40</td>
<td>43</td>
<td>48</td>
<td>49</td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td>74</td>
<td>76</td>
<td>78</td>
<td>82</td>
<td>85</td>
<td>82</td>
<td>86</td>
<td>90</td>
<td>87</td>
<td>89</td>
</tr>
<tr>
<td>Conservation</td>
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<td>10</td>
<td>10</td>
<td>9</td>
<td>11</td>
<td>12</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Public Transportation</td>
<td>151</td>
<td>156</td>
<td>165</td>
<td>160</td>
<td>159</td>
<td>167</td>
<td>159</td>
<td>156</td>
<td>162</td>
<td>162</td>
</tr>
<tr>
<td><strong>Total (3)</strong></td>
<td>1,058</td>
<td>1,070</td>
<td>1,114</td>
<td>1,161</td>
<td>1,211</td>
<td>1,362</td>
<td>1,386</td>
<td>1,407</td>
<td>1,454</td>
<td>1,471</td>
</tr>
</tbody>
</table>

---

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

(2) In FY 2005, the Jail moved from the Public Safety function to the Public Facilities function.

(3) Comprehensive Annual Financial Reports prior to FY 2005 accounted for total employees, including staff that was temporary in nature. Beginning in FY 2005, the County has only accounted for those employees with permanent status.
## MONTGOMERY COUNTY, TEXAS
### Operating Indicators by Function
#### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction permits issued</td>
<td>4,215</td>
<td>4,018</td>
<td>5,393</td>
<td>4,301</td>
</tr>
<tr>
<td>Estimated value of construction</td>
<td>456,782</td>
<td>497,484</td>
<td>740,439</td>
<td>507,108</td>
</tr>
<tr>
<td>Health inspections performed</td>
<td>1,066</td>
<td>3,706</td>
<td>4,242</td>
<td>5,204</td>
</tr>
<tr>
<td>Birth certificates filed</td>
<td>3,488</td>
<td>3,682</td>
<td>3,956</td>
<td>4,265</td>
</tr>
<tr>
<td>Death certificates filed</td>
<td>1,269</td>
<td>1,363</td>
<td>1,359</td>
<td>1,589</td>
</tr>
<tr>
<td>Marriage license applications</td>
<td>2,120</td>
<td>2,427</td>
<td>2,638</td>
<td>2,637</td>
</tr>
<tr>
<td>Registered voters</td>
<td>140,159</td>
<td>149,651</td>
<td>159,571</td>
<td>166,449</td>
</tr>
<tr>
<td>Number of voting precincts</td>
<td>63</td>
<td>70</td>
<td>70</td>
<td>72</td>
</tr>
<tr>
<td>Public Safety - Sheriff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total arrests</td>
<td>13,474</td>
<td>13,124</td>
<td>14,228</td>
<td>15,040</td>
</tr>
<tr>
<td>Average number of inmates</td>
<td>601</td>
<td>680</td>
<td>667</td>
<td>699</td>
</tr>
<tr>
<td>Calls for service</td>
<td>220,752</td>
<td>223,532</td>
<td>249,905</td>
<td>266,369</td>
</tr>
<tr>
<td>Number of accidents investigated</td>
<td>1,219</td>
<td>1,300</td>
<td>1,719</td>
<td>2,076</td>
</tr>
<tr>
<td>Miles patrolled</td>
<td>2,589,413</td>
<td>2,411,464</td>
<td>2,520,767</td>
<td>2,715,095</td>
</tr>
<tr>
<td>Gallons of gas used</td>
<td>233,978</td>
<td>227,509</td>
<td>261,663</td>
<td>257,920</td>
</tr>
<tr>
<td>Culture and Recreation - Libraries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of items checked out</td>
<td>818,039</td>
<td>919,707</td>
<td>978,157</td>
<td>1,021,234</td>
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<tr>
<td>Number of libraries</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Volumes in collection</td>
<td>295,523</td>
<td>323,354</td>
<td>352,293</td>
<td>352,530</td>
</tr>
<tr>
<td>Number of library visits</td>
<td>530,038</td>
<td>686,616</td>
<td>793,181</td>
<td>880,415</td>
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<tr>
<td>Library programs attendance</td>
<td>59,326</td>
<td>62,187</td>
<td>58,661</td>
<td>63,713</td>
</tr>
</tbody>
</table>

---

(1) Source: Montgomery County Engineer. Years 1996 through 2004 include the City of Conroe.
(2) Dollar values are in thousands.
(3) Source: Montgomery County Health Department.
(4) Source: Montgomery County Clerk.
(5) Source: Montgomery County Elections Administrator.
(6) Source: Montgomery County Sheriff's Department. Information is available for a calendar year. 2005 information is only through October 31, 2005.
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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</thead>
<tbody>
<tr>
<td>3,604</td>
<td>3,792</td>
<td>4,747</td>
<td>5,569</td>
<td>6,569</td>
<td>5,565</td>
<td></td>
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<tr>
<td>1,404,168</td>
<td>696,631</td>
<td>818,130</td>
<td>1,284,674</td>
<td>1,145,750</td>
<td>1,088,171</td>
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<tr>
<td>6,219</td>
<td>5,847</td>
<td>5,805</td>
<td>5,774</td>
<td>7,616</td>
<td>7,882</td>
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<tr>
<td>4,699</td>
<td>4,720</td>
<td>4,440</td>
<td>5,044</td>
<td>5,544</td>
<td>4,453</td>
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<tr>
<td>1,644</td>
<td>1,781</td>
<td>1,755</td>
<td>1,898</td>
<td>1,859</td>
<td>1,520</td>
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<tr>
<td>2,611</td>
<td>2,742</td>
<td>2,830</td>
<td>2,755</td>
<td>2,892</td>
<td>2,122</td>
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</tr>
<tr>
<td>184,170</td>
<td>186,295</td>
<td>192,951</td>
<td>197,626</td>
<td>214,098</td>
<td>213,414</td>
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<tr>
<td>72</td>
<td>85</td>
<td>85</td>
<td>85</td>
<td>85</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>14,448</td>
<td>15,104</td>
<td>16,503</td>
<td>16,335</td>
<td>18,960</td>
<td>16,045</td>
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<tr>
<td>550</td>
<td>558</td>
<td>593</td>
<td>640</td>
<td>726</td>
<td>826</td>
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<tr>
<td>277,185</td>
<td>276,576</td>
<td>273,439</td>
<td>225,576</td>
<td>212,919</td>
<td>187,390</td>
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</tr>
<tr>
<td>2,205</td>
<td>2,139</td>
<td>2,159</td>
<td>1,965</td>
<td>1,898</td>
<td>1,646</td>
<td></td>
</tr>
<tr>
<td>2,523,192</td>
<td>2,860,529</td>
<td>2,847,347</td>
<td>2,932,365</td>
<td>2,812,515</td>
<td>2,825,393</td>
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</tr>
<tr>
<td>249,967</td>
<td>254,863</td>
<td>248,517</td>
<td>272,922</td>
<td>263,816</td>
<td>276,738</td>
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</tr>
<tr>
<td>1,057,882</td>
<td>1,062,826</td>
<td>1,094,744</td>
<td>1,193,392</td>
<td>1,196,770</td>
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<tr>
<td>6</td>
<td>6</td>
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<td>6</td>
<td>6</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>428,355</td>
<td>389,716</td>
<td>418,369</td>
<td>446,221</td>
<td>478,205</td>
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<tr>
<td>788,730</td>
<td>878,619</td>
<td>993,045</td>
<td>990,066</td>
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<tr>
<td>64,138</td>
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<td>83,527</td>
<td>90,591</td>
<td>85,220</td>
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<td></td>
</tr>
</tbody>
</table>
## MONTGOMERY COUNTY, TEXAS
### Capital Asset and Infrastructure Statistics by Function
#### Last Ten Fiscal Years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Buildings/Courthouses&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>18</td>
<td>18</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td><strong>Public Safety - Sheriff</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheriff's Vehicles&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>188</td>
<td>202</td>
<td>207</td>
<td>231</td>
</tr>
<tr>
<td>Academy Square Footage&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>9,600</td>
<td>9,600</td>
<td>9,600</td>
<td>9,600</td>
</tr>
<tr>
<td><strong>Public Transportation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Roads (miles)&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>1,943</td>
<td>2,004</td>
<td>2,026</td>
<td>2,059</td>
</tr>
<tr>
<td>Bridges&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>112</td>
<td>113</td>
<td>112</td>
<td>117</td>
</tr>
<tr>
<td><strong>Public Facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Park Acreage&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>192</td>
<td>196</td>
<td>196</td>
<td>196</td>
</tr>
<tr>
<td>Convention Center Square Footage&lt;sup&gt;(5)&lt;/sup&gt;</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Community Centers&lt;sup&gt;(2)&lt;/sup&gt;</td>
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<td>11</td>
<td>12</td>
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</tr>
<tr>
<td><strong>Culture and Recreation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Library Square Footage&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>108,400</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Montgomery County Risk Management Department.
<sup>(2)</sup> Montgomery County Auditor's Office Capital Assets Listing.
<sup>(3)</sup> Montgomery County Engineer.
<sup>(4)</sup> Montgomery County Parks Department.
<sup>(5)</sup> Montgomery County Civic Center Complex; The convention center was completed and put into service in 2000.
<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>23</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>25</td>
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