

MONTGOMERY COUNTY TEXAS

Comprehensive Annual Financial Report



**For the Fiscal Year Ended
September 30, 2013**

MONTGOMERY COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013

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

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INTRODUCTORY SECTION



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

Phyllis L. Martin
County Auditor

Angela H. Blocker
1st Assistant County Auditor

March 24, 2014

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

Honorable Judges and Commissioners:

The Comprehensive Annual Financial Report (CAFR) of Montgomery County, Texas, for the year ended September 30, 2013, is submitted herewith. This report was prepared by the County Auditor in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board, and is in compliance with Chapter 114.025 and Chapter 115.045 of the Local Government Code.

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

Montgomery County's financial statements have been audited by Pattillo, Brown & Hill L.L.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, 2013 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, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of Montgomery County

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

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

The U.S. Census Bureau reported the 1990 population for Montgomery County to be 180,394 and the year 2000 population to be 293,768. The most recent census reported the population of Montgomery County to be 455,746. At each census, the County has experienced growth in excess of 50%, with no signs of slowing down. At September 30, 2013 the estimated population was 491,636. Despite the turbulent economic times, the County's population continued to grow, albeit at a slower rate, during the past year and is evident in the increased demand for service at the county level. The main impetus for growth in the past two decades has come from the expansion of nearby metropolitan Houston. Many Montgomery County residents now work in Houston, and the spread of the city's suburbs into the County has led to a rapid rise in population. The governing body's active involvement in infrastructure improvements has been instrumental in this explosive growth in population. In recent years Montgomery County has become a recreation destination for many Houston residents. The area, with its abundant lakes and the Sam Houston National Forest, offers numerous opportunities for hunting, boating, fishing, and hiking.

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

Factors Affecting Financial Condition

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

Local economy- 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). In recent years, the largest industries have been energy, education, health and social services, with retail trade and manufacturing following. Investments made in Texas highways recently have assisted in attracting new and diverse businesses to the County. A favorable taxing environment has drawn many companies to relocate corporate headquarters to Montgomery County. The Woodlands, a planned community in south Montgomery County, is home to energy, biomedical, and technology businesses, causing ever-continued growth in the southern part of the County.

Long-term financial planning- The Commissioners' Court continues to be very active in infrastructure development, specifically road improvements, to help ensure economic growth. In the second half of calendar year 2005, the County executed an agreement with the Texas Department of Transportation that is facilitating the improvement of five separate state-owned roads. This "pass-thru toll" agreement provides for the County to pledge local funds to improve these roads, with a partial reimbursement from highway funds at a later date. The County pledged \$100 million of the Series 2006 \$160 million voter-approved road bonds, as well as an additional \$88 million of future bonds to leverage the federal funds for the projects in the hopes of gaining an estimated \$232 million in improvements for the citizens of Montgomery County.

As part of this future planning, the Commissioners' Court created the Montgomery County Toll Road Authority (MCTRA) in August 2006. The MCTRA will be charged with the task of collecting tolls from vehicles traveling on that portion of State Highway 242 which connects with Interstate 45 in southern Montgomery County. This project will improve one of the specific roads listed in the agreement with the Texas Department of Transportation and a traffic study was initiated late in calendar 2013. Revenues generated by the authority are anticipated to be used to either retire a portion of the debt related to the construction or to fund future improvements.

In an effort to combat the increasing inflationary cost on medical claims and to control utilization of plan benefits by participants, the County has opened a wellness clinic, which will allow the County to pay for minor medical services at substantially reduced pricing. The clinic will also be modeled to offer Health Risk Assessments which will allow for identification and education for the prevention of medical conditions by the employee/retiree population. With proper maintenance of certain medical conditions, the employer sponsored medical plan will be less apt to incur large claims.

In addition to traditional medical claims, the Clinic offers immediate medical services for workers compensation injuries. A large percentage of workers compensation claims have been resolved at the clinic and the employee would be released back to work within a quick period of time. This method of service would allow for a reduction of workers compensation claim costs and workers compensation indemnity payments for the County.

Both components of the medical clinic have been implemented, putting the County on a path that should achieve substantial savings now and in the future.

Energy innovations- Various energy saving ventures have been planned for county owned facilities. Lighting retrofits and solar charging panels have been installed in the county's parking garages to recycle energy produced back into the county's building grid. Infrastructure projects to replace outdated

windows and air conditioning units in the Montgomery County Courthouse and old Administration Building are already showing a marked reduction in energy consumption. These projects are part of the \$3.2 million U.S. Department of Energy efficiency and conservation grant that ended during 2013. Continued support by the Commissioners' Court of these energy saving projects has allowed for even greater savings now and for the future.

New developments- As part of the continuing effort in the County to alleviate traffic congestion in the southern part of the County, the Commissioners' Court awarded a contract to construct an interchange facility and direct connectors from State Highway 242 to Interstate 45. This project, approved by the governing body in February 2013, is expected to be completed by the middle of 2014 and should greatly improve the flow of traffic in the heavily trafficked south county area.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Montgomery County for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the twenty-fifth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Phyllis L. Martin
Montgomery County Auditor

PLM/kgd



Government Finance Officers Association

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

Presented to

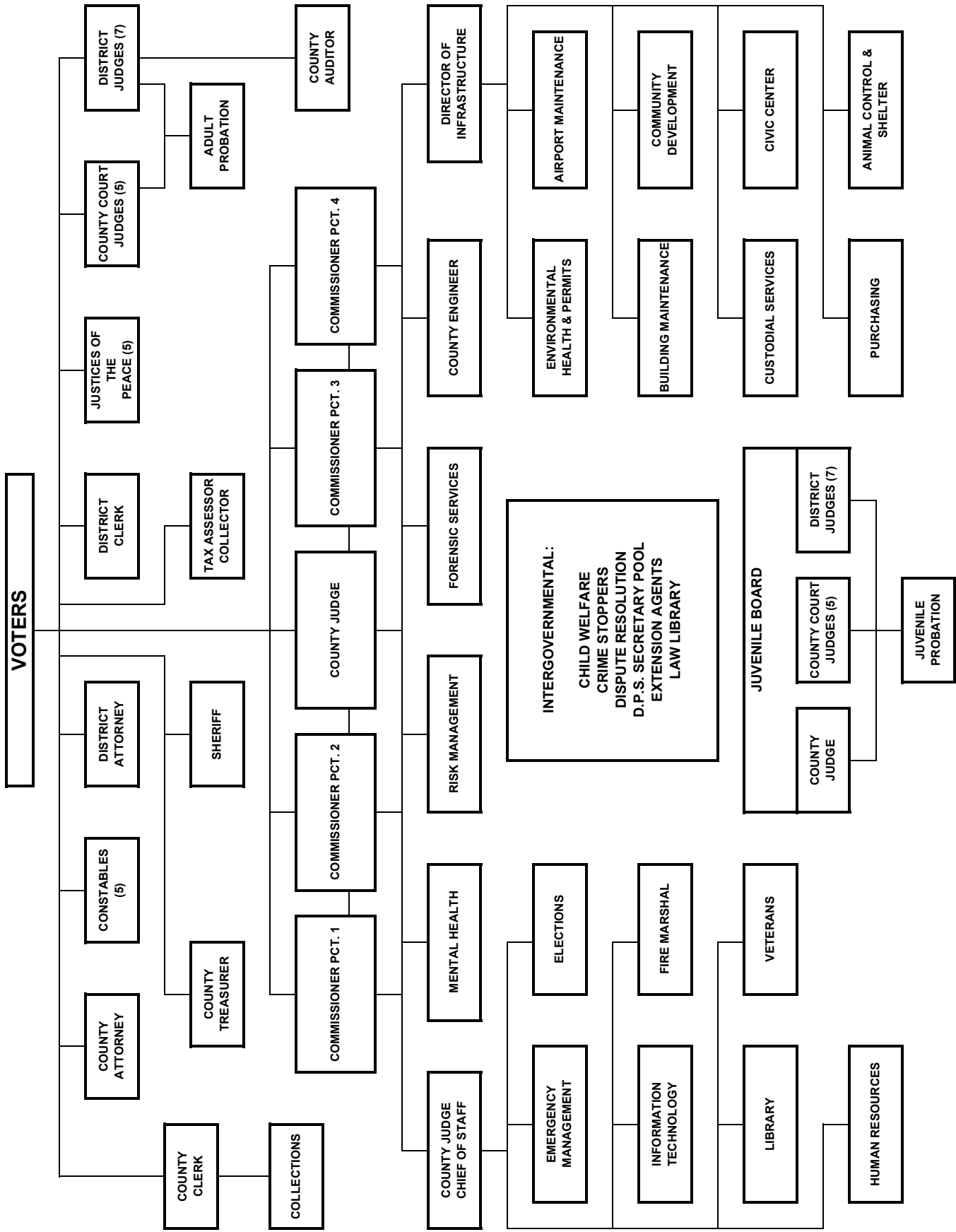
**Montgomery County
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

MONTGOMERY COUNTY, TEXAS ORGANIZATION CHART



MONTGOMERY COUNTY, TEXAS
DIRECTORY OF OFFICIALS
SEPTEMBER 30, 2013

COMMISSIONERS' COURT:

Alan B. Sadler
Mike Meador
Craig Doyal
James L. Noack, Jr.
Ed Rinehart

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

DISTRICT COURTS:

Kelly Case
Lisa Michalk
Cara Wood
Kathleen Hamilton
K. Michael Mayes
Tracy Gilbert
Michael T. Seiler
Brett Ligon
Barbara G. Adamick

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

COUNTY COURTS AT LAW:

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

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

JUSTICE COURTS:

Lanny Moriarty
Grady Trey Spikes
Mary E. Connelly
James Metts
Matthew Masden

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

LAW ENFORCEMENT:

Tommy Gage
Donnie O. Chumley
Gene DeForest
Ryan Gable
Kenneth "Rowdy" Hayden
David H. Hill

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

FINANCIAL ADMINISTRATION:

J.R. Moore, Jr.
Stephanne Laviolette
Phyllis L. Martin
Darlou Zenor

Tax Assessor-Collector
County Treasurer¹
County Auditor²
Purchasing Agent²

¹ Appointed to fill unexpired term.

² Designates appointed official. All others are elected.



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Commissioners Court
Montgomery County, Texas

Report on the Financial Statements

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") of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, and the respective budgetary comparisons for the General Fund and the Road and Bridge Special Revenue Fund of the County as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13-28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 24, 2014, on our consideration of the County's internal control over financing reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 24, 2014



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, 2013. The intent of this discussion and analysis is to evaluate the current activities, resulting changes, and currently known facts of the County as a whole. Readers of this discussion and analysis should consider the information presented here in conjunction with additional information that is furnished in the accompanying letter of transmittal, which can be found on pages 1-4 of this report. This discussion should also be read in conjunction with the basic financial statements and the notes to those financial statements (which immediately follow this discussion). The discussion and analysis includes comparative data from the prior year.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$389,434,541 (net position). Of this amount, \$61,986,405 is restricted for specific purposes. With the presentation of the investment in capital assets, unrestricted net position becomes a negative \$37,107,523. Analysis of the negative unrestricted net position 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 but not the asset.
- The revenues of the County's government-wide activities were \$429,564,468 and expenses were \$353,692,514. The County's rapid growth added to an increase in net position of \$75,871,954.
- At September 30, 2013, the County's governmental funds reported combined ending fund balances of \$216,514,373, an increase of \$61,382,371 in comparison with the prior year. From the ending fund balances, \$2,654,365 is non-spendable, \$99,089,686 is restricted, \$31,264,465 is committed and \$48,169,420 is assigned. Approximately 16% of the ending balances, \$35,336,437, is unassigned and available for spending at the government's discretion. Details on these balances can be found in the chart included in Note 11.
- At September 30, 2013, unassigned fund balance for the General Fund was \$35,336,437, or 19.8% of total General Fund expenditures.
- The County's total bonded debt decreased by \$45,400,941 (9.2%) during the current fiscal year. This decrease was brought about by the issuance of \$15,880,000 in Refunding Bonds, as well as regularly scheduled payments. Greatly contributing to this decrease was the payoff of the Lease Revenue Bonds that funded the construction of the Joe Corley Detention Facility. This facility was sold in fiscal year 2013, allowing for this debt reduction.
- As of fiscal year 2013, the County reported other post-employment benefit obligations (OPEB) of \$36,723,146 as a result of implementing GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions."

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities, the two government-wide financial statements, are designed to provide readers with a broad overview of Montgomery County's finances, similar to the financial statements of a private-sector business. Both of these statements are presented using the full accrual basis of accounting; therefore, revenues are reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of cash being

received or disbursed. These statements include capital assets of the County (including infrastructure added since implementing GASB Statement No. 34 in fiscal year 2003 and the portion of GASB Statement No. 34 as it pertains to retroactive infrastructure reporting) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by GASB Statement No. 34 in regards to interfund activity, payables and receivables.

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

The Statement of Activities presents the County's revenues and expenses for the year, with the difference between the two resulting in the change in net position for the fiscal year ended September 30, 2013. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Because the statement of activities separates program revenue (revenue generated by specific programs through fees, fines, forfeitures, charges for services, or grants received) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each function has to rely on general revenues for funding. The governmental functions of the County include general administration, judicial, legal services, elections, financial administration, public facilities, public safety, health and welfare, culture and recreation, conservation, public transportation, and debt service.

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

The government-wide financial statements can be found on pages 30-31 of this report.

Fund Financial Statements

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

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

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

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

Montgomery County maintained 48 individual governmental funds during the fiscal year ended September 30, 2013. 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 Project Revenue/Toll Bonds Series 2010 and the Pass Through Toll Projects, all of which are considered to be major funds. Data from the remaining governmental funds (i.e., nonmajor funds) is combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund is provided in the form of combining schedules, which are included in the 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, by County policy, are adopted at the department level for the General Fund, all Special Revenue Funds, and the Debt Service Fund using the primary categories of salaries, benefits, supplies, services, and capital outlay. A budgetary comparison statement is provided in the financial section for the General Fund and the Road and Bridge Special Revenue Fund. Budgetary comparison schedules for all nonmajor special revenue funds are provided as supplementary information. These budgetary comparisons can be used to demonstrate compliance with the budget both in its original and final forms.

The basic governmental fund financial statements can be found on pages 32-41 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 43-45 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 46 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 47-75 of this report.

Additional supplementary information is comprised of the General Fund final budget versus actual at the department level. This comparative data can be found on pages 78-106 of this report.

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

Other supplementary information can be found on pages 107-185 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the GASB believes that net position may serve over time as a useful indicator of a government's financial position. Montgomery County's assets exceeded liabilities by \$389,434,541 at September 30, 2013, as shown in the table below. This amount represents an increase through governmental activities of \$80,871,954 from the net position at September 30, 2012. A prior period adjustment of \$5,000,000 is the result of the recognition of the County's contribution in excess of its actuarially determined annual required contribution to its pension plan.

Montgomery County, Texas Net Position - Governmental Activities

| | <u>FY 2013</u> | <u>FY 2012</u> |
|---|-----------------------|-----------------------|
| Current and other assets | \$ 297,694,041 | \$ 225,825,309 |
| Capital assets | <u>642,624,244</u> | <u>665,393,998</u> |
| Total assets | <u>940,318,285</u> | <u>891,219,307</u> |
| Long-term liabilities outstanding | 522,025,100 | 556,347,162 |
| Other liabilities | <u>28,858,644</u> | <u>26,309,558</u> |
| Total liabilities | <u>550,883,744</u> | <u>582,656,720</u> |
| Net Position | | |
| Invested in capital assets, net of related debt | 364,555,659 | 319,059,222 |
| Restricted | 61,986,405 | 26,137,977 |
| Unrestricted | <u>(37,107,523)</u> | <u>(36,634,612)</u> |
| Total net position | <u>\$ 389,434,541</u> | <u>\$ 308,562,587</u> |

The County's total assets of \$940,318,285 are largely comprised of investments of \$160,776,537, or 17.1%, and capital assets net of accumulated depreciation of \$642,624,244, or 68.3%. The capital assets of the County include land, buildings, improvements other than buildings, equipment, intangibles, and infrastructure (roads, bridges, signs, etc.). Capital assets are non-liquid assets that provide services to citizens; as a result, these assets cannot be utilized to satisfy County obligations.

As in last year, long-term debt of \$522,025,100 comprises the largest portion of the County's total liabilities of \$550,883,744, at 94.8%. Of total long-term liabilities, \$31,785,083 is due within one year, with the remainder of \$490,240,017 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 exceeded its liabilities by \$389,434,541 (net position) as of September 30, 2013. Roughly 15.9%, or \$61,986,405, of the County's net position represents restricted net position. These resources are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants, and granting conditions. Of the restricted net position, \$33,463,975 is restricted for capital projects and \$28,522,430 is restricted for debt service. The most significant portion (\$364,555,659) of the County's net position reflects its investment in capital assets, net of related debt. Although unrestricted net position is negative for government-wide net position, it should be noted that the County's budgeted fund financial statements continue to reflect positive fund balances.

Montgomery County's governmental activities increased net position by \$75,871,954. The key components of this increase are detailed as follows.

Montgomery County, Texas
Governmental Activities

| | FY 2013 | FY 2012 |
|---|------------------------------|------------------------------|
| Revenues: | | |
| <i>Program revenues:</i> | | |
| Fees, fines, forfeitures, and charges for services \$ | 119,319,974 | \$ 112,785,524 |
| <i>Operating grants and contributions:</i> | | |
| Federal | 3,244,219 | 4,012,339 |
| State | 3,632,763 | 3,632,475 |
| Other | 1,792,847 | 1,881,397 |
| <i>Capital grants and contributions:</i> | | |
| Federal | 3,288,964 | 7,822,987 |
| State | 48,177 | 1,587,741 |
| Other | 88,967,927 | 17,798,991 |
| <i>General revenues:</i> | | |
| Property taxes | 175,901,469 | 167,297,778 |
| Other taxes | 1,970,594 | 1,674,934 |
| Other general revenues | 31,397,534 | 14,502,618 |
| Total revenues | <u>429,564,468</u> | <u>332,996,784</u> |
| Expenses: | | |
| General administration | 49,084,269 | 54,732,939 |
| Judicial | 29,981,281 | 27,800,678 |
| Legal services | 3,170,292 | 3,254,126 |
| Elections | 2,081,998 | 2,249,037 |
| Financial administration | 6,748,425 | 6,334,740 |
| Public facilities | 57,821,137 | 49,812,586 |
| Public safety | 65,088,893 | 66,364,576 |
| Health and welfare | 22,722,536 | 28,582,176 |
| Culture and recreation | 10,121,267 | 9,607,386 |
| Conservation | 1,170,933 | 1,003,159 |
| Public transportation | 76,521,763 | 65,221,658 |
| Debt service interest and fiscal charges | 29,179,720 | 23,989,607 |
| Total expenses | <u>353,692,514</u> | <u>338,952,668</u> |
| Change in net position | 75,871,954 | (5,955,884) |
| Net position - beginning | 308,562,587 | 314,518,471 |
| Prior Period Adjustment | 5,000,000 | - |
| Net position – ending | <u><u>\$ 389,434,541</u></u> | <u><u>\$ 308,562,587</u></u> |

The County's total revenues of \$429,564,468 were all from governmental activities. Property tax revenue accounts for \$175,901,469, or 41%, and is an increase over last year of \$8,603,691. Despite difficult economic times around the country, Montgomery County continues to see increased population and commercial development. These both contribute greatly to increase appraisal values and subsequent tax collections. Exceptional infrastructure donations contribute to an increase of \$71,168,936 in other capital grants and contributions.

Program revenues of fees, fines, forfeitures, and charges for services comprise \$119,319,974, or 27.8%; and grants and contributions encompass \$100,974,897, or 23.5% of total government-wide revenues. This represents an increase in program revenues of \$70,773,417. The State reiterated its commitment to assist the County in funding key infrastructure projects by committing \$20,000,000 for the State Highway 242 flyover ramps. Federal Operating Grants and Contributions were \$3,244,219, a decrease of \$768,120, while Federal Capital Grants decreased by \$4,534,023 in 2013 largely due to the end of the grants that were authorized by the American Recovery and Reinvestment Act (ARRA).

Expenses for the year totaled \$353,692,514. The Public Transportation function accounted for \$76,521,763, or 21.6% of the total government-wide expenses. The increase in spending in the public transportation function (\$11,300,105) is due to several large road construction projects undertaken by the County during the fiscal year. These projects are primarily for widening and improvement of State-owned roads, creating expenditures, with no offsetting asset capitalization.

The General Administration function expenses decreased to \$49,084,269. This decrease of \$5,648,670 is largely due to a delay in implementation, to the next fiscal year, of an integrated justice system that the Information Technology Department is overseeing.

The Public Facilities function experienced an increase of \$8,008,551 in expenses over last year to \$57,821,137. Both detention facilities located in the County (Montgomery County Jail and the Joe Corley Detention Facility) operated at near capacity during the year.

Expenses in the Health and Welfare function decreased to \$22,722,536, a \$5,859,640 drop from 2012. This was primarily due to the streamlined operations of the Montgomery County Mental Health Facility. The facility houses offenders that have been deemed incompetent to stand trial and are being treated until such time as they are competent to stand trial. Additionally, Hurricane Ike grants, which were awarded to the County as a result of the natural disaster that struck in 2008, are in the final stages of close-out.

Several high profile criminal cases adjudicated in the County resulted in the Judicial function experiencing an increase of \$2,180,603 in expenses over last year to \$29,981,281. Additionally, the County received a grant from the Texas Indigent Defense Commission to help fund the creation of the Mental Health Managed Assigned Counsel program in the County. This program is designed to assist a specific subset of indigent defendants.

During the year, the Public Safety function realized a reduction in expenses of \$1,275,683, to \$65,088,893. This is due to the cooperative effort of all law enforcement agencies in the County for more efficient operations.

The government's ending net position of \$389,434,541 represents an increase of \$80,871,954 from the prior year's net position, inclusive of the prior period adjustment discussed earlier. The County's change in net position is summarized by the following chart:

Montgomery County, Texas
Change in Net Position

| | <u>FY 2013</u> | <u>FY 2012</u> |
|---|----------------------|-----------------------|
| <i>Governmental funds activity:</i> | | |
| Total revenues | \$ 324,073,800 | \$ 289,486,873 |
| Total expenditures | <u>300,898,944</u> | <u>284,855,094</u> |
| Excess (Deficiency) of revenues over expenditures | 23,174,856 | 4,631,779 |
| Capital lease financing | 218,758 | 830,702 |
| Issuance of certificates of obligation | 13,350,000 | 14,925,000 |
| Issuance of refunding bonds | 15,880,000 | 30,885,000 |
| Sale of Capital Asset | 65,000,000 | - |
| Payment to refunded bond escrow agent | (60,594,395) | (35,739,475) |
| Premiums on obligations, net | <u>4,353,152</u> | <u>5,709,732</u> |
| Net change in fund balance | 61,382,371 | 21,242,738 |
| <i>Government-wide activity:</i> | | |
| Difference between current year's capital outlay expenditures and depreciation expense | (36,884,532) | (40,641,075) |
| Expenditures made in addition to the annual required contribution of the county's pension plan are not reported in the government-wide statements | 858,165 | - |
| Net effect of capital asset sales, donations, trade-ins, etc. | 14,155,891 | 17,655,699 |
| Revenues not reported in funds because they do not provide current-period financial resources | (1,994,128) | (3,890,890) |
| Internal Service Funds which are not reported in funds do not affect the current period | 4,704,640 | 3,700,630 |
| Long-term debt not reported in funds because it does not affect the current period | 44,648,311 | 4,012,328 |
| Expenses not reported in the funds because they do not use current-period financial resources | <u>(10,998,764)</u> | <u>(8,035,314)</u> |
| Total change in net position | <u>\$ 75,871,954</u> | <u>\$ (5,955,884)</u> |

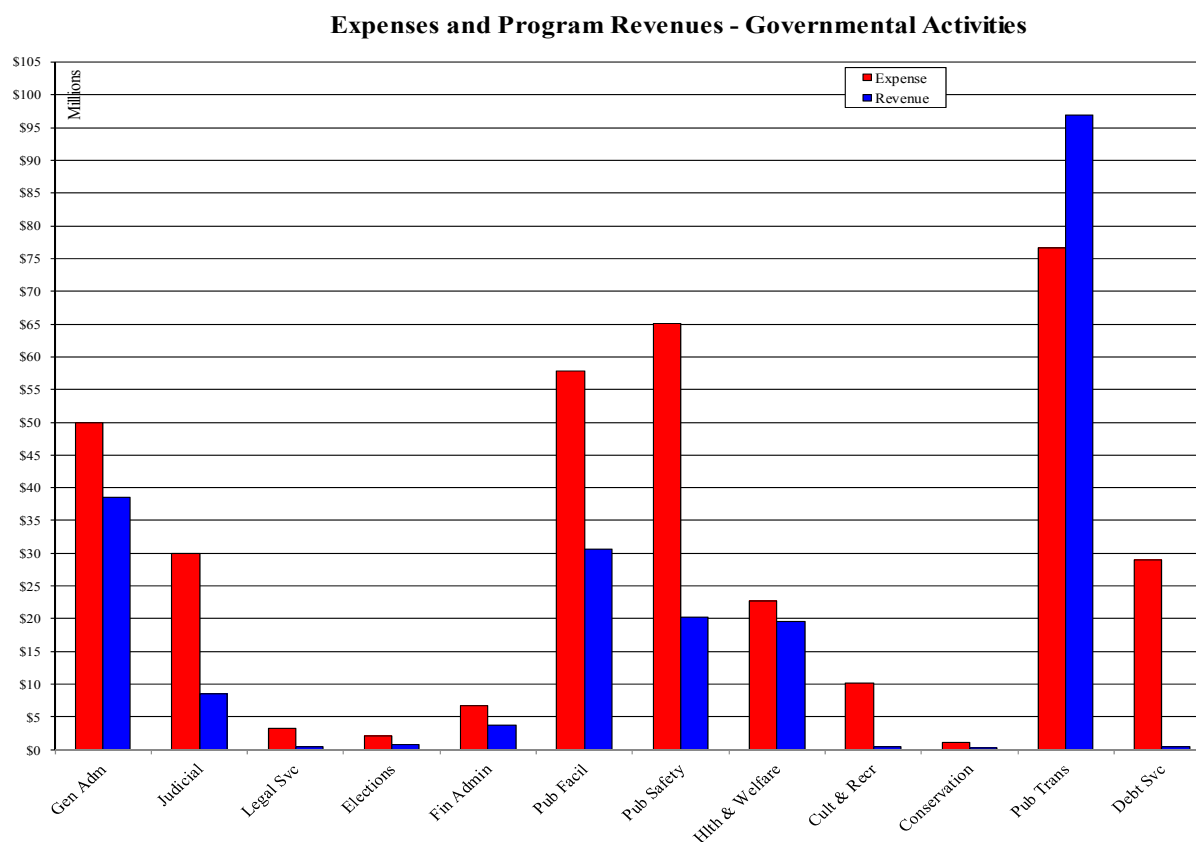
This change in net position begins with the current year's differences between governmental revenues and expenditures (\$23,174,856), along with other financing sources and uses (\$38,207,515). Differences between capital assets added during the year and the depreciation related to all capital assets recorded, along with the effect of various capital assets transactions, such as dispositions and donations (\$22,728,641) also affect this change.

Other factors influencing the change in net position are those revenues and expenses that do not provide or require the use of current financial resources (\$12,292,892). GASB Statement No. 34 dictates that the County record an allowance for accounts that are unlikely to be collected. These allowances for doubtful accounts combine with items, such as deferrals of long-term balances not being paid in the current year, to constitute further changes in net position. Additionally, long-term debt, whether being issued or retired, has an effect on the change in net position (\$44,648,311). During the fiscal year, the County issued new debt and paid off a sizable portion of its existing debt, through both regularly scheduled payments and defeasance of the Lease Revenue Bonds associated with the Joe Corley Detention Facility. These financings represent further changes in the net position 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 position of \$80,871,954. Moreover, the increase of \$28,887,729 in the combined

fund balance of Montgomery County's two major operating funds, the General Fund and the Road and Bridge Fund, indicates continued improvement in overall financial position. As part of long-range planning, management has pledged to continue maintaining the level of the operating funds' fund balances at an amount between 10 and 15 percent of annual operating costs.

The following chart depicts expenses and program revenues for the fiscal year ending September 30, 2013 for governmental activities.

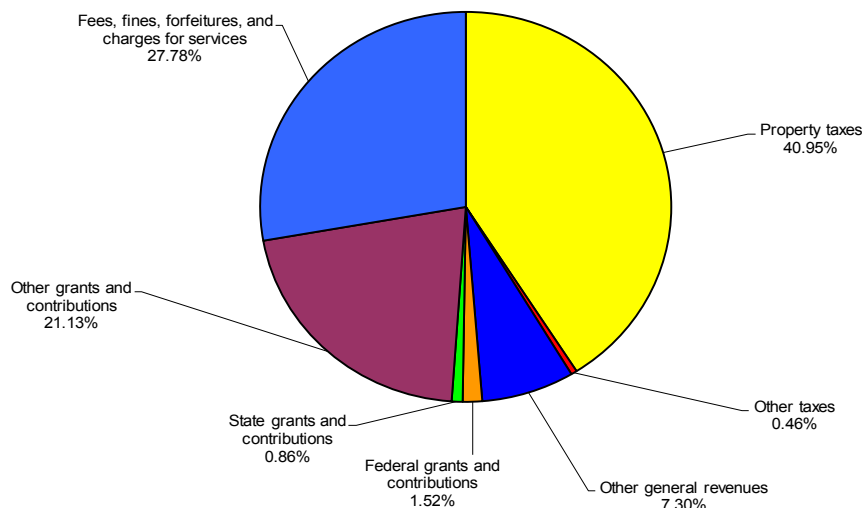


Key elements of the analysis of government-wide program revenues and expenses as they relate to each function reflect the following:

- Program revenues of \$220,294,871 are comprised in large part (44.0%) of public transportation's revenues of \$96,898,560 and general administration's revenues of \$38,556,859 (17.5%). The public facilities function comprises 13.9% of program revenues with \$30,626,448, public safety makes up 9.2% of program revenues with \$20,238,204, and the health and welfare function covers 8.8% of program revenues with \$19,550,433. The expenses of these functions account for 21.6%, 13.9%, 16.3%, 18.4%, and 6.4%, respectively. As expected, general revenues provided the required support and coverage in areas where expenses exceeded revenues.
- The public transportation function experienced an increase in expenses of \$11,300,105 while also realizing an increase in revenues of \$68,168,653. These increases are the direct result of an aggressive effort on the part of the Commissioners to improve and expand roadways, many of which are state-owned, located in the County. The continued and explosive growth in the County, sparked by the energy boom, provides the impetus for the Commissioners' actions. The increase in revenues is due in large part to the donation of roads in this rapidly expanding county.

The following chart depicts revenues of the governmental activities for the fiscal year ended September 30, 2013.

Revenues by Source - Governmental Activities



GOVERNMENTAL FUND FINANCIAL ANALYSIS

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

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

As of September 30, 2013, the County's governmental funds reported combined ending unassigned fund balances of \$35,336,437 that are available for spending at the County's discretion. The remainder of fund balances are categorized as non-spendable (\$2,654,365), restricted (\$99,089,686), committed (\$31,264,465) or assigned (\$48,169,420) to reflect the varying levels of liquidity.

Total assets in the General Fund amounted to \$161,166,185, accounting for 51.5% of total governmental fund assets. The total assets of other major funds include Road and Bridge Special Revenue Fund (\$24,153,459), the Debt Service Fund (\$18,555,291), the Capital Projects Revenue/Toll Bonds Series 2010 Fund (\$25,427,859) and the Pass-Through Toll Projects (\$20,000,000). Together, all major funds account for \$249,302,794 (79.6%) of the County's \$313,115,108 in total assets.

The fund balance of the County's General Fund increased by \$16,556,109 during the current fiscal year. Key factors in this increase are as follows:

- An increase in the appraised value of real and personal property boosted current ad valorem tax revenues \$9,066,099.
- Conservative spending policies and practices of the Commissioners' Court encouraged all aspects of the organization to reduce spending where possible.

The Road and Bridge Special Revenue Fund has a total fund balance of \$22,097,856 which is reported as \$88,946 non-spendable, \$11,970,158 as committed, and \$10,038,752 as assigned. The fund balance increased by \$12,331,620 during the current year due to focus by the Commissioners for various road maintenance projects that were paid through the capital projects funds and the allocation of \$6,000,000 from the proceeds of the sale of the Joe Corley Detention Facility.

The fund balance of \$17,795,351 in the Debt Service Fund is presented as fund balance restricted for debt service.

The Revenue/Toll Bonds Series 2010 Fund has a fund balance of \$24,417,870 at the end of the fiscal year, a decrease of \$9,153,201. This decrease reflects the commencement of projects to be funded with the proceeds of these bonds.

The entire fund balance of the Pass Through Toll Projects, \$20,000,000 is classified as restricted and represents amounts that are for projects related to the pass-through tolling agreement with the State of Texas.

GENERAL FUND BUDGETARY HIGHLIGHTS

The published budget of Montgomery County for fiscal 2013 was prepared on a modified accrual basis, and includes all elements required by Texas Local Government Code Section 111.034, applicable to counties of population more than 225,000 that do not have an appointed County Budget Officer. The original adopted budget of the General Fund includes revenues of \$181,980,857 and expenditures of \$169,559,641. The General Fund's final budget, as amended, contains revenues of \$201,826,252 and expenditures of \$199,381,735.

The following table presents the changes between the original adopted budget and the final budget for the General Fund as of September 30, 2013.

| General Fund Budget Variances Year Ended September 30, 2013 | | | |
|--|------------------------|---------------------|--|
| | Original Budget | Final Budget | Variance with Original Budget Positive (Negative) |
| Revenues: | | | |
| Taxes | \$ 135,740,200 | \$ 135,701,387 | \$ (38,813) |
| Licenses and Permits | 1,112,754 | 1,113,751 | 997 |
| Fees | 11,826,418 | 11,949,358 | 122,940 |
| Intergovernmental | 561,039 | 3,268,620 | 2,707,581 |
| Charges for Services | 1,515,200 | 1,515,200 | - |
| Interest | 320,647 | 320,647 | - |
| Contract Reimbursements | 9,080,862 | 11,648,869 | 2,568,007 |
| Inmate Housing | 20,883,737 | 34,935,809 | 14,052,072 |
| Fines and Forfeitures | 50,000 | 50,000 | - |
| Miscellaneous | 890,000 | 1,322,611 | 432,611 |
| Total Revenues | 181,980,857 | 201,826,252 | 19,845,395 |
| Expenditures: | | | |
| General Administration | 24,575,241 | 25,546,696 | (971,455) |
| Judicial | 17,172,961 | 17,805,602 | (632,641) |
| Legal Services | 2,639,391 | 2,572,666 | 66,725 |
| Elections | 1,094,522 | 1,177,430 | (82,908) |
| Financial Administration | 6,857,220 | 6,508,541 | 348,679 |
| Public Facilities | 46,100,052 | 61,625,289 | (15,525,237) |
| Public Safety | 53,301,168 | 63,059,449 | (9,758,281) |
| Health and Welfare | 7,317,324 | 7,644,356 | (327,032) |
| Culture and Recreation | 8,946,435 | 8,873,866 | 72,569 |
| Conservation | 559,211 | 581,583 | (22,372) |
| Public Transportation | 996,116 | 3,986,257 | (2,990,141) |
| Total Expenditures | 169,559,641 | 199,381,735 | (29,822,094) |
| Excess Revenues Over Expenditures | 12,421,216 | 2,444,517 | (9,976,699) |
| Other Financing Sources/(Uses): | | | |
| Transfers In | - | 1,175,505 | 1,175,505 |
| Transfers Out | - | (63,747,979) | (63,747,979) |
| Sale of Capital Asset | - | 64,502,187 | 64,502,187 |
| Total Other Financing Sources/(Uses) | - | 1,929,713 | 1,929,713 |
| Net Change in Fund Balances | 12,421,216 | 4,374,230 | (8,046,986) |
| Fund Balance - Beginning | 63,151,166 | 63,151,166 | - |
| Fund Balance - Ending | \$ 75,572,382 | \$ 67,525,396 | \$ (8,046,986) |

Final budgeted revenues were higher than originally planned by \$19,845,395. Intergovernmental revenue contained \$2,707,581 more in the final budget than in the original budget. This increase is largely due to the receipt of several large federal and state grants during the year that were not foreseen at the time the original budget was adopted.

The final budget for contract reimbursements was \$2,568,007 more than the original budget. During the original budget process, Commissioners' Court does not budget for funds that are not at the discretion of the County to spend. Additionally, during the course of the fiscal year, the County entered into several contracts for law enforcement services with local agencies. These contracts were also contributing factors to the increase in the budget for contract reimbursements.

The County has entered into agreements with the United States Marshals Service (USMS) and Immigration and Customs Enforcement (ICE) to house federal detainees. Fluctuations in the number of detainees throughout the fiscal year contributed to the increase of \$14,052,072 in the final budget over the original budget.

The originally unanticipated revenue partially offset the expenditure differences of \$29,822,094 between the original budget and the final amended budget. The Public Transportation function had a final expenditure budget that is \$2,990,141 higher than the original budget. Contributing to this increase in budgeted expenditures is a Texas Department of Transportation Grant for the extension of the runway at the Lone Star Executive Airport. This grant is estimated to be \$17,830,070, with the County's anticipated share at \$2,543,507.

Funds that were originally scheduled in prior fiscal years were not included in the original budget for fiscal year 2013. This practice reflects the County's policy of letting encumbrances lapse at year-end and re-appropriating them in the current year. This policy created increases in the amended budget for carryovers from the prior year in the General Administration, Judicial, Elections, Health and Welfare, and Conservation functions.

A \$9,758,281 increase in the final budget over the original budget for expenditures in the public safety function was the result of several factors, including encumbrance carryovers as mentioned above. Also contributing to the budgeted variances for the Public Safety function, is the County's participation in several contracts with local agencies for law enforcement services. During the course of the fiscal year, additional interlocal agreements were created with local agencies for the performance of security services. These additional contracts created increased expenditures for the County, but also created an increase in the revenue line supporting the associated expenditure.

The Public Facilities function had final budgeted expenditures \$15,525,237 higher than the original budget. This is directly related to the agreements that the County has entered into with the USMS and ICE for the care and custody of federal inmates, and the increase in the number of those inmates throughout the year.

The increase of expenditures in the final amended budget over the original budget that was not covered by the revenues' increase was reported as a decrease in the final amended budget net change in fund balances. This amount was a total variance of \$8,046,986.

The following table presents the differences between the final amended budget and actual expenditures for the General Fund as of September 30, 2013.

| General Fund Budget Variances Year Ended September 30, 2013 | | | |
|--|---------------------|----------------|---|
| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
| Revenues: | | | |
| Taxes | \$ 135,701,387 | \$ 137,086,729 | \$ 1,385,342 |
| Licenses and Permits | 1,113,751 | 1,462,456 | 348,705 |
| Fees | 11,949,358 | 15,525,943 | 3,576,585 |
| Intergovernmental | 3,268,620 | 4,809,332 | 1,540,712 |
| Charges for Services | 1,515,200 | 2,099,889 | 584,689 |
| Interest | 320,647 | 363,893 | 43,246 |
| Contract Reimbursements | 11,648,869 | 11,379,593 | (269,276) |
| Inmate Housing | 34,935,809 | 29,373,490 | (5,562,319) |
| Fines and Forfeitures | 50,000 | 84,318 | 34,318 |
| Miscellaneous | 1,322,611 | 1,580,400 | 257,789 |
| Total Revenues | 201,826,252 | 203,766,043 | 1,939,791 |
| Expenditures: | | | |
| General Administration | 25,546,696 | 21,225,662 | 4,321,034 |
| Judicial | 17,805,602 | 17,538,578 | 267,024 |
| Legal Services | 2,572,666 | 2,542,663 | 30,003 |
| Elections | 1,177,430 | 1,087,449 | 89,981 |
| Financial Administration | 6,508,541 | 6,237,027 | 271,514 |
| Public Facilities | 61,625,289 | 54,994,251 | 6,631,038 |
| Public Safety | 63,059,449 | 58,129,418 | 4,930,031 |
| Health and Welfare | 7,644,356 | 7,126,499 | 517,857 |
| Culture and Recreation | 8,873,866 | 8,643,233 | 230,633 |
| Conservation | 581,583 | 578,918 | 2,665 |
| Public Transportation | 3,986,257 | 694,923 | 3,291,334 |
| Total Expenditures | 199,381,735 | 178,798,621 | 20,583,114 |
| Excess Revenues Over Expenditures | 2,444,517 | 24,967,422 | 22,522,905 |
| Other Financing Sources/(Uses): | | | |
| Transfers In | 1,175,505 | 17,983,165 | 16,807,660 |
| Transfers Out | (63,747,979) | (91,394,478) | (27,646,499) |
| Sale of Capital Asset | 64,502,187 | 65,000,000 | 497,813 |
| Total Other Financing Sources/(Uses) | 1,929,713 | (8,411,313) | (10,341,026) |
| Net Change in Fund Balances | 4,374,230 | 16,556,109 | 12,181,879 |
| Fund Balance - Beginning | 63,151,166 | 63,151,166 | - |
| Fund Balance - Ending | \$ 67,525,396 | \$ 79,707,275 | \$ 12,181,879 |

Actual revenues exceeded budgeted revenues by \$1,939,791. Fee increases approved by the State Legislature and an increase in the intergovernmental revenues comprise a share of the increase (\$5,117,297) and serve to offset the shortfall in inmate housing revenue.

Actual expenditures were \$20,583,114 lower than final budgeted expenditures. The General Administration function contributed \$4,321,034 toward that amount. The County's policy for multiple year grants is to budget the entire grant in the year in which it is awarded, even though all expenditures may not be realized in the initial year. This can lead to a seemingly large, unspent budget. Additionally, the Information Technology department has been tasked with implementation of a multi-million dollar integrated justice system that involves all courts in the County, as well as the District and County Clerks. Funding for this project was budgeted in fiscal year 2013; however, this project was not yet fully implemented or paid at the end of 2013.

All departments in the Public Safety function of the General Fund expended less than was approved in the final amended budget by \$4,930,031. The difference is primarily due to the fact that grants that span multiple County fiscal years or are awarded late in the fiscal year contain monies that are spent in subsequent years.

The Public Facilities function showed actual expenditures less than the final budget by \$6,631,038, primarily driven by two factors: increased energy efficiency resulting in lower energy bills and a lower population in the Joe Corley Detention Facility, after its sale to the GEO Group, that decreased costs.

At the end of the fiscal year, \$3,291,334 remained unexpended in the Public Transportation function. This is as a result of a multi-year, multi-million dollar grant from the Texas Department of Transportation for an extension to the runway of the Lone Star Executive Airport. At September 30, 2013, this project was still in the planning phases.

The actual net change in fund balance was \$12,181,879 more than anticipated with the final budget. This is the result of a reduction in actual expenditures that included sufficient amounts to cover transfers to other funds as well as the decrease in actual revenues. The Jury Special Revenue Fund and the Memorial Library Special Revenue Fund received \$8,583,926 and \$9,600,000, respectively, more than shown in the final budget. In both of these funds, the emphasis is on providing a service. In the case of the Jury Special Revenue Fund, that service is in the form of a court system. The Memorial Library Special Revenue Fund's emphasis is on culture and recreation. These funds are not expected in any year to provide enough revenues to adequately fund their own services. Therefore, it is anticipated that the General Fund will service the expenditures of those funds every year. Transfers in and out simply provide a mechanism to move funds from one self-balancing set of accounts (a fund) to another self-balancing set of accounts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Montgomery County's investment in capital assets for its governmental activities as of September 30, 2013 amounted to \$642,624,244 (net of accumulated depreciation). This investment in capital assets includes land and easements, buildings, improvements, equipment, intangibles, infrastructure that was purchased, completed or donated since the fiscal year 1981, and construction in progress.

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

- Additions to land (less deletions) totaled \$5,675,162 and included purchases of land for the Spring Creek Greenway and the Lone Star Executive Airport.
- Additions to the buildings category of \$4,291,752 consisted primarily of the completion of the Montgomery County Precinct 2 offices and barn and remodeling of the County's Animal Shelter.
- Vehicles and other various equipment items were purchased at a cost of \$1,807,996.
- A variety of projects for both new infrastructure construction and for expansion or updating of existing infrastructure were ongoing during the year. Infrastructure projects completed in 2013 amounted to \$3,636,758.
- Montgomery County continues to grow; it is in the top ten fastest growing counties in Texas¹. This brisk growth brings with it a need for vast improvements to a rural infrastructure system that must also cope with an influx of traffic. Development frequently comes with donations in the form of roads. Infrastructure donations for the year totaled \$49,841,332.
- Expenditures of \$3,255,081 were incurred for construction that was in progress throughout the year. Projects that were capitalized from ongoing construction throughout the year, including the Commissioner Precinct 2 offices totaled \$3,441,463.
- Increases in assets were offset by depreciation expense of \$51,209,320.

¹ <http://www.census.gov>

Montgomery County, Texas
Capital Assets (net of depreciation)
September 30, 2013
with Comparative Totals for September 30, 2012

| | Value of Capital Asset Net of Accumulated Depreciation | | Increase (Decrease) |
|--------------------------|---|-----------------------|--------------------------------|
| | FY 2013 | FY 2012 | |
| Land | \$ 45,698,159 | \$ 40,022,997 | \$ 5,675,162 |
| Buildings | 143,407,923 | 176,646,841 | (33,238,918) |
| Improvements | 10,817,382 | 14,475,339 | (3,657,957) |
| Equipment | 22,063,648 | 22,992,395 | (928,747) |
| Infrastructure | 418,396,677 | 408,829,589 | 9,567,088 |
| Construction in Progress | 2,240,455 | 2,426,837 | (186,382) |
| Total | <u>\$ 642,624,244</u> | <u>\$ 665,393,998</u> | <u>\$ (22,769,754)</u> |

Efforts to assist constituents in obtaining services and the County's obligation to provide those services in a rapidly growing county come with many challenges. The County is in the process of a Jail remodel that will allow for a new kitchen facility, which is scheduled to be completed in January 2014. In addition, various remodeling projects and renovations are underway in the County and include, but are not limited to, Precinct 3 offices, Constable 1 offices, remodel of the East County Annex, and runway/taxiway improvements at the Lone Star Executive Airport.

Additional information on the County's capital assets can be found in Note 7 starting on page 60 of this report.

Long-Term Debt

At September 30, 2013, Montgomery County had total bonded debt outstanding of \$446,595,000. Commissioners' Court keeps maturity dates confined to no more than 30 years. Despite turbulent economic conditions, the County was able to maintain an underlying rating by Standard and Poor's Corporation during the current fiscal year of "AA" and a rating by Moody's of "Aa1".

The County issues three types of debt; general obligation bonds are approved by the voters of the County while revenue bonds and certificates of obligation are approved by Commissioners' Court. Of the County's total debt, \$261,590,000 corresponds to general obligation debt, \$75,075,000 is in the form of revenue bonds and \$109,930,000 represents certificates of obligation. Montgomery County's total bonded debt had a decrease of \$45,400,941 during 2013.

The following table represents the entire long-term debt of the County at September 30, 2013 on a comparative basis.

Montgomery County, Texas
Governmental Activities
Outstanding Long-Term Debt

| | FY 2013 | FY 2012 |
|----------------------------|-----------------------|-----------------------|
| General obligation bonds | \$ 261,590,000 | \$ 268,735,000 |
| Revenue bonds | 75,075,000 | 122,140,941 |
| Certificates of obligation | 109,930,000 | 101,120,000 |
| Capital Leases | 11,209,724 | 13,671,491 |
| Premiums, net of discounts | 12,589,534 | 10,236,430 |
| Compensated absences | 10,727,079 | 10,017,242 |
| Medical Obligation | 3,031,892 | 2,555,128 |
| Worker's Comp Obligation | 1,148,725 | 1,366,531 |
| OPEB Liability | 36,723,146 | 26,504,399 |
| Total | <u>\$ 522,025,100</u> | <u>\$ 556,347,162</u> |

Debt activity in 2013 included the issuance of Refunding Bonds in the amount of \$15,880,000. This issue refunded a series of Pass-Thru Toll Revenue and Limited Tax Bonds. Additionally, the County issued Certificates of Obligation in the amount of \$13,350,000 for renovations and remodeling of various County buildings. The County retired \$18,470,000 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 \$9,176,592,813, which is significantly in excess of the County's outstanding debt obligation.

Additional information on Montgomery County's long-term debt can be found in Note 9 beginning on page 62 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for the County is currently 5.4%², which is a decrease from a rate of 5.7% a year ago. This compares favorably to the State's average unemployment rate of 6.3%³ and the national average rate of 7.2%⁴.
- Continued demand for law enforcement services propelled Commissioner's Court to bring the annualized budget in the Sheriff's department to \$72,883,612 in fiscal year 2014, an increase of \$17,728,093. This is primarily due to the allocation of \$15,800,000 for the housing of federal detainees in the County Jail.
- The estimated debt service obligation increased by \$5,106,490 in fiscal year 2014 to \$44,065,492.

All of these factors were considered in preparing the Adopted Budget of Montgomery County, Texas for the fiscal year ending September 30, 2014.

REQUESTS FOR INFORMATION

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

² The Work Source. <http://www.wrksolutions.com/employer/lmi/unemploymentrates/LAUSHISTORY.pdf>.

³ The Work Source. <http://www.wrksolutions.com/employer/lmi/unemploymentrates/LAUSHISTORY.pdf>.

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

BASIC FINANCIAL STATEMENTS

MONTGOMERY COUNTY, TEXAS**Statement of Net Position****September 30, 2013**

EXHIBIT I

| | Governmental Activities |
|---|----------------------------|
| ASSETS: | |
| Cash | \$ 59,440,702 |
| Investments, at Fair Value | 160,776,537 |
| Cash, Restricted for Retainage | 3,066 |
| Receivables: | |
| Taxes (net) | 6,162,561 |
| Accounts (net) | 24,665,922 |
| Due from Other Governments | 32,859,879 |
| Inventory, at Cost | 88,946 |
| Deferred Charges | 5,272,844 |
| Net Pension Asset | 5,858,165 |
| Prepaid Items | 2,565,419 |
| Capital Assets, net of accumulated depreciation | |
| Land | 45,698,159 |
| Buildings | 143,407,923 |
| Improvements | 10,817,382 |
| Equipment | 22,063,648 |
| Infrastructure | 418,396,677 |
| Construction in Progress | 2,240,455 |
| Total Assets | <u>940,318,285</u> |
| LIABILITIES: | |
| Accounts Payable | 19,459,078 |
| Retainage Payable | 150,832 |
| Accrued Interest Payable | 1,734,316 |
| Due to Other Governments | 5,110 |
| Unearned Revenue | 7,509,308 |
| Noncurrent Liabilities: | |
| Due within one year | 31,785,083 |
| Due in more than one year | 490,240,017 |
| Total Liabilities | <u>550,883,744</u> |
| NET POSITION: | |
| Invested in Capital Assets, net of related debt | 364,555,659 |
| Restricted for: | |
| Capital Projects | 33,463,975 |
| Debt Service | 28,522,430 |
| Unrestricted | (37,107,523) |
| Total Net Position | <u>\$ 389,434,541</u> |

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Activities
Year Ended September 30, 2013

EXHIBIT II

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|---|-----------------------|---|--|--|--|
| | | Fees, Fines, Forfeitures, and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| Current: | | | | | |
| General Administration | \$ 49,084,269 | \$ 38,371,600 | \$ 185,259 | \$ - | \$ (10,527,410) |
| Judicial | 29,981,281 | 7,504,357 | 972,141 | - | (21,504,783) |
| Legal Services | 3,170,292 | 484,413 | 485 | - | (2,685,394) |
| Elections | 2,081,998 | 182 | 753,837 | - | (1,327,979) |
| Financial Administration | 6,748,425 | 3,700,987 | - | - | (3,047,438) |
| Public Facilities | 57,821,137 | 30,568,848 | 22,621 | 34,979 | (27,194,689) |
| Public Safety | 65,088,893 | 14,140,176 | 3,780,795 | 2,317,233 | (44,850,689) |
| Health and Welfare | 22,722,536 | 16,494,475 | 2,684,744 | 371,214 | (3,172,103) |
| Culture and Recreation | 10,121,267 | 287,822 | 84,195 | - | (9,749,250) |
| Conservation | 1,170,933 | 228,653 | - | - | (942,280) |
| Public Transportation | 76,521,763 | 7,538,461 | 185,752 | 89,174,347 | 20,376,797 |
| Debt Service Interest and Fiscal Charges | 29,179,720 | - | - | 407,295 | (28,772,425) |
| Total Governmental Activities | <u>\$ 353,692,514</u> | <u>\$ 119,319,974</u> | <u>\$ 8,669,829</u> | <u>\$ 92,305,068</u> | <u>(133,397,643)</u> |
| General Revenues: | | | | | |
| Property Taxes | | | | | 175,901,469 |
| Other Taxes | | | | | 106,895 |
| Mixed Beverage Taxes | | | | | 1,384,133 |
| Bingo Taxes | | | | | 193,822 |
| Vehicle Weight Tax | | | | | 285,744 |
| Unrestricted Investment Earnings | | | | | 459,052 |
| Gain on Sale of Capital Assets | | | | | 30,938,482 |
| Total General Revenues | | | | | <u>209,269,597</u> |
| Change in Net Position | | | | | <u>75,871,954</u> |
| Net Position - Beginning | | | | | <u>308,562,587</u> |
| Prior Period Adjustment | | | | | <u>5,000,000</u> |
| Net Position - Beginning, as Restated | | | | | <u>313,562,587</u> |
| Net Position - Ending | | | | | <u>\$ 389,434,541</u> |

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2013

EXHIBIT III

| | General | Road and Bridge | Debt Service |
|---|------------------------------|-----------------------------|-----------------------------|
| <u>ASSETS:</u> | | | |
| Cash | \$ 42,791,770 | \$ 13,116,825 | \$ 207,351 |
| Investments, at Fair Value | 87,913,691 | 3,268,569 | 15,251,075 |
| Cash, Restricted for Retainage | - | - | - |
| Receivables: | | | |
| Taxes (net) | 4,727,938 | 590,608 | 844,015 |
| Accounts (net) | 3,313,734 | 459,352 | - |
| Loans | 500,000 | - | - |
| Due from Other Funds | 16,491,333 | 6,457,366 | 2,252,850 |
| Due from Other Governments | 5,427,719 | 171,793 | - |
| Inventory, at Cost | - | 88,946 | - |
| Prepaid Items | - | - | - |
| <u>TOTAL ASSETS</u> | <u>\$ 161,166,185</u> | <u>\$ 24,153,459</u> | <u>\$ 18,555,291</u> |
| <u>LIABILITIES AND FUND BALANCES:</u> | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 12,543,930 | \$ 1,421,065 | \$ - |
| Retainage Payable | - | - | - |
| Due to Other Funds | 57,524,368 | 50,823 | - |
| Due to Other Governments | 5,110 | - | - |
| Deferred Revenue | 11,385,502 | 583,715 | 759,940 |
| Total liabilities | <u>81,458,910</u> | <u>2,055,603</u> | <u>759,940</u> |
| Fund Balances: | | | |
| Nonspendable | - | 88,946 | - |
| Restricted | 2,010,097 | - | 17,795,351 |
| Committed | 5,909,899 | 11,970,158 | - |
| Assigned | 36,450,842 | 10,038,752 | - |
| Unassigned | 35,336,437 | - | - |
| Total Fund Balances | <u>79,707,275</u> | <u>22,097,856</u> | <u>17,795,351</u> |
| <u>TOTAL LIABILITIES AND FUND BALANCES</u> | <u>\$ 161,166,185</u> | <u>\$ 24,153,459</u> | <u>\$ 18,555,291</u> |

See accompanying notes to the financial statements.

| Revenue/Toll Bonds Series 2010 | Pass - Through Toll Projects | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| \$ 5,764 | \$ - | \$ 3,286,128 | \$ 59,407,838 |
| 25,422,095 | - | 28,921,107 | 160,776,537 |
| - | - | 3,066 | 3,066 |
| - | - | - | 6,162,561 |
| - | - | 686,021 | 4,459,107 |
| - | - | - | 500,000 |
| - | - | 21,090,206 | 46,291,755 |
| - | 20,000,000 | 7,260,367 | 32,859,879 |
| - | - | - | 88,946 |
| - | - | 2,565,419 | 2,565,419 |
| <u>\$ 25,427,859</u> | <u>\$ 20,000,000</u> | <u>\$ 63,812,314</u> | <u>\$ 313,115,108</u> |
| \$ 1,009,989 | \$ - | \$ 4,262,423 | \$ 19,237,407 |
| - | - | 150,832 | 150,832 |
| - | - | 6,375,301 | 63,950,492 |
| - | - | - | 5,110 |
| - | - | 527,737 | 13,256,894 |
| <u>1,009,989</u> | <u>-</u> | <u>11,316,293</u> | <u>96,600,735</u> |
| - | - | 2,565,419 | 2,654,365 |
| 24,417,870 | 20,000,000 | 34,866,368 | 99,089,686 |
| - | - | 13,384,408 | 31,264,465 |
| - | - | 1,679,826 | 48,169,420 |
| - | - | - | 35,336,437 |
| <u>24,417,870</u> | <u>20,000,000</u> | <u>52,496,021</u> | <u>216,514,373</u> |
| <u>\$ 25,427,859</u> | <u>\$ 20,000,000</u> | <u>\$ 63,812,314</u> | <u>\$ 313,115,108</u> |



MONTGOMERY COUNTY, TEXAS
Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
September 30, 2013

| | | |
|---|---------------------|-----------------------|
| Total fund balances - governmental funds (page 33) | | \$ 216,514,373 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Bond issuance costs are expenditures in the funds but are amortized over the life of the bonds in government-wide statements. | | |
| | | 5,272,844 |
| 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 | 45,698,159 | |
| Buildings | 142,534,012 | |
| Improvements | 10,815,945 | |
| Equipment | 21,955,096 | |
| Infrastructure | 418,396,677 | |
| Construction in Progress | <u>2,240,455</u> | |
| Total Capital Assets | | 641,640,344 |
| 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. | | |
| | | 19,133,494 |
| Property taxes earned that are not available to pay for current-period expenditures are deferred in the funds. | | |
| | | 5,747,585 |
| Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. | | |
| | | 14,846,535 |
| The pension asset resulting from contributions in excess of the annual required contribution is not a financial resource and, is not reported in the funds. | | |
| | | 5,858,165 |
| 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 | (1,734,316) | |
| Bonds and capital leases payable, net | (470,394,258) | |
| OPEB Liability | (36,723,146) | |
| Compensated absences | <u>(10,727,079)</u> | |
| Total future period liabilities | | <u>(519,578,799)</u> |
| Net position of governmental activities | | <u>\$ 389,434,541</u> |

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2013

EXHIBIT IV

| | General | Road and Bridge | Debt Service |
|--|-----------------------------|-----------------------------|-----------------------------|
| <u>REVENUES:</u> | | | |
| Taxes | \$ 137,086,729 | \$ 17,200,646 | \$ 23,888,945 |
| Licenses and Permits | 1,462,456 | 6,470,753 | - |
| Fees | 15,525,943 | 785,225 | - |
| Intergovernmental | 4,809,332 | 221,941 | 14,359,780 |
| Charges for Services | 2,099,889 | - | - |
| Interest | 363,893 | 30,199 | 11,910 |
| Contract Reimbursements | 11,379,593 | 2,003,628 | - |
| Inmate Housing | 29,373,490 | - | - |
| Fines and Forfeitures | 84,318 | 2,842,368 | - |
| Miscellaneous | 1,580,400 | 1,044,726 | - |
| <u>TOTAL REVENUES</u> | <u>203,766,043</u> | <u>30,599,486</u> | <u>38,260,635</u> |
| <u>EXPENDITURES:</u> | | | |
| Current: | | | |
| General Administration | 21,225,662 | - | - |
| Judicial | 17,538,578 | - | - |
| Legal Services | 2,542,663 | - | - |
| Elections | 1,087,449 | - | - |
| Financial Administration | 6,237,027 | - | - |
| Public Facilities | 54,994,251 | 415,125 | - |
| Public Safety | 58,129,418 | - | - |
| Health and Welfare | 7,126,499 | 38,250 | - |
| Culture and Recreation | 8,643,233 | - | - |
| Conservation | 578,918 | 495,779 | - |
| Public Transportation | 694,923 | 24,024,113 | - |
| Capital Projects | - | - | - |
| Debt Service: | | | |
| Principal Retirement | - | - | 18,470,000 |
| Interest and Fiscal Charges | - | - | 21,296,879 |
| Issuance Costs | - | - | 204,977 |
| <u>TOTAL EXPENDITURES</u> | <u>178,798,621</u> | <u>24,973,267</u> | <u>39,971,856</u> |
| Excess (Deficiency) Revenues | | | |
| Over Expenditures | 24,967,422 | 5,626,219 | (1,711,221) |
| <u>OTHER FINANCING SOURCES/(USES):</u> | | | |
| Transfers In | 17,983,165 | 6,860,969 | 4,137,496 |
| Transfers Out | (91,394,478) | (374,326) | (705,000) |
| Capital Lease Financing | - | 218,758 | - |
| Sale of Capital Asset | 65,000,000 | - | - |
| Refunding Bonds Issued | - | - | 15,880,000 |
| Premium on Refunding Bonds Issued | - | - | 2,569,252 |
| Issuance of Certificates of Obligation | - | - | - |
| Premium on Debt Issuance | - | - | - |
| Payment to Refunded Bonds Escrow Agent | - | - | (18,251,996) |
| Discounts on Debt Issuance | - | - | (73,640) |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>(8,411,313)</u> | <u>6,705,401</u> | <u>3,556,112</u> |
| Net Change in Fund Balances | 16,556,109 | 12,331,620 | 1,844,891 |
| Fund Balances at Beginning of Year | 63,151,166 | 9,766,236 | 15,950,460 |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 79,707,275</u> | <u>\$ 22,097,856</u> | <u>\$ 17,795,351</u> |

See accompanying notes to the financial statements.

| Revenue/Toll Bonds Series 2010 | Pass-Through Toll Projects | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------|-------------------------------|--------------------------------|--------------------------------|
| \$ - | \$ - | \$ - | \$ 178,176,320 |
| - | - | - | 7,933,209 |
| - | - | 2,834,798 | 19,145,966 |
| - | 20,000,000 | 7,791,661 | 47,182,714 |
| - | - | 792,466 | 2,892,355 |
| 9,401 | - | 43,650 | 459,053 |
| - | - | 15,577,306 | 28,960,527 |
| - | - | - | 29,373,490 |
| - | - | 1,465,924 | 4,392,610 |
| - | - | 2,932,430 | 5,557,556 |
| 9,401 | 20,000,000 | 31,438,235 | 324,073,800 |
| - | - | 920,001 | 22,145,663 |
| - | - | 11,084,917 | 28,623,495 |
| - | - | 421,190 | 2,963,853 |
| - | - | 799,787 | 1,887,236 |
| - | - | 29 | 6,237,056 |
| - | - | - | 55,409,376 |
| - | - | 4,444,705 | 62,574,123 |
| - | - | 15,200,368 | 22,365,117 |
| - | - | 156,982 | 8,800,215 |
| - | - | - | 1,074,697 |
| 9,162,602 | - | 1,016,550 | 34,898,188 |
| - | - | 10,119,233 | 10,119,233 |
| - | - | 1,715,150 | 20,185,150 |
| - | - | 1,728,330 | 23,025,209 |
| - | - | 385,356 | 590,333 |
| 9,162,602 | - | 47,992,598 | 300,898,944 |
| (9,153,201) | 20,000,000 | (16,554,363) | 23,174,856 |
| - | - | 69,109,764 | 98,091,394 |
| - | - | (5,617,590) | (98,091,394) |
| - | - | - | 218,758 |
| - | - | - | 65,000,000 |
| - | - | - | 15,880,000 |
| - | - | - | 2,569,252 |
| - | - | 13,350,000 | 13,350,000 |
| - | - | 1,898,423 | 1,898,423 |
| - | - | (42,342,399) | (60,594,395) |
| - | - | (40,883) | (114,523) |
| - | - | 36,357,315 | 38,207,515 |
| (9,153,201) | 20,000,000 | 19,802,952 | 61,382,371 |
| 33,571,071 | - | 32,693,069 | 155,132,002 |
| \$ 24,417,870 | \$ 20,000,000 | \$ 52,496,021 | \$ 216,514,373 |



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, 2013

Amounts reported for governmental activities in the statement of activities (page 31)
are different because:

| | |
|--|---------------|
| Net change in fund balances - total governmental funds (page 37) | \$ 61,382,371 |
| 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. | (36,884,532) |
| Expenditures made in addition to the annual required contribution of the county's pension plan are not reported in the government-wide statements. | 858,165 |
| The net effect of various miscellaneous transactions involving capital assets. | 14,155,891 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (1,994,128) |
| 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. | 44,648,311 |
| Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenues over expenditures of the internal service funds is reported with the governmental activities. | 4,704,640 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | |
| The changes in these expenditures are as follows: | |
| Compensated absences | (709,837) |
| Bond interest owed but not yet paid | 649,163 |
| Amortization of deferred amounts | 42,700 |
| Agency fund receivables | (762,043) |
| OPEB Obligation | (10,218,747) |
| | (10,998,764) |
| Change in net position of governmental activities (page 31) | \$ 75,871,954 |

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Major Governmental Funds
Year Ended September 30, 2013

EXHIBIT V
Page 1 of 2

| | General Fund | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| <u>REVENUES:</u> | | | | |
| Taxes | \$ 135,740,200 | \$ 135,701,387 | \$ 137,086,729 | \$ 1,385,342 |
| Licenses and Permits | 1,112,754 | 1,113,751 | 1,462,456 | 348,705 |
| Fees | 11,826,418 | 11,949,358 | 15,525,943 | 3,576,585 |
| Intergovernmental | 561,039 | 3,268,620 | 4,809,332 | 1,540,712 |
| Charges for Services | 1,515,200 | 1,515,200 | 2,099,889 | 584,689 |
| Interest | 320,647 | 320,647 | 363,893 | 43,246 |
| Contract Reimbursements | 9,080,862 | 11,648,869 | 11,379,593 | (269,276) |
| Inmate Housing | 20,883,737 | 34,935,809 | 29,373,490 | (5,562,319) |
| Fines and Forfeitures | 50,000 | 50,000 | 84,318 | 34,318 |
| Miscellaneous | 890,000 | 1,322,611 | 1,580,400 | 257,789 |
| <u>TOTAL REVENUES</u> | <u>181,980,857</u> | <u>201,826,252</u> | <u>203,766,043</u> | <u>1,939,791</u> |
| <u>EXPENDITURES:</u> | | | | |
| Current: | | | | |
| General Administration | 24,575,241 | 25,546,696 | 21,225,662 | 4,321,034 |
| Judicial | 17,172,961 | 17,805,602 | 17,538,578 | 267,024 |
| Legal Services | 2,639,391 | 2,572,666 | 2,542,663 | 30,003 |
| Elections | 1,094,522 | 1,177,430 | 1,087,449 | 89,981 |
| Financial Administration | 6,857,220 | 6,508,541 | 6,237,027 | 271,514 |
| Public Facilities | 46,100,052 | 61,625,289 | 54,994,251 | 6,631,038 |
| Public Safety | 53,301,168 | 63,059,449 | 58,129,418 | 4,930,031 |
| Health and Welfare | 7,317,324 | 7,644,356 | 7,126,499 | 517,857 |
| Culture and Recreation | 8,946,435 | 8,873,866 | 8,643,233 | 230,633 |
| Conservation | 559,211 | 581,583 | 578,918 | 2,665 |
| Public Transportation | 996,116 | 3,986,257 | 694,923 | 3,291,334 |
| <u>TOTAL EXPENDITURES</u> | <u>169,559,641</u> | <u>199,381,735</u> | <u>178,798,621</u> | <u>20,583,114</u> |
| Excess Revenues Over Expenditures | <u>12,421,216</u> | <u>2,444,517</u> | <u>24,967,422</u> | <u>22,522,905</u> |
| <u>OTHER FINANCING SOURCES/ (USES):</u> | | | | |
| Transfers In | - | 1,175,505 | 17,983,165 | 16,807,660 |
| Transfers Out | - | (63,747,979) | (91,394,478) | (27,646,499) |
| Sale of Capital Asset | - | 64,502,187 | 65,000,000 | 497,813 |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>-</u> | <u>1,929,713</u> | <u>(8,411,313)</u> | <u>(10,341,026)</u> |
| Net Change in Fund Balances | 12,421,216 | 4,374,230 | 16,556,109 | 12,181,879 |
| Fund Balances at Beginning of Year | 63,151,166 | 63,151,166 | 63,151,166 | - |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 75,572,382</u> | <u>\$ 67,525,396</u> | <u>\$ 79,707,275</u> | <u>\$ 12,181,879</u> |

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Major Governmental Funds
Year Ended September 30, 2013

EXHIBIT V
Page 2 of 2

| | Road and Bridge Fund | | | |
|--|-----------------------------|----------------------------|----------------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget |
| <u>REVENUES:</u> | | | | |
| Taxes | \$ 17,211,700 | \$17,211,700 | \$17,200,646 | \$ (11,054) |
| Licenses and Permits | 6,497,100 | 6,497,100 | 6,470,753 | (26,347) |
| Fees | - | 567,282 | 785,225 | 217,943 |
| Intergovernmental | 140,000 | 205,105 | 221,941 | 16,836 |
| Interest | 6,000 | 6,000 | 30,199 | 24,199 |
| Contract Reimbursements | - | 2,019,769 | 2,003,628 | (16,141) |
| Fines and Forfeitures | 2,700,000 | 2,700,000 | 2,842,368 | 142,368 |
| Miscellaneous | - | 416,434 | 1,044,726 | 628,292 |
| <u>TOTAL REVENUES</u> | <u>26,554,800</u> | <u>29,623,390</u> | <u>30,599,486</u> | <u>976,096</u> |
| <u>EXPENDITURES:</u> | | | | |
| Current: | | | | |
| Public Facilities | - | 418,866 | 415,125 | 3,741 |
| Health and Welfare | - | 38,250 | 38,250 | - |
| Conservation | 452,453 | 669,265 | 495,779 | 173,486 |
| Public Transportation | 23,580,909 | 36,767,433 | 24,024,113 | 12,743,320 |
| <u>TOTAL EXPENDITURES</u> | <u>24,033,362</u> | <u>37,893,814</u> | <u>24,973,267</u> | <u>12,920,547</u> |
| Excess (Deficiency) Revenues Over Expenditures | <u>2,521,438</u> | <u>(8,270,424)</u> | <u>5,626,219</u> | <u>13,896,643</u> |
| <u>OTHER FINANCING SOURCES/ (USES):</u> | | | | |
| Transfers In | - | 6,705,490 | 6,860,969 | 155,479 |
| Transfers Out | - | 333,411 | (374,326) | (707,737) |
| Capital Lease Financing | - | - | 218,758 | 218,758 |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>-</u> | <u>7,038,901</u> | <u>6,705,401</u> | <u>(333,500)</u> |
| Net Change in Fund Balances | 2,521,438 | (1,231,523) | 12,331,620 | 13,563,143 |
| Fund Balances at Beginning of Year | 9,766,236 | 9,766,236 | 9,766,236 | - |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 12,287,674</u> | <u>\$ 8,534,713</u> | <u>\$22,097,856</u> | <u>\$ 13,563,143</u> |

See accompanying notes to the financial statements.



MONTGOMERY COUNTY, TEXAS
Statement of Net Position
Proprietary Funds
Year Ended September 30, 2013

EXHIBIT VI

| <u>ASSETS:</u> | <u>Enterprise Funds</u> | <u>Internal Service Funds</u> |
|---|--------------------------------|--------------------------------------|
| Current Assets: | | |
| Cash and Cash Equivalents: | | |
| Cash | \$ - | \$ 32,864 |
| Receivables: | | |
| Accounts | - | 1,073,322 |
| Due from other funds | 500,000 | 19,190,053 |
| Total Current Assets | <u>500,000</u> | <u>20,296,239</u> |
| | | |
| Capital Assets (net of accumulated depreciation): | | |
| Buildings | - | 873,911 |
| Improvements | - | 1,437 |
| Equipment | - | 108,552 |
| Total Capital Assets | <u>-</u> | <u>983,900</u> |
| Total Assets | <u>500,000</u> | <u>21,280,139</u> |
| <u>LIABILITIES:</u> | | |
| Current Liabilities: | | |
| Cash Overdraft | - | 202,618 |
| Accounts Payable | - | 19,053 |
| Loans Payable | 500,000 | - |
| Claims Payable | - | 4,180,617 |
| Due to Other Funds | - | 2,031,316 |
| Total Current Liabilities | <u>500,000</u> | <u>6,433,604</u> |
| | | |
| Total Liabilities | <u>500,000</u> | <u>6,433,604</u> |
| <u>NET POSITION:</u> | | |
| Invested in Capital Assets | - | 983,900 |
| Unrestricted | - | 13,862,635 |
| Total Net Position | <u>\$ -</u> | <u>\$ 14,846,535</u> |

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended September 30, 2013

EXHIBIT VII

| | Enterprise Funds | Internal Service Funds |
|-----------------------------------|--------------------|-----------------------------|
| <u>OPERATING REVENUES:</u> | | |
| Charges for Service | \$ - | \$ 31,015,751 |
| Miscellaneous | - | 40,120 |
| Total Operating Revenues | <u>-</u> | <u>31,055,871</u> |
| <u>OPERATING EXPENSES:</u> | | |
| Supplies | - | 29,643 |
| Services | - | 26,280,476 |
| Miscellaneous | - | - |
| Depreciation | - | 41,112 |
| Total Operating Expenses | <u>-</u> | <u>26,351,231</u> |
| Operating Income | <u>-</u> | <u>4,704,640</u> |
| Change in Net Position | - | 4,704,640 |
| Total net position - beginning | <u>-</u> | <u>10,141,895</u> |
| Total net position - ending | <u><u>\$ -</u></u> | <u><u>\$ 14,846,535</u></u> |

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS**Statement of Cash Flows****Proprietary Funds****Year Ended September 30, 2013**

EXHIBIT VIII

| | Enterprise Funds | Internal Service Funds |
|---|------------------|------------------------|
| Cash flows from operating activities: | | |
| Receipts from customers | \$ - | \$ 26,491,689 |
| Receipts from others | - | (5,112,038) |
| Insurance recovery | - | 4,291 |
| Benefits Paid | - | (22,110,448) |
| Net cash provided by operating activities | - | (726,506) |
| Net increase in cash and cash equivalents | - | (726,506) |
| Cash and cash equivalents - October 1, 2012 | - | 759,370 |
| Cash and cash equivalents - September 30, 2013 | \$ - | \$ 32,864 |
| Reconciliation of operating income to net cash used in operating activities: | | |
| Operating income | \$ - | \$ 4,704,640 |
| Adjustments to reconcile operating income to net cash used by operating activities: | | |
| (Increase) decrease in due from other funds | - | (5,350,485) |
| Depreciation expense | - | 41,112 |
| (Increase) decrease in intergovernmental receivable | (500,000) | (595,687) |
| Increase (decrease) in accounts payable | 500,000 | 473,914 |
| Total adjustments | - | (5,431,146) |
| Net cash provided by operating activities | \$ - | \$ (726,506) |

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS
Statement of Assets and Liabilities
Fiduciary Funds
As of September 30, 2013

EXHIBIT IX

| | |
|---------------------------------|-----------------------------|
| | <u>Agency Funds</u> |
| <u>ASSETS:</u> | |
| Cash | \$ 10,037,048 |
| Investments, at Fair Value | 1,376,771 |
| Accounts Receivable | <u>36,854</u> |
| <u>TOTAL ASSETS</u> | <u>\$ 11,450,673</u> |
| <u>LIABILITIES:</u> | |
| Accounts Payable | \$ 7,814,698 |
| Due to Other Governments | <u>3,635,975</u> |
| <u>TOTAL LIABILITIES</u> | <u>\$ 11,450,673</u> |

See accompanying notes to the financial statements.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A) REPORTING ENTITY:

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

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

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

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

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

Montgomery County Toll Road Authority:

The Montgomery County Toll Road Authority was created by the Commissioners' Court of the County in August 2006. The Toll Road Authority's Board of Directors and Officers are comprised of the members of Commissioners' Court. The Toll Road Authority was incorporated under the provisions of Texas Transportation Code Act, Chapter 431 with the purpose to aid in the planning, design, improvement and financing of transportation projects throughout Montgomery County.

Montgomery County Jail Financing Corporation:

The Montgomery County Jail Financing Corporation was created by the Commissioners' Court of the County in September 2006 as a 501(c)2 Title Holding Entity. The Corporation's Board of Directors and Officers are comprised of the members of Commissioners' Court. The

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

Corporation's stated purpose is to provide financing for the construction of a 1,100-bed detention facility, which will subsequently be sold to the County in a lease-purchase transaction. In May 2013, the detention facility was sold to the operator, GEO Group.

The Corporation's financial transactions have been reported in the Debt Service Funds and the Capital Project Funds of the County. Montgomery County does not issue separate financial statements for the Jail Financing Corporation.

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 521 N. Thompson Street, Conroe, Texas, 77301.

B) IMPLEMENTATION OF NEW STANDARD:

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

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, will address issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This statement will establish recognition, measurement, and disclosure requirements for SCAs in a consistent manner, improving the comparability of financial statements.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, will improve financial reporting for a governmental financial reporting entity. This will improve guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre- November 30, 1989 FASB and AICPA Pronouncements*, will incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in pronouncements issued on or before November 30, 1989, which does not conflict with GASB pronouncements.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, will provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This statement will standardize the presentation of deferred outflows of resources and deferred inflows of resources and their effects on net position.

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

Government-wide Statements

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

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

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

Fund-level Statements

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

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. 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, 2012 that were due October 1, 2012, have been assessed to finance the budget of the fiscal year ending September 30, 2013. In accordance with the modified accrual basis of accounting, the balances outstanding at September 30, 2013, 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

MONTGOMERY COUNTY, TEXAS

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incurred; however, debt service expenditures, claims and judgments, and compensated absences are recorded only when payment is made.

Proprietary fund level financial statements include funds which are classified into enterprise and internal service funds. The County has both enterprise and internal service funds. The County's internal service funds are used to accumulate and allocate costs internally among the various functions. Montgomery County's internal service funds predominantly benefit governmental rather than business-type functions; therefore they have been included within governmental activities in the government-wide financial statements. The County's enterprise funds are used to account for the costs of the Montgomery County Toll Road Authority. The County's enterprise fund benefits business-type functions; however, at this time, since the operations are completely dependent on taxes rather than user fees, the information from these funds will be incorporated into the governmental activities of the County.

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

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

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

The County reports the following *major governmental funds*:

The General Fund is the general operating fund of the County and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, and intergovernmental revenues. Primary expenditures are for general and financial administration, public safety, judicial operations, health and welfare, and capital acquisition. Managerial Funds are used to account for funds that no longer fulfill the qualifications to be considered special revenue funds as delineated in GASB Statement No. 54, but that management desires to see a separate presentation.

The Road and Bridge Special Revenue Fund is used to account for rehabilitation, repair and maintenance of the County's roadways and bridges. The Road and Bridge Fund is financed by a designated part of the annual property tax levy, as well as certain statutory fees. Although this fund does not meet the size criteria to be considered a major fund, the County believes the fund is particularly important to the financial statement users.

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

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The Revenue/Toll Bonds Series 2010 Capital Project Fund is used to account for fixed rate road construction bonds approved in 2010 by the voters of the County. The \$31,390,000 in proceeds will be used to satisfy the County's obligation under a "pass-through toll" agreement with the State of Texas to improve four specific state-owned roads in the County as well as direct connectors to two additional roads of the state highway system. Although this fund does not meet the size criteria to be considered a major fund, the County believes the fund is particularly important to the financial statement users.

The Pass-Through Toll Projects Capital Project Fund is used to account for funds received by Texas Department of Transportation (TXDOT) to pay for projects related to the Pass-Through Toll Program. Although this fund does not meet the size criteria to be considered a major fund, the County believes the fund is particularly important to the financial statement users.

The County reports the following *nonmajor governmental funds*:

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

Jail Financing Corporation Debt Service Fund is used to account and provide for the receipt and disbursement of funds to retire debt resulting from the issuance of the Lease Revenue Bonds, Series 2007. Lease payments are made to the Jail Financing Corporation for the lease purchase of the Joe Corley Detention Facility.

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

The County reports the following *proprietary funds*:

Enterprise Funds are used to account for the cost of the Montgomery County Toll Road Authority.

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

The County reports the following *fiduciary funds*:

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

D) ASSETS, LIABILITIES, 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

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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 uncollectable amounts.

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 (consumption method).

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

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

5. Capital Assets

Capital assets, which include land, buildings, improvements, equipment, intangibles, infrastructure, and construction in progress, are reported in the government-wide financial statements. By policy of the Commissioners' Court, acquisitions are capitalized when they cost at least \$1,000 and have a useful life in excess of five years. Buildings and building improvements require a cost of at least \$5,000 and a useful life in excess of 5 years. The policy applied to infrastructure acquisitions requires a cost of at least \$10,000 and a useful life in excess of five years. Infrastructure assets include county-owned roads, drainage improvements, bridges, signals, and runways. Capital assets are recorded at historical cost if

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purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation.

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

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

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

6. Payables

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

7. Deferred/Unearned 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. Fund Balances

County Commissioners' Court established Fund Balance policies in accordance with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The County strives to maintain a minimum Unassigned Fund Balance in the general operating fund of 10 to 15 percent of the annual operating revenues as presented in its annual financial report. The Commissioners' Court will endeavor to budget a \$2,000,000 increase to the Unassigned Fund Balance each year as necessary to maintain a minimum fund balance.

The County reports fund balances in five classifications:

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

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

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

Assigned –The Commissioners' Court delegates the responsibility of assigning funds to the County Auditor. Assignments may be necessary for items such as other post-employment benefits, claims and judgments or transfers to special revenue funds.

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

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

10. Compensated Absences

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

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

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

11. Arbitrage

The Tax Reform Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on local government bonds. Issuing governments must calculate any rebate due and remit the amount due at least every five years. There were no arbitrage rebate payments made during fiscal year 2013.

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12. Net Position/Fund Balance (restricted)

For the government-wide financial statements, restricted net position represent externally imposed restrictions by creditors, grantors, contributors or laws or regulations of other governments. They may also represent restrictions imposed by law through constitutional provisions or enabling legislation.

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 position of governmental activities** as reported in the government-wide statement of activities. Several of the elements of that reconciliation are more fully explained below.

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

| | |
|---|--------------------------------|
| Capital outlay | \$ 14,283,676 |
| Depreciation expense | <u>(51,168,208)</u> |
| Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities | <u>\$ (36,884,532)</u> |

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

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

| | |
|---|---------------|
| Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. | \$ 30,193,135 |
|---|---------------|

| | |
|---|---------------------|
| The acquisition of capital assets by seizure and by donations increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. | <u>(16,037,244)</u> |
|---|---------------------|

| | |
|---|----------------------|
| Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position of governmental activities | <u>\$ 14,155,891</u> |
|---|----------------------|

“The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and

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similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this difference are as follows:

Debt issued or incurred:

| | |
|--|----------------------|
| Issuance of Refunding Bonds | \$ (15,880,000) |
| Bond Proceeds – Certificates of Obligation | (13,350,000) |
| Premium on bonds issues, net | (4,467,675) |
| Discount on bonds issued, net | 114,521 |
| Capital lease financing | (218,758) |
| Issuance Costs for new debt | 632,023 |
| Adjustment to interest on refunding debt | 506,734 |
| Principal repayments: | |
| General Obligation debt | 7,145,000 |
| Revenue debt | 62,945,941 |
| Certificates of Obligation debt | 4,540,000 |
| Capital leases | 2,680,525 |
| Net adjustment to decrease net changes in fund balances-total governmental | <u>\$ 44,648,311</u> |

“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 | \$ (709,837) |
| Accrued interest | 649,163 |
| Amortization of interest on refunding bonds | (973,644) |
| Amortization of issuance costs | (1,450,615) |
| Amortization of bond discounts | (55,469) |
| Amortization of bond premiums | 2,522,428 |
| Increase of receivable for reimbursement of county expenditures | (762,043) |
| Increase of Other Post-Employment Benefits | <u>(10,218,747)</u> |
| Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net position of governmental activities | <u>\$ (10,998,764)</u> |

NOTE 3- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A) BUDGETS AND BUDGETARY ACCOUNTING:

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

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

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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 2013, formal budgets were adopted for the General Fund, the Special Revenue Funds, and the Debt Service Fund. Formal budgetary integration is not employed for Capital Project Funds, and legal budgets are not adopted, because budgetary control is achieved through legally binding construction contracts. All appropriations lapse at fiscal year-end with the exception of grant awards and certain ongoing projects.

The Commissioners' Court may approve expenditures as an amendment to the budget to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. Such expenditures would include the re-appropriation of approved but unexpended amounts for encumbrances, grants, and certain projects from the previous fiscal year. In fiscal year 2013, budget amendments totaling \$32,112,243 were approved that met these criteria.

The Commissioners' Court may also adopt a supplemental budget for the limited purpose of spending proceeds that become available for disbursement in a fiscal year, but are not included in the budget for that budget year. Included in this category are public or private grants or aid money, revenue from intergovernmental contracts, and proceeds from the issuance of debt. In fiscal year 2013, supplemental appropriations were approved in the amounts of \$44,429,413, \$5,259,985, and \$218,758 for grants received, intergovernmental contracts executed, and capital leases approved, respectively.

NOTE 4- DEPOSITS AND INVESTMENTS:

A) DEPOSITS:

Custodial Credit Risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a policy for custodial credit risk. As of September 30, 2013, the County's bank balance (collected funds) was \$63,050,504. At that same date, none of the County's bank balance was exposed to custodial credit risk since the County's deposits were insured and collateralized by securities pledged by the depository and held by third party agents of the County in the County's name.

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B) **INVESTMENTS:**

As of September 30, 2013, the County had the following investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (in years)</u> |
|-----------------------------------|--------------------------|--|
| Chase Business High Yield Savings | \$ 58,535,575 | - |
| TexSTAR Investment Pool | 10,659,356 | 0.14 |
| State's Investment Pool (TEXPOOL) | 2,614,497 | 0.15 |
| TEXCLASS Investment Pool | 15,057,556 | 0.14 |
| Federal Home Loan Bank (FHLB) | 25,029,688 | - |
| Lone Star Investment Pool | 6,896,808 | 0.15 |
| LOGIC | 10,714,074 | 0.16 |
| FICA Program | 14,701,727 | - |
| Money Market Mutual Fund (ICT) | 5,474,664 | 0.13 |
| Money Market Mutual Fund (BPIF) | 8,777,079 | 0.13 |
| Money Market Mutual Fund (AIM) | 3,692,284 | 0.15 |
| Total Investments | <u>\$162,153,308</u> | |

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

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

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

Additionally, funds were invested in the Texas Local Government Investment Pool (TexPool), TexSTAR Investment Pool, Lone Star Investment Pool, Local Government Investment Cooperative (LOGIC), and TEXCLASS Investment Pool. These external investment pools were created in conformity with certain acts in the Government Code of the Texas Civil Statutes. The financial operations of the pools are managed by third-party investment services and oversight is provided by separate advisory boards. Additional financial oversight for TexPool is provided by the Comptroller of Public Accounts of the State of Texas. Although these pools are not SEC-registered, they adhere to the same standards as money market mutual funds for limitations on its investments, the length of its average weighted maturity, and the valuation of its net position. The external investment pools seek to maintain a net position value of one dollar per share.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. While the County does not have an investment policy for custodial credit risk, there is no need for such policy because of the

MONTGOMERY COUNTY, TEXAS

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nature of the County's investments. A third party institution is required to hold the insured, registered securities underlying the county's investments in a safekeeping account in the County's name.

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

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

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

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

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

NOTE 5- PROPERTY TAXES:

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

The County is permitted by the Texas State Constitution (Article VIII, Section 9) and statutes to levy taxes of up to \$0.80 per \$100 of assessed valuation for general governmental services and the payment of long-term debt. The combined current tax rate for the year end was \$0.4838 per \$100, which means that the County has a tax margin of \$0.3162 per \$100, and could raise up to \$116,065,546 in additional taxes from the present assessed valuation of \$35,706,371,252 before the limit is reached.

The thirty years' property taxes receivable at September 30, 2013, as reported by the Tax Assessor-Collector are presented as follows:

| | Taxes Receivable | Less: Allowance for Uncollectables | Net Taxes Receivable |
|--------------------|-----------------------------|---|---------------------------------|
| General Fund | \$4,824,427 | \$ 96,489 | \$4,727,938 |
| Road & Bridge Fund | 602,661 | 12,053 | 590,608 |
| Debt Service Funds | 861,240 | 17,225 | 844,015 |
| Total Receivable | <u>\$6,288,328</u> | <u>\$125,767</u> | <u>\$6,162,561</u> |

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NOTE 6- DUE FROM OTHER GOVERNMENTS:

At September 30, 2013, the following amounts were recorded as due to the County:

| | Federal | State | Local | Total |
|----------------------------|---------------------|---------------------|------------------|----------------------|
| General Fund | \$ 4,702,946 | \$ 699,875 | \$ 24,898 | \$ 5,427,719 |
| Road & Bridge Fund | 8,300 | 163,493 | - | 171,793 |
| Special Revenue Funds | 5,427,970 | 1,789,897 | 42,500 | 7,260,367 |
| Pass-Through Toll Projects | - | 20,000,000 | - | 20,000,000 |
| Total Due from Governments | <u>\$10,139,216</u> | <u>\$22,653,265</u> | <u>\$ 67,398</u> | <u>\$ 32,859,879</u> |

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

NOTE 7- CAPITAL ASSETS:

A) CHANGES IN CAPITAL ASSETS FOR YEAR ENDED SEPTEMBER 30, 2013:

| Governmental Activities | Beginning Balance | Additions ⁽¹⁾ | Deletions ⁽¹⁾ | Ending Balance |
|--|------------------------------|---------------------------------|---------------------------------|---------------------------|
| Land ⁽²⁾ | \$ 40,022,997 | \$ 6,158,772 | \$ (483,610) ⁽²⁾ | \$ 45,698,159 |
| Construction in Progress | <u>2,426,837</u> | <u>3,255,081</u> | <u>(3,441,463)</u> | <u>2,240,455</u> |
| Total Capital Assets not being depreciated | <u>42,449,834</u> | <u>9,413,853</u> | <u>(3,925,073)</u> | <u>47,938,614</u> |
| Buildings ⁽³⁾ | 230,684,081 | 3,767,982 | (37,505,918) | 196,946,145 |
| Improvements ⁽³⁾ | 26,667,328 | 606,865 | (4,706,714) | 22,567,479 |
| Equipment ⁽²⁾⁽³⁾ | 83,737,832 | 10,511,629 | (7,982,854) ⁽²⁾ | 86,266,607 |
| Infrastructure | <u>1,120,325,165</u> | <u>47,616,133</u> | <u>(23,504)</u> | <u>1,167,917,794</u> |
| Total Capital Assets being depreciated | <u>1,461,414,406</u> | <u>62,502,609</u> | <u>(50,218,990)</u> | <u>1,473,698,025</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (54,037,240) | (4,674,608) | 5,173,626 | (53,538,222) |
| Improvements | (12,191,989) | (1,291,749) | 1,733,641 | (11,750,097) |
| Equipment | (60,745,437) | (7,217,422) | 3,759,900 | (64,202,959) |
| Infrastructure | <u>(711,495,576)</u> | <u>(38,025,541)</u> | <u>-</u> | <u>(749,521,117)</u> |
| Total Depreciation | <u>(838,470,242)</u> | <u>(51,209,320)</u> | <u>10,667,167</u> | <u>(879,012,395)</u> |
| Total Capital Assets, net of Accumulated depreciation | <u>\$ 665,393,998</u> | <u>\$ 20,707,142</u> | <u>\$(43,476,896)</u> | <u>\$ 642,624,244</u> |

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

(2) As required by GASB 51, this schedule reports intangible assets of \$20,843,286 and \$720,779 in land and equipment respectively.

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

B) DEPRECIATION EXPENSE:

Depreciation expense on capital assets is recorded in the Government-wide financial statements, but not in the Fund financial statements.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

For the year ended September 30, 2013, the County charged depreciation expense to functions as follows:

| | |
|---|---------------------|
| Governmental activities: | |
| General Administration | \$ 2,355,943 |
| Judicial | 223,479 |
| Legal Services | 89,915 |
| Elections | 203,138 |
| Financial Administration | 30,425 |
| Public Facilities | 1,663,439 |
| Public Safety | 5,009,705 |
| Health and Welfare | 1,412,439 |
| Culture and Recreation | 1,045,728 |
| Conservation | 27,746 |
| Public Transportation | 39,106,251 |
| Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets | 41,112 |
| Total depreciation expense-governmental activities | <u>\$51,209,320</u> |

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, 2013:

| <u>Project</u> | <u>Status</u> | <u>Commitment</u> | <u>Paid to Date</u> |
|----------------------------|--------------------|----------------------|----------------------|
| Various Road Projects | Under construction | \$396,915,143 | \$272,193,559 |
| Building Remodels | Underway | 43,880,445 | 23,108,992 |
| Park Improvements | Underway | 110,000 | - |
| Airport Improvements | Underway | 3,170,988 | 2,738,107 |
| Energy Renovation Projects | Underway | 3,653,509 | 670,347 |
| Total | | <u>\$447,730,085</u> | <u>\$298,711,005</u> |

NOTE 8- DISAGGREGATION OF PAYABLE BALANCES:

A) DUE TO OTHER GOVERNMENTS:

The County records certain amounts due to other governments as a result of operating contracts and overpayment of certain grant funds. At September 30, 2013, the following amounts were due to other governments:

| <u>Fund</u> | <u>Local</u> | <u>Total</u> |
|-------------|----------------|----------------|
| General | <u>\$5,110</u> | <u>\$5,110</u> |

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 2013, deferred revenues are presented on the following page:

| <u>Fund</u> | <u>Deferred Property Taxes</u> | <u>Unearned Fees</u> | <u>Total Deferred/ Unearned Revenues</u> |
|-----------------|--|--------------------------|--|
| General | \$4,403,931 | \$6,981,571 | \$11,385,502 |
| Road & Bridge | 583,715 | - | 583,715 |
| Debt Service | 759,940 | - | 759,940 |
| Other Non-Major | - | 527,737 | 527,737 |
| Total | <u>\$5,747,586</u> | <u>\$7,509,308</u> | <u>\$13,256,894</u> |

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

NOTE 9- LONG-TERM DEBT:

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

A) BONDED DEBT:

A summary of the long-term bonded debt, at September 30, 2013 is presented:

| | Interest Rate (%) | Issue Date | Maturity Date | Bonds Outstanding |
|---|------------------------------|-----------------------|--------------------------|------------------------------------|
| GENERAL OBLIGATION BONDS: | | | | |
| Refunding Bonds, Series 2005 | 5.00 | 2005 | 2020 | 32,590,000 |
| Road Bonds Fixed Rate, Series 2006A | 4.00-5.00 | 2006 | 2027 | 45,525,000 |
| Road Bonds Fixed Rate, Series 2006B | 4.75 | 2006 | 2028 | 20,195,000 |
| Refunding Bonds, Series 2007 | 4.00-5.50 | 2007 | 2026 | 38,285,000 |
| Road Bonds Fixed Rate, Series 2008A | 3.50-5.25 | 2008 | 2030 | 10,610,000 |
| Refunding Bonds, Series 2008 | 3.50-5.00 | 2008 | 2018 | 5,900,000 |
| Road Bonds Fixed Rate, Series 2008B | 5.12-5.25 | 2008 | 2032 | 34,705,000 |
| Refunding Bonds, Series 2010 | 4.00-5.00 | 2010 | 2030 | 43,380,000 |
| Refunding Bonds, Series 2012 | 2.00-5.00 | 2012 | 2026 | 30,400,000 |
| TOTAL GENERAL OBLIGATION BONDS | | | | <u>\$261,590,000</u> |
| REVENUE BONDS: | | | | |
| Pass Through Toll Revenue and Limited Tax Bonds, Series 2009 | 3.00-5.00 | 2009 | 2032 | 32,785,000 |
| Toll Revenue Bonds, Series 2010 | 3.00-5.00 | 2011 | 2021 | 26,410,000 |
| Pass Through Toll Revenue and Limited Tax Refunding Bonds, Series 2012 | 3.00-5.00 | 2012 | 2023 | 15,880,000 |
| TOTAL REVENUE BONDS: | | | | <u>\$75,075,000</u> |
| CERTIFICATES OF OBLIGATION: | | | | |
| Series 2004 | 3.75-4.60 | 2004 | 2020 | 175,000 |
| Series 2006 | 4.00-5.00 | 2006 | 2027 | 22,235,000 |
| Series 2007 | 4.00-4.63 | 2008 | 2027 | 7,935,000 |
| Series 2008 | 3.50-5.25 | 2008 | 2027 | 20,755,000 |
| Series 2010 | 3.00-5.40 | 2010 | 2039 | 31,060,000 |
| Series 2012 | 2.00-5.00 | 2012 | 2032 | 14,420,000 |
| Series 2012A | 2.00-5.00 | 2012 | 2023 | 13,350,000 |
| TOTAL CERTIFICATES OF OBLIGATION | | | | <u>\$109,930,000</u> |
| TOTAL BONDED DEBT | | | | <u><u>\$446,595,000</u></u> |

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

MONTGOMERY COUNTY, TEXAS**Notes to the Financial Statements****September 30, 2013****B) CHANGES IN LONG-TERM DEBT:**

The following schedule illustrates changes in long-term debt for the year ended September 30, 2013. For each category, management has presented the portion that will be due within one year.

| | Beginning | | | Ending | Due Within |
|---------------------------------|----------------|------------------|-------------------|----------------|-----------------|
| Governmental Activities: | Balance | Additions | Reductions | Balance | One Year |
| Bonds payable: | | | | | |
| General Obligation | \$ 268,735,000 | \$ - | \$ (7,145,000) | \$261,590,000 | \$ 8,120,000 |
| Revenue Bonds | 122,140,941 | 15,880,000 | (62,945,941) | 75,075,000 | 7,080,000 |
| Certificates of Obligation | 101,120,000 | 13,350,000 | (4,540,000) | 109,930,000 | 4,260,000 |
| Less deferred amounts: | | | | | |
| Interest on Refunding | (8,792,727) | (506,734) | 973,644 | (8,325,817) | - |
| Issuance discounts | (822,532) | (114,522) | 55,469 | (881,585) | (59,231) |
| Unamort. Premiums | 19,851,689 | 4,467,675 | (2,522,428) | 21,796,936 | 1,898,557 |
| Total bonds payable | 502,232,371 | 33,076,419 | (76,124,256) | 459,184,534 | 21,299,326 |
| Capital leases | 13,671,491 | 218,758 | (2,680,525) | 11,209,724 | 2,256,574 |
| Workers' Comp Obligation | 1,366,531 | 374,650 | (592,456) | 1,148,725 | - |
| Medical Obligation | 2,555,128 | 16,768,310 | (16,291,546) | 3,031,892 | - |
| OPEB Obligation | 26,504,399 | 12,051,576 | (1,832,829) | 36,723,146 | - |
| Compensated absences | 10,017,242 | 7,189,509 | (6,479,672) | 10,727,079 | 8,229,183 |
| Total Long-term Liabilities | \$ 556,347,162 | \$ 69,679,222 | \$(104,001,284) | \$522,025,100 | \$31,785,083 |

Internal Service Funds predominantly serve the governmental funds. Accordingly, long term liabilities, including Workers' Compensation and Medical, reported in those funds are included as part of the above totals for governmental activities. At year end, \$1,148,725 for Workers' Compensation obligation and \$3,031,892 for Medical obligation were included in the above amounts.

At year end, \$1,409,191 of special revenue funds compensated absences is included in the above amounts. The remaining balance of \$9,317,888 will be liquidated by the general fund. The OPEB obligation will be liquidated by the general fund.

C) ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY:

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

| Maturity | General Obligation Bonds | | Revenue Bonds | | Certificates of Obligation | |
|--------------|--------------------------|----------------------|----------------------|----------------------|----------------------------|----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2014 | 8,120,000 | 12,331,191 | 7,080,000 | 3,319,700 | 4,260,000 | 4,509,695 |
| 2015 | 8,665,000 | 11,963,925 | 7,410,000 | 3,025,850 | 4,245,000 | 4,351,989 |
| 2016 | 9,080,000 | 11,547,859 | 7,760,000 | 2,715,000 | 4,415,000 | 4,178,685 |
| 2017 | 9,535,000 | 11,101,588 | 8,155,000 | 2,280,525 | 4,595,000 | 3,994,282 |
| 2018 | 9,985,000 | 10,638,225 | 8,575,000 | 1,862,275 | 4,805,000 | 3,793,985 |
| 2019-2023 | 57,945,000 | 45,200,525 | 22,510,000 | 4,637,175 | 29,015,000 | 15,406,158 |
| 2024-2028 | 78,720,000 | 29,319,459 | 6,860,000 | 2,237,750 | 33,370,000 | 7,827,481 |
| 2029-2033 | 79,540,000 | 7,423,125 | 6,725,000 | 552,725 | 15,365,000 | 3,009,402 |
| 2034-2038 | - | - | - | - | 8,070,000 | 1,042,119 |
| 2039 | - | - | - | - | 1,790,000 | 31,415 |
| Total | \$261,590,000 | \$139,525,897 | \$ 75,075,000 | \$ 20,631,000 | \$109,930,000 | \$ 48,145,211 |

MONTGOMERY COUNTY, TEXAS
Notes to the Financial Statements
September 30, 2013

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

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

On October 1, 2012 the County issued Pass-Through Toll Revenue and Limited Tax Refunding Bonds, Series 2012. Proceeds from the sale of the bonds were used to refund and defease certain outstanding obligations and to pay costs of issuance of the bonds. The refunding issue refunded \$17,115,000 of the Pass-Through Toll and limited Tax Bonds, Series 2009 and was done to take advantage of favorable interest rates. The refunding resulted in a present value savings to the county of \$1,780,481.

As of September 30, 2013, defeased but outstanding debt from prior year refunding transactions consisted of the following:

| <u>Series</u> | <u>Amount</u> |
|--|----------------------|
| Road Bonds, Series 2004 | \$ 10,205,000 |
| Certificates of Obligation, Series 2004 | 1,235,000 |
| Pass Through Toll Revenue Bonds, Series 2009 | 17,115,000 |
| Total Defeased but Outstanding | \$ 28,555,000 |

E) **FUTURE BORROWING:**

During February 2014 the County will issue its \$28,250,000 Limited Tax Refunding Bonds, Series 2014.

F) **CONDUIT DEBT OBLIGATIONS:**

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

Montgomery County Industrial Development Corporation- The corporation issues industrial revenue bonds that promote and encourage employment and public welfare. As of September 30, 2013, there were thirteen 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. In 2012, the corporation issued \$10,000,000 in revenue bonds to pay the costs of certain manufacturing facilities, the function of which is to provide for the heat treatment of steel for oilfield services. The bonds will be repaid from sources defined in

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

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 February 28, 2013, there were twenty-three (23) series of bonds outstanding with an aggregate principal payable of \$2,104,635,000. The bonds will be repaid from sources defined in the various underlying financing agreements between the corporation and the entities for whose benefit the bonds were issued.

Harris County Cultural Education Facilities Finance Corporation- The corporation issues bonds for the purpose of defraying expansion costs, for Space Center Houston projects, Houston Livestock Show and Rodeo projects, Baylor College of Medicine, Memorial Hermann Healthcare System, Methodist Hospital System, Texas Medical Center projects, and the Young Men's Christian Association (YMCA) of the Greater Houston Area and others. Its activity is included in this disclosure because its bonds have been issued for the benefit of organizations located in Montgomery County. As of February 28, 2013 there were thirty-seven (37) series of Bonds outstanding with an aggregate principal payable of \$2,597,131,364. The Bonds will be repaid from payments required to be made under loan agreements between the issuing entity and the aforementioned parties.

G) CAPITAL LEASES:

The County has entered into capital lease agreements for the lease/purchase/construction of certain heavy road equipment, vehicles, and buildings. Acquisition of equipment with a value of \$218,758 was financed during the current fiscal year under capital leases and recorded in the Capital Assets portion of the government-wide financial statements. Depreciation expense for these assets is included as part of the depreciation expense detailed in Note 7. The lease agreements are classified as capital leases because title passes to the County at the end of the lease term, and are included as leases payable in the Long-Term Debt portion of the government-wide statements. The present value of future minimum capital lease payments at September 30, 2013 and the funds from which they will be paid are as shown below:

| <u>Year</u> | <u>General</u> | <u>Special Revenue</u> | |
|--------------------------------------|-----------------------|-------------------------------|---------------------|
| <u>Ending</u> | <u>Fund</u> | <u>Funds</u> | <u>Total</u> |
| 2014 | \$ 2,094,872 | \$ 571,890 | \$ 2,666,762 |
| 2015 | 2,094,872 | 571,890 | 2,666,762 |
| 2016 | 1,855,673 | 499,370 | 2,355,043 |
| 2017 | 1,771,416 | 499,370 | 2,270,786 |
| 2018 | 1,771,416 | 385,977 | 2,157,393 |
| 2019 | - | 385,977 | 385,977 |
| Total Minimum Lease Payments | 9,588,249 | 2,914,474 | 12,502,723 |
| Less: amount representing interest | 923,533 | 369,466 | 1,292,999 |
| Present value-minimum lease payments | <u>\$ 8,664,716</u> | <u>\$ 2,545,008</u> | <u>11,209,724</u> |

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

A) DUE FROM/DUE TO OTHER FUNDS:

Activity between funds that represents the current portion of lending/borrowing and inter-fund charges for goods and services arrangements outstanding at fiscal year-end are referred to as due

MONTGOMERY COUNTY, TEXAS

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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, 2013 was as follows:

| | Receivables | Payables |
|------------------------------|----------------------|----------------------|
| General Fund | \$ 16,491,333 | \$ 57,524,368 |
| Road and Bridge Fund | 6,457,366 | 50,823 |
| Debt Service Fund | 2,252,850 | - |
| Non-major Governmental Funds | 21,090,206 | 6,375,301 |
| Internal Service Funds | 19,190,053 | 2,031,316 |
| Enterprise Fund | 500,000 | - |
| Total | <u>\$ 65,981,808</u> | <u>\$ 65,981,808</u> |

B) **TRANSFERS:**

Transfers are used to a) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, b) move receipts from bond refundings and residual balances from capital project funds to the Debt Service Fund to pay debt obligations, and c) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Inter-fund transfers for the year ended September 30, 2013 were:

| | Transfers In | Transfers Out |
|-----------------------------|----------------------|----------------------|
| General Fund | \$ 17,983,165 | \$ 91,394,478 |
| Road and Bridge Fund | 6,860,969 | 374,326 |
| Debt Service Fund | 4,137,496 | 705,000 |
| Nonmajor Governmental Funds | 69,109,764 | 5,617,590 |
| Total | <u>\$ 98,091,394</u> | <u>\$ 98,091,394</u> |

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

MONTGOMERY COUNTY, TEXAS**Notes to the Financial Statements****September 30, 2013****NOTE 11- FUND BALANCES:**

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

| | General | Road and Bridge | Debt Service | Revenue/Toll Bonds Series 2010 | Pass-Through Toll Projects | Other Governmental Funds | Total Governmental Funds |
|---------------------|---------------|--------------------|---------------|--------------------------------------|-------------------------------|--------------------------------|-----------------------------|
| Fund Balances: | | | | | | | |
| Nonspendable | | | | | | | |
| Prepaid | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,565,419 | \$ 2,565,419 |
| Inventory | - | 88,946 | - | - | - | - | 88,946 |
| Restricted for: | | | | | | | |
| Capital Projects | - | - | - | 24,417,870 | - | 21,887,116 | 46,304,986 |
| Debt Service | - | - | 17,795,351 | - | - | - | 17,795,351 |
| General Admin | 71,803 | - | - | - | - | 5,563,220 | 5,635,023 |
| Financial Admin | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | 1,554,489 | 1,554,489 |
| Legal Services | 13,844 | - | - | - | - | 420,827 | 434,671 |
| Elections | - | - | - | - | - | 879,574 | 879,574 |
| Financial Admin | - | - | - | - | - | - | - |
| Public Facilities | 68,430 | - | - | - | - | - | 68,430 |
| Public Safety | 1,845,945 | - | - | - | - | 2,819,563 | 4,665,508 |
| Health & Welfare | - | - | - | - | - | 746,113 | 746,113 |
| Culture & Rec | - | - | - | - | - | 145,785 | 145,785 |
| Public Trans | 10,075 | - | - | - | 20,000,000 | 849,681 | 20,859,756 |
| Committed | | | | | | | - |
| General Admin | 4,425,301 | - | - | - | - | - | 4,425,301 |
| Public Facilities | 76,595 | - | - | - | - | - | 76,595 |
| Public Safety | 680,093 | - | - | - | - | - | 680,093 |
| Judicial | 10,864 | - | - | - | - | 575 | 11,439 |
| Health & Welfare | 1,512 | - | - | - | - | - | 1,512 |
| Culture & Rec | 1,492 | - | - | - | - | - | 1,492 |
| Public Trans | 714,042 | 11,970,158 | - | - | - | - | 12,684,200 |
| Capital Projects | - | - | - | - | - | 13,383,833 | 13,383,833 |
| Assigned to: | | | | | | | |
| OPEB Obligation | 30,000,000 | - | - | - | - | - | 30,000,000 |
| Judicial | - | - | - | - | - | 1,679,826 | 1,679,826 |
| Public Facilities | 840,582 | - | - | - | - | - | 840,582 |
| Health & Welfare | 242,674 | - | - | - | - | - | 242,674 |
| Culture & Rec | 1,189,099 | - | - | - | - | - | 1,189,099 |
| Public Trans | 4,178,487 | 10,038,752 | - | - | - | - | 14,217,239 |
| Unassigned | 35,336,437 | - | - | - | - | - | 35,336,437 |
| Total Fund Balances | \$ 79,707,275 | \$22,097,856 | \$ 17,795,351 | \$ 24,417,870 | \$ 20,000,000 | \$ 52,496,021 | \$ 216,514,373 |

NOTE 12- OPERATING LEASES:

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

Office Space- The County leases 4,474 square feet of office space to the Conroe Symphony Orchestra for a period of sixty months. The term of this lease is July 1, 2010 through June 30, 2015. The monthly rent of \$1,000 is recorded in the General Fund.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

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The County also leases office space at the East Montgomery County Community Development Building to Lakewood Family Practice and/or Dr. N. K. Karimjee, for a period of seventy-two months. The term of this lease is July 23, 2007 through July 1, 2014. The monthly rent of \$2,500 is recorded in the Community Development Fund. The building is recorded as a Capital Asset in the County's government-wide financial statements at a cost of \$2,142,290, less accumulated depreciation of \$471,768.

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

| <u>Year Ending</u> <u>September 30,</u> | |
|--|-------------------------|
| 2014 | 34,500 |
| 2015 | <u>9,000</u> |
| Total Lease Payments Receivable | <u><u>\$ 43,500</u></u> |

NOTE 13- RISK MANAGEMENT:

A) EMPLOYEE HEALTH BENEFITS:

Effective January, 1989, the County established a partially self-funded trust plan which offers medical and life insurance coverage to employees and their dependents. The County maintains excess loss insurance, which limits annual claims paid from the plan to a maximum of \$180,000 per plan participant. This excess loss reinsurance policy includes a contract provision that eliminates a large claim run off liability. A third party administrator is employed by the plan to administer claims. A trustee has been engaged to receive employer and employee contributions and to disburse payments to the providers of the plan. Costs relating to the plan are recorded as expenditures in the internal service fund. In prior years these costs were recorded in the General Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

The plan is funded to discharge liabilities as they become due. Claims incurred and reported, but not paid at September 30, 2013, were \$439,406. Claims incurred but not reported (IBNR) at September 30, 2013, are estimated to be \$2,592,486. Estimates are not based on actuarial calculations, but rather on historical trends. Both amounts have been recorded as expenditures in the Self Insurance Medical Fund, an internal service fund, and a liability has been established.

Changes in the health claims liability for the two fiscal years ended September 30, 2013 and September 30, 2012 are as follows:

| | <u>2013</u> | <u>2012</u> |
|----------------------------------|----------------------------|----------------------------|
| Unpaid claims, beginning of year | \$ 2,555,128 | \$ 2,579,400 |
| Incurred claims (includes IBNR) | 16,768,310 | 16,010,852 |
| Claim payments | <u>(16,291,546)</u> | <u>(16,035,124)</u> |
| Unpaid claims, end of year | <u><u>\$ 3,031,892</u></u> | <u><u>\$ 2,555,128</u></u> |

During the year ended September 30, 2013, the plan received contributions in the amounts of \$23,223,924 and \$2,087,473 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 \$820,181 in administrative costs and \$2,380,158 for reinsurance and insurance premiums.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

B) WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY:

As of January 1, 2003, the County established a partially self-funded program to cover claims by employees arising from job related injuries. The program offers coverage at the statutorily required limits required by the State of Texas. A third party administrator has been engaged by the County to adjudicate claims, provide nurse case management, pre-certification and bill review. Excess loss insurance was purchased to limit the claims loss to the County to no more than \$250,000 per individual claim in 2013.

Costs associated with this program are recorded as expenditures in the Self Insurance Workers' Compensation Fund, which is an Internal Service Fund. Prior to fiscal year 2011, these costs were recorded in the General Fund. Liabilities are recorded when it is probable that a loss has occurred and when an amount can be reasonably estimated. During the year ended September 30, 2013, the County expended \$51,255 for administrative costs and \$223,094 for excess loss insurance premiums.

Changes in the workers' compensation liability for the two fiscal years ended September 30, 2013 and September 30, 2012 are detailed on the following page.

| | <u>2013</u> | <u>2012</u> |
|---|---------------------|---------------------|
| Unpaid claims, beginning of year | \$ 1,366,531 | \$ 904,724 |
| Current year claims and changes in estimates (includes IBNR) | 374,650 | 1,115,094 |
| Claim payments | <u>(592,456)</u> | <u>(653,287)</u> |
| Unpaid claims, end of year | <u>\$ 1,148,725</u> | <u>\$ 1,366,531</u> |

C) PROPERTY, CASUALTY AND BOILER COVERAGE:

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

- Buildings and Contents \$100,000
- Boats and Vehicles with less than 6 wheels \$ 10,000
- Vehicles Heavy Equipment above 6 wheels \$ 25,000
- Boilers and HVAC systems \$ 1,500

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

The County paid \$444,858 in premiums in fiscal year 2013, and recorded the expenditure in the Accident Liability Fund. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

D) GENERAL AND OTHER LIABILITY COVERAGES:

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

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

Effective December 1, 2003, the County began participating in an individual public entity risk pool, for the coverages listed in subsections B, C, and D above, to transfer certain risks associated with property, casualty, liability and workers' compensation. In addition to those coverages, the County purchased an additional aggregate reinsurance policy. The aggregate coverage loss fund is written on a claims-made basis and is capped at \$1,500,000 for the fiscal year. Note 16 describes the County's obligation under liability claims for 2013.

NOTE 14- 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 618 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 12.27% for the months of the accounting year in 2012 and 2013.

The deposit rate payable by the employee members for calendar year 2013 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, 2013, the pension cost for the TCDRS plan was \$12,651,354, and the actual contributions were \$12,651,354.

In December 31, 2012, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included (a) 8 percent investment rate of return (net of administrative

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2012 was 20 years. Annual Pension Cost (APC) and Net Pension Asset (NPA) for TCDRS pension plan are as follows:

| | |
|--|----------------------------|
| | <u>2013</u> |
| Annual Required Contribution (ARC) | \$11,651,354 |
| Interest on NPA | (400,000) |
| Adjustment to annual required contribution | <u>541,835</u> |
| Annual Pension cost (expense) | 11,793,189 |
| Contributions made | <u>(12,651,354)</u> |
| Increase in Net Pension Asset | 858,165 |
| Net Pension Asset – beginning of year | <u>5,000,000</u> |
| Net Pension Asset – end of year | <u><u>\$ 5,858,165</u></u> |

D) FUNDED STATUS AND FUNDING PROGRESS:

As of December 31, 2012, the most recent actuarial valuation date, the plan was 84.39 percent funded. The actuarial accrued liability for benefits was \$266,677,326, and the actuarial value of assets was \$225,041,701, resulting in an unfunded actuarial accrued liability (UAAL) of \$41,635,625. The covered payroll was \$94,456,718, and the ratio of the UAAL to the covered payroll was 44.08 percent.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E) TREND INFORMATION:

| <u>Accounting Year Ended</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Asset</u> |
|----------------------------------|--------------------------------------|--|------------------------------|
| 9/30/11 | 10,335,000 | 100% | - |
| 9/30/12 | 10,220,578 | 100% | 5,000,000 |
| 9/30/13 | 11,793,189 | 100% | 5,858,165 |

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

A) PLAN DESCRIPTION:

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

Additionally, the County offers an employee-funded health benefit to those who do not meet the above criteria. The County is obligated to provide this benefit subject to requirements of Chapter 175 of the Texas Local Government Code. Contribution levels are determined by

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

Commissioner's Court on a year-to-year basis. The benefit level is the same as that for a full time regular employee, as further disclosed in Note 13-A.

B) FUNDING POLICY:

Montgomery County's optional post-retirement benefit liability is recorded on a full accrual basis in the government-wide statements. An actuarial study was performed for Fiscal year 2013 to prepare for disclosure of this liability in accordance with GASB 45. The projected liability accrual for fiscal year 2013 has been recorded net of premium contributions received from retired employees as required in the plan. Management funds this benefit on a "pay-as-you-go" basis.

During the year, the County incurred \$1,832,829 in health care claims for retirees and their dependents. For the year ended September 30, 2013, twenty-nine employees retired from service with the County and met the qualifications stated in Part A above. Currently, there are 234 retirees covered by this benefit. The actual cost recorded by the County is included in Note 12. Retiree contributions for 2013 were \$232,021, and the County paid the remaining amount of claims. The current ARC is 13.5 percent of annual covered payroll.

C) ANNUAL OPEB COST AND NET OPEB OBLIGATION:

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

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

| | <u>2013</u> | <u>2012</u> |
|--|---------------------|----------------------|
| Annual Required Contribution | \$11,969,282 | \$ 9,036,399 |
| Interest on net OPEB Obligation | (996,668) | (843,755) |
| Adjustment to annual required contribution | 1,078,962 | 1,002,431 |
| Annual OPEB cost (expense) | 12,051,576 | 9,195,075 |
| Contributions made | (1,832,829) | (2,262,618) |
| Increase in Net OPEB obligation | 10,218,747 | 6,932,457 |
| Net OPEB obligation – beginning of year | 26,504,399 | 19,571,942 |
| Net OPEB obligation – end of year | <u>\$36,723,146</u> | <u>\$ 26,504,399</u> |

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

| <u>Fiscal</u> <u>Year</u> <u>Ended</u> | <u>Annual</u> <u>OPEB Cost</u> | <u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u> | <u>Net</u> <u>OPEB</u> <u>Obligation</u> |
|--|-----------------------------------|---|--|
| 9/30/11 | 9,130,314 | 23% | 19,571,942 |
| 9/30/12 | 9,195,075 | 24.7% | 26,504,399 |
| 9/30/13 | 12,051,576 | 15.3% | 36,723,146 |

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

D) FUNDED STATUS AND FUNDING PROGRESS:

As of September 30, 2013, the most recent actuarial valuation date, the funded status of the plan was as follows:

| | |
|---|----------------------|
| Actuarial Accrued Liability (AAL) | \$141,101,876 |
| Actuarial Value of Plan Assets | 0 |
| Unfunded Actuarial Liability (UAAL) | <u>\$141,101,876</u> |
| Funded Ratio | 0% |
| Annualized Covered Payroll | <u>\$ 88,644,897</u> |
| UAAL as a percentage of Covered Payroll | 159.2% |

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

E) ACTUARIAL METHODS AND ASSUMPTIONS:

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

| | |
|-------------------------------|--------------------------------|
| Actuarial Valuation Date | September 30, 2013 |
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level percent of payroll, open |
| Remaining Amortization Period | 30 years |
| Actuarial Assumptions: | |
| Inflation Rate | 3% |
| Discount Rate | 4% |
| Projected salary increases | 3% annually |
| Medical Trend Rate | 5% |

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

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

NOTE 16- CONTINGENT LIABILITIES:

A) GENERAL LIABILITIES:

For fiscal year 2013, the County participated in a public entity risk pool, to which certain losses arising from liability claims were transferred. The premium for this coverage, \$281,861, was recorded in the Accident Liability Fund, as part of the Internal Service Funds. In addition, the County expended \$75,793 for damages in connection with five 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 \$147,187 for legal counsel to defend existing claims. These costs are accounted for in the Accident Liability Fund. The County intends to vigorously contest all the cases, and legal counsel is of the opinion that the County will prevail in all cases which may have a material effect on the financial position of the County. For additional information on the County's coverage amounts see Note 13-D.

NOTE 17- 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. 65, *Items Previously Reported as Assets and Liabilities*, this statement will reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement will be effective for the County for the fiscal year ending September 30, 2014.

GASB Statement No. 66, *Technical Corrections*, will improve financial reporting by resolving conflicting guidance that resulted from the issuance of GASB 54 and 62. The requirements of this statement resolve conflicting financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. This statement will be effective for the County for the fiscal year ending September 30, 2014.

GASB Statement No. 68, *Financial Reporting for Pensions*, will improve financial reporting by state and local governments for pensions. This statement will be effective for the County for the fiscal year ending September 30, 2015.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, will improve financial reporting related to government combinations and disposals of government operations. Government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This statement will be effective for the County for the fiscal year ending September 30, 2014.

MONTGOMERY COUNTY, TEXAS

Notes to the Financial Statements

September 30, 2013

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, will augment accounting and reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement will be effective for the County for the fiscal year ending September 30, 2014.

GASB Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, amends GASB Statement No. 68 to require that, at transition, a government recognize a beginning outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. This statement will be effective for the County for the fiscal year ending September 30, 2015.

NOTE 18- SUBSEQUENT EVENTS:

On February 14, 2014, the County issued \$28,250,000 in Limited Tax Refunding Bonds, the proceeds of which refunded a portion of the County's outstanding Limited Tax Refunding Bonds, Series 2005.

NOTE 19- PRIOR PERIOD ADJUSTMENT:

A Prior period adjustment totaling \$5,000,000 was made to include a Net Pension Asset in the government-wide statements that was not recognized in fiscal year 2012.



MONTGOMERY COUNTY, TEXAS
Required Supplementary Information
September 30, 2013

Texas County and District Retirement System
Schedule of Funding Progress
(Amounts expressed in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Annual Covered Payroll ⁽¹⁾ | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|---------------------------------|--|---------------------------|-----------------|---|---|
| | (a) | (b) | (b-a) | (a/b) | (c) | |
| 12/31/10 | 194,161 | 231,288 | 37,127 | 83.95% | 88,994 | 41.72% |
| 12/31/11 | 208,528 | 250,099 | 41,571 | 83.38% | 92,694 | 44.85% |
| 12/31/12 | 225,042 | 266,677 | 41,636 | 84.39% | 94,457 | 44.08% |

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

Other Post Employment Benefits (OPEB)
Schedule of Funding Progress
(Amounts expressed in thousands)

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

ADDITIONAL SUPPLEMENTARY INFORMATION

GENERAL FUND

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

MANAGERIAL FUNDS

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

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

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

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

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

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

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

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



MONTGOMERY COUNTY, TEXAS

General Fund

Combining Balance Sheet

September 30, 2013

A-1

| | General Fund | General Fund Managerial Funds | Total General Fund |
|----------------------------|------------------------------|-------------------------------------|------------------------------|
| <u>ASSETS:</u> | | | |
| Cash | \$ 42,137,215 | \$ 654,555 | \$ 42,791,770 |
| Investments, at Fair Value | 87,302,777 | 610,914 | 87,913,691 |
| Receivables: | | | |
| Taxes (net) | 4,727,938 | - | 4,727,938 |
| Accounts (net) | 2,953,541 | 360,193 | 3,313,734 |
| Loans | 500,000 | - | 500,000 |
| Due from Other Funds | 7,104,093 | 9,387,240 | 16,491,333 |
| Due from Other Governments | 5,403,806 | 23,913 | 5,427,719 |
| <u>TOTAL ASSETS</u> | <u>\$ 150,129,370</u> | <u>\$ 11,036,815</u> | <u>\$ 161,166,185</u> |

LIABILITIES AND FUND BALANCES:

LIABILITIES:

| | | | |
|--------------------------|-------------------|------------------|-------------------|
| Accounts Payable | \$ 12,127,680 | \$ 416,250 | \$ 12,543,930 |
| Due to Other Funds | 57,463,876 | 60,492 | 57,524,368 |
| Due to Other Governments | 5,110 | - | 5,110 |
| Deferred Revenue | 8,014,182 | 3,371,320 | 11,385,502 |
| Total Liabilities | <u>77,610,848</u> | <u>3,848,062</u> | <u>81,458,910</u> |

FUND BALANCES:

| | | | |
|---------------------|-------------------|------------------|-------------------|
| Restricted | 1,989,501 | 20,596 | 2,010,097 |
| Committed | 5,192,584 | 717,315 | 5,909,899 |
| Assigned | 30,000,000 | 6,450,842 | 36,450,842 |
| Unassigned | 35,336,437 | - | 35,336,437 |
| Total Fund Balances | <u>72,518,522</u> | <u>7,188,753</u> | <u>79,707,275</u> |

**TOTAL LIABILITIES AND
FUND BALANCES**

| | | |
|-----------------------|----------------------|-----------------------|
| <u>\$ 150,129,370</u> | <u>\$ 11,036,815</u> | <u>\$ 161,166,185</u> |
|-----------------------|----------------------|-----------------------|

MONTGOMERY COUNTY, TEXAS

General Fund

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

Year Ended September 30, 2013

A-2

| | General Fund | General Fund Managerial Funds | Total General Fund |
|--|-----------------------------|-------------------------------------|-----------------------------|
| <u>REVENUES:</u> | | | |
| Taxes | \$ 137,086,729 | \$ - | \$ 137,086,729 |
| Licenses and Permits | 1,379,009 | 83,447 | 1,462,456 |
| Fees | 15,389,447 | 136,496 | 15,525,943 |
| Intergovernmental | 4,221,506 | 587,826 | 4,809,332 |
| Charges for Services | 1,198,768 | 901,121 | 2,099,889 |
| Interest | 360,844 | 3,049 | 363,893 |
| Contract Reimbursements | 11,379,593 | - | 11,379,593 |
| Inmate Housing | 29,373,490 | - | 29,373,490 |
| Fines and Forfeitures | 84,318 | - | 84,318 |
| Miscellaneous | 1,533,496 | 46,904 | 1,580,400 |
| <u>TOTAL REVENUES</u> | <u>202,007,200</u> | <u>1,758,843</u> | <u>203,766,043</u> |
| <u>EXPENDITURES:</u> | | | |
| Current: | | | |
| General Administration | 21,225,662 | - | 21,225,662 |
| Judicial | 17,538,578 | - | 17,538,578 |
| Legal Services | 2,405,278 | 137,385 | 2,542,663 |
| Elections | 1,087,449 | - | 1,087,449 |
| Financial Administration | 6,237,027 | - | 6,237,027 |
| Public Facilities | 53,949,709 | 1,044,542 | 54,994,251 |
| Public Safety | 58,129,418 | - | 58,129,418 |
| Health and Welfare | 5,615,646 | 1,510,853 | 7,126,499 |
| Culture and Recreation | - | 8,643,233 | 8,643,233 |
| Conservation | 578,918 | - | 578,918 |
| Public Transportation | - | 694,923 | 694,923 |
| <u>TOTAL EXPENDITURES</u> | <u>166,767,685</u> | <u>12,030,936</u> | <u>178,798,621</u> |
| Excess (Deficiency) Revenues Over Expenditures | 35,239,515 | (10,272,093) | 24,967,422 |
| <u>OTHER FINANCING SOURCES/(USES)</u> | | | |
| Transfers In | 6,574,514 | 11,408,651 | 17,983,165 |
| Transfers Out | (91,131,504) | (262,974) | (91,394,478) |
| Sale of Capital Asset | 65,000,000 | - | 65,000,000 |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>(19,556,990)</u> | <u>11,145,677</u> | <u>(8,411,313)</u> |
| Net Change in Fund Balances | 15,682,525 | 873,584 | 16,556,109 |
| Fund Balances at Beginning of Year | 56,835,997 | 6,315,169 | 63,151,166 |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 72,518,522</u> | <u>\$ 7,188,753</u> | <u>\$ 79,707,275</u> |

MONTGOMERY COUNTY, TEXAS

General Fund

Balance Sheet

September 30, 2013

A-3

| | <u>General Fund</u> |
|--|------------------------------|
| <u>ASSETS:</u> | |
| Cash | \$ 42,137,215 |
| Investments, at Fair Value | 87,302,777 |
| Receivables: | |
| Taxes (net) | 4,727,938 |
| Accounts (net) | 2,953,541 |
| Loans | 500,000 |
| Due from Other Funds | 7,104,093 |
| Due from Other Governments | 5,403,806 |
| <u>TOTAL ASSETS</u> | <u>\$ 150,129,370</u> |
| <u>LIABILITIES AND FUND BALANCES:</u> | |
| Liabilities: | |
| Accounts Payable | \$ 12,127,680 |
| Due to Other Funds | 57,463,876 |
| Due to Other Governments | 5,110 |
| Deferred Revenue | 8,014,182 |
| Total liabilities | <u>77,610,848</u> |
| Fund Balances: | |
| Restricted | 1,989,501 |
| Committed | 5,192,584 |
| Assigned | 30,000,000 |
| Unassigned | 35,336,437 |
| Total Fund Balances | <u>72,518,522</u> |
| <u>TOTAL LIABILITIES AND</u> | |
| <u>FUND BALANCES</u> | <u>\$ 150,129,370</u> |

MONTGOMERY COUNTY, TEXAS**General Fund****Schedule of Revenues and Other Financing Sources****Budget (GAAP Basis) and Actual Year Ended September 30, 2013**

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| <u>TAXES:</u> | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-----------------------|--------------------|-----------------|----------------|-------------------------------|
| Ad Valorem Current | \$ 132,205,400 | \$ 132,205,400 | \$ 131,903,715 | \$ (301,685) |
| Ad Valorem Delinquent | 1,191,400 | 1,191,400 | 1,537,366 | 345,966 |
| Penalty and Interest | 918,400 | 918,400 | 1,098,820 | 180,420 |
| Mixed Beverage | 1,100,000 | 1,100,000 | 1,384,133 | 284,133 |
| Bingo Tax | 175,000 | 175,000 | 193,822 | 18,822 |
| Miscellaneous Taxes | 150,000 | 111,187 | 968,873 | 857,686 |
| Total Taxes | 135,740,200 | 135,701,387 | 137,086,729 | 1,385,342 |

LICENSES AND PERMITS:

| | | | | |
|----------------------------|-----------|-----------|-----------|----------|
| Beer Licenses | 48,754 | 48,754 | 157,905 | 109,151 |
| Trial Fees | 4,000 | 4,000 | 5,200 | 1,200 |
| Health Permits | 300,000 | 300,000 | 451,695 | 151,695 |
| Park Fees | 50,000 | - | - | - |
| Animal Control Transport | 15,000 | 15,000 | 24,928 | 9,928 |
| Food Service Permits | 425,000 | 425,000 | 501,910 | 76,910 |
| Alarm Permits | 250,000 | 250,997 | 210,192 | (40,805) |
| Hazardous Waste Mgmt Fees | 20,000 | 20,000 | 27,179 | 7,179 |
| Total Licenses and Permits | 1,112,754 | 1,063,751 | 1,379,009 | 315,258 |

FEES:

| | | | | |
|------------------------|------------|------------|------------|-----------|
| County Judge | 13,000 | 13,000 | 13,859 | 859 |
| County Sheriff | 350,000 | 350,000 | 444,396 | 94,396 |
| County Attorney | 81,300 | 81,300 | 101,374 | 20,074 |
| County Clerk | 3,250,000 | 3,350,900 | 3,869,385 | 518,485 |
| Tax Assessor-Collector | 1,385,475 | 1,386,975 | 3,700,967 | 2,313,992 |
| District Clerk | 1,225,000 | 1,225,000 | 1,471,179 | 246,179 |
| Justice of the Peace | 4,600,000 | 4,600,000 | 4,842,639 | 242,639 |
| Constable | 400,000 | 419,558 | 499,520 | 79,962 |
| Voter Registration | 100 | 100 | 182 | 82 |
| Community Restitution | - | 982 | 31,706 | 30,724 |
| Criminal Justice Fees | 376,000 | 376,000 | 414,240 | 38,240 |
| Total Fees | 11,680,875 | 11,803,815 | 15,389,447 | 3,585,632 |

INTERGOVERNMENTAL:

Federal Grants:

| | | | | |
|--|---------|-----------|-----------|-----------|
| Department of Agriculture | 38,539 | 52,903 | 52,903 | - |
| Dept Health/Human Services | - | - | 38,171 | 38,171 |
| Department of Homeland Security | - | 1,035,005 | 2,077,031 | 1,042,026 |
| Department of Justice | 75,000 | 337,270 | 419,580 | 82,310 |
| Department of Transportation | - | 156,839 | 154,689 | (2,150) |
| Office of National Drug Control Policy | - | 32,920 | 20,596 | (12,324) |
| Department of Energy | - | - | 185,259 | 185,259 |
| Total Federal Grants | 113,539 | 1,614,937 | 2,948,229 | 1,333,292 |

MONTGOMERY COUNTY, TEXAS
General Fund
Schedule of Revenues and Other Financing Sources
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

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| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|-----------------|----------------|-------------------------------|
| INTERGOVERNMENTAL(cont'd) | | | | |
| State Grants: | | | | |
| Auto Theft Prevention Authority | - | 391,210 | 389,332 | (1,878) |
| Office of the Attorney General | - | 27,715 | 29,052 | 1,337 |
| Tx Comm on Environmental Quality | - | 178,630 | 197,755 | 19,125 |
| Total State Grants | - | 597,555 | 616,139 | 18,584 |
| Other: | | | | |
| U.S. Marshal Transportation | - | 22,621 | 22,621 | - |
| Prosecutor Salary Supplement | 22,500 | 514,000 | 548,190 | 34,190 |
| Intergovernmental Contracts | - | 32,659 | 30,980 | (1,679) |
| Voter Registration | - | 55,348 | 55,347 | (1) |
| Total Other | 22,500 | 624,628 | 657,138 | 32,510 |
| Total Intergovernmental | 136,039 | 2,837,120 | 4,221,506 | 1,384,386 |
| <u>CHARGES FOR SERVICES</u> | 715,200 | 715,200 | 1,198,768 | 483,568 |
| <u>INTEREST</u> | 319,947 | 319,947 | 360,844 | 40,897 |
| <u>CONTRACT REIMBURSEMENTS</u> | 9,080,862 | 11,648,869 | 11,379,593 | (269,276) |
| <u>INMATE HOUSING</u> | 20,883,737 | 34,935,809 | 29,373,490 | (5,562,319) |
| <u>FINES AND FORFEITURES</u> | 50,000 | 50,000 | 84,318 | 34,318 |
| <u>MISCELLANEOUS:</u> | | | | |
| Lease of Facility | 325,000 | 20,000 | 21,435 | 1,435 |
| Commissions | 545,000 | 611,531 | 717,833 | 106,302 |
| Other | 20,000 | 668,871 | 794,228 | 125,357 |
| Total Miscellaneous | 890,000 | 1,300,402 | 1,533,496 | 233,094 |
| <u>TOTAL REVENUES</u> | 180,609,614 | 200,376,300 | 202,007,200 | 1,630,900 |
| <u>OTHER FINANCING SOURCES:</u> | | | | |
| Transfers In | - | 981,769 | 6,574,514 | 5,592,745 |
| Sale of Capital Asset | - | 64,502,187 | 65,000,000 | 497,813 |
| <u>TOTAL OTHER FINANCING SOURCES</u> | - | 65,483,956 | 71,574,514 | 6,090,558 |
| <u>TOTAL REVENUES AND OTHER FINANCING SOURCES</u> | \$ 180,609,614 | \$ 265,860,256 | \$ 273,581,714 | \$ 7,721,458 |

MONTGOMERY COUNTY, TEXAS
General Fund
Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

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| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|--------------------|------------------|------------------|-------------------------------|
| <u>GENERAL ADMINISTRATION:</u> | | | | |
| County Judge: | | | | |
| Salaries | \$ 379,493 | \$ 379,493 | \$ 379,483 | \$ 10 |
| Employee Benefits | 133,187 | 128,579 | 128,571 | 8 |
| Supplies | 8,300 | 8,300 | 4,906 | 3,394 |
| Contract Services | 13,500 | 43,618 | 35,293 | 8,325 |
| Total County Judge | <u>534,480</u> | <u>559,990</u> | <u>548,253</u> | <u>11,737</u> |
| Human Resources: | | | | |
| Salaries | 342,734 | 342,735 | 342,735 | - |
| Employee Benefits | 137,589 | 135,681 | 135,681 | - |
| Supplies | 9,600 | 9,710 | 7,718 | 1,992 |
| Contract Services | 79,583 | 79,472 | 54,568 | 24,904 |
| Total Human Resources | <u>569,506</u> | <u>567,598</u> | <u>540,702</u> | <u>26,896</u> |
| Risk Management: | | | | |
| Salaries | 438,146 | 436,146 | 436,134 | 12 |
| Employee Benefits | 168,265 | 164,101 | 164,091 | 10 |
| Supplies | 28,113 | 32,739 | 29,980 | 2,759 |
| Contract Services | 213,492 | 218,185 | 96,259 | 121,926 |
| Total Risk Management | <u>848,016</u> | <u>851,171</u> | <u>726,464</u> | <u>124,707</u> |
| County Clerk: | | | | |
| Salaries | 1,474,598 | 1,414,598 | 1,414,352 | 246 |
| Employee Benefits | 747,557 | 696,357 | 695,801 | 556 |
| Supplies | 48,500 | 48,805 | 38,028 | 10,777 |
| Contract Services | 28,860 | 28,860 | 24,482 | 4,378 |
| Total County Clerk | <u>2,299,515</u> | <u>2,188,620</u> | <u>2,172,663</u> | <u>15,957</u> |
| Collections: | | | | |
| Salaries | 285,826 | 227,826 | 227,679 | 147 |
| Employee Benefits | 138,334 | 116,634 | 116,425 | 209 |
| Supplies | 9,000 | 9,900 | 9,500 | 400 |
| Contract Services | 56,097 | 61,197 | 41,843 | 19,354 |
| Total Collections | <u>489,257</u> | <u>415,557</u> | <u>395,447</u> | <u>20,110</u> |
| Environmental Health/Alarm Division: | | | | |
| Salaries | 65,921 | 2,535 | 2,535 | - |
| Employee Benefits | 36,431 | 2,236 | 2,235 | 1 |
| Supplies | 19,869 | - | - | - |
| Contract Services | 12,619 | 498 | 498 | - |
| Total Collections | <u>134,840</u> | <u>5,269</u> | <u>5,268</u> | <u>1</u> |

MONTGOMERY COUNTY, TEXAS
General Fund
Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

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| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------------|--------------------------|--------------------------|-------------------------------|
| <u>GENERAL ADMINISTRATION(cont'd)</u> | | | | |
| Veterans' Service: | | | | |
| Salaries | 146,185 | 146,185 | 146,185 | - |
| Employee Benefits | 63,940 | 62,884 | 62,799 | 85 |
| Supplies | 2,578 | 2,578 | 2,299 | 279 |
| Contract Services | 2,107 | 2,607 | 2,456 | 151 |
| Total Veterans' Service | 214,810 | 214,254 | 213,739 | 515 |
| Information Technology: | | | | |
| Salaries | 1,860,601 | 1,852,901 | 1,839,848 | 13,053 |
| Employee Benefits | 647,590 | 649,330 | 649,294 | 36 |
| Supplies | 1,326,461 | 1,371,670 | 1,222,528 | 149,142 |
| Contract Services | 2,874,101 | 2,537,096 | 805,951 | 1,731,145 |
| Capital Outlay | 150,000 | 2,107,160 | 1,137,370 | 969,790 |
| Total Information Technology | 6,858,753 | 8,518,157 | 5,654,991 | 2,863,166 |
| Purchasing Agent: | | | | |
| Salaries | 1,283,041 | 1,259,143 | 1,257,954 | 1,189 |
| Employee Benefits | 486,885 | 464,222 | 462,325 | 1,897 |
| Supplies | 14,732 | 16,332 | 15,058 | 1,274 |
| Contract Services | 222,027 | 335,483 | 283,221 | 52,262 |
| Capital Outlay | 22,855 | 44,003 | 24,098 | 19,905 |
| Total Purchasing Agent | 2,029,540 | 2,119,183 | 2,042,656 | 76,527 |
| County-Wide: | | | | |
| Salaries | 194,500 | 194,500 | - | 194,500 |
| Employee Benefits | 2,931,500 | 3,931,500 | 3,931,500 | - |
| Supplies | 751,500 | 755,360 | 668,387 | 86,973 |
| Contract Services | 6,719,024 | 5,225,537 | 4,325,592 | 899,945 |
| Total County-Wide | 10,596,524 | 10,106,897 | 8,925,479 | 1,181,418 |
| <u>TOTAL GENERAL ADM</u> | <u>24,575,241</u> | <u>25,546,696</u> | <u>21,225,662</u> | <u>4,321,034</u> |
| <u>JUDICIAL:</u> | | | | |
| County Court No1: | | | | |
| Salaries | 243,373 | 318,041 | 318,023 | 18 |
| Employee Benefits | 109,254 | 105,011 | 104,980 | 31 |
| Supplies | 5,374 | 5,024 | 3,710 | 1,314 |
| Contract Services | 6,125 | 6,663 | 6,245 | 418 |
| Total County Court No1 | 364,126 | 434,739 | 432,958 | 1,781 |
| County Court No2: | | | | |
| Salaries | 451,777 | 520,445 | 520,416 | 29 |
| Employee Benefits | 197,157 | 187,206 | 187,135 | 71 |
| Supplies | 4,304 | 10,119 | 7,337 | 2,782 |
| Contract Services | 10,696 | 8,647 | 8,280 | 367 |
| Total County Court No2 | 663,934 | 726,417 | 723,168 | 3,249 |

MONTGOMERY COUNTY, TEXAS**General Fund****Schedule of Expenditures and Other Financing Uses**
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

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| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--------------------------------|--------------------|-----------------|-----------|-------------------------------|
| <u>JUDICIAL(cont'd)</u> | | | | |
| County Court No3: | | | | |
| Salaries | 244,459 | 442,735 | 442,709 | 26 |
| Employee Benefits | 109,727 | 140,535 | 140,345 | 190 |
| Supplies | 9,570 | 12,907 | 10,359 | 2,548 |
| Contract Services | 9,145 | 12,036 | 9,409 | 2,627 |
| Total County Court No3 | 372,901 | 608,213 | 602,822 | 5,391 |
| County Court No4: | | | | |
| Salaries | 245,589 | 321,399 | 321,399 | - |
| Employee Benefits | 109,689 | 106,004 | 105,983 | 21 |
| Supplies | 8,655 | 11,148 | 9,547 | 1,601 |
| Contract Services | 6,080 | 7,749 | 5,990 | 1,759 |
| Total County Court No4 | 370,013 | 446,300 | 442,919 | 3,381 |
| County Court No5: | | | | |
| Salaries | 228,003 | 303,824 | 303,802 | 22 |
| Employee Benefits | 106,233 | 102,046 | 102,029 | 17 |
| Supplies | 8,830 | 8,830 | 3,814 | 5,016 |
| Contract Services | 7,200 | 6,911 | 4,873 | 2,038 |
| Total County Court No5 | 350,266 | 421,611 | 414,518 | 7,093 |
| District Attorney: | | | | |
| Salaries | 6,014,853 | 6,206,829 | 6,135,780 | 71,049 |
| Employee Benefits | 2,228,304 | 2,203,502 | 2,201,495 | 2,007 |
| Supplies | 144,293 | 149,656 | 149,019 | 637 |
| Contract Services | 137,379 | 215,833 | 201,065 | 14,768 |
| Capital Outlay | 38,508 | 85,206 | 26,994 | 58,212 |
| Total District Attorney | 8,563,337 | 8,861,026 | 8,714,353 | 146,673 |
| District Clerk: | | | | |
| Salaries | 2,070,449 | 1,994,449 | 1,994,394 | 55 |
| Employee Benefits | 1,089,237 | 1,018,837 | 1,018,398 | 439 |
| Supplies | 94,256 | 94,680 | 75,228 | 19,452 |
| Contract Services | 49,879 | 52,385 | 48,171 | 4,214 |
| Capital Outlay | - | 2,272 | 2,272 | - |
| Total District Clerk | 3,303,821 | 3,162,623 | 3,138,463 | 24,160 |

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses

Budget (GAAP Basis) and Actual Year Ended September 30, 2013

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| <u>JUDICIAL(cont'd)</u> | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--------------------------------|--------------------------|--------------------------|--------------------------|-------------------------------|
| Justice of Peace Pct 1: | | | | |
| Salaries | 399,575 | 399,735 | 399,735 | - |
| Employee Benefits | 172,684 | 169,734 | 169,721 | 13 |
| Supplies | 11,949 | 13,019 | 11,676 | 1,343 |
| Contract Services | 25,255 | 36,185 | 23,848 | 12,337 |
| Total Justice of Peace Pct 1 | 609,463 | 618,673 | 604,980 | 13,693 |
| Justice of Peace Pct 2: | | | | |
| Salaries | 298,591 | 282,591 | 281,995 | 596 |
| Employee Benefits | 129,103 | 108,863 | 108,556 | 307 |
| Supplies | 8,040 | 8,040 | 7,533 | 507 |
| Contract Services | 35,525 | 35,536 | 16,733 | 18,803 |
| Total Justice of Peace Pct 2 | 471,259 | 435,030 | 414,817 | 20,213 |
| Justice of Peace Pct 3: | | | | |
| Salaries | 580,115 | 571,032 | 570,950 | 82 |
| Employee Benefits | 278,329 | 265,803 | 265,709 | 94 |
| Supplies | 13,791 | 13,521 | 13,484 | 37 |
| Contract Services | 26,025 | 29,283 | 15,954 | 13,329 |
| Total Justice of Peace Pct 3 | 898,260 | 879,639 | 866,097 | 13,542 |
| Justice of Peace Pct 4: | | | | |
| Salaries | 502,150 | 501,450 | 501,412 | 38 |
| Employee Benefits | 251,010 | 246,006 | 245,995 | 11 |
| Supplies | 9,603 | 9,824 | 9,659 | 165 |
| Contract Services | 31,568 | 33,809 | 22,814 | 10,995 |
| Total Justice of Peace Pct 4 | 794,331 | 791,089 | 779,880 | 11,209 |
| Justice of Peace Pct 5: | | | | |
| Salaries | 273,286 | 273,286 | 273,286 | - |
| Employee Benefits | 112,132 | 111,124 | 110,592 | 532 |
| Supplies | 9,362 | 7,612 | 7,463 | 149 |
| Contract Services | 16,470 | 28,220 | 12,262 | 15,958 |
| Total Justice of Peace Pct 5 | 411,250 | 420,242 | 403,603 | 16,639 |
| <u>TOTAL JUDICIAL</u> | <u>17,172,961</u> | <u>17,805,602</u> | <u>17,538,578</u> | <u>267,024</u> |
| <u>LEGAL:</u> | | | | |
| County Attorney: | | | | |
| Salaries | 1,773,565 | 1,657,379 | 1,653,011 | 4,368 |
| Employee Benefits | 665,703 | 568,942 | 567,558 | 1,384 |
| Supplies | 31,530 | 73,473 | 67,087 | 6,386 |
| Contract Services | 23,050 | 127,329 | 117,622 | 9,707 |
| <u>TOTAL LEGAL</u> | <u>2,493,848</u> | <u>2,427,123</u> | <u>2,405,278</u> | <u>21,845</u> |

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses

Budget (GAAP Basis) and Actual Year Ended September 30, 2013

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| <u>ELECTIONS:</u> | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|
| Salaries | 722,869 | 746,247 | 739,596 | 6,651 |
| Employee Benefits | 259,427 | 261,235 | 224,437 | 36,798 |
| Supplies | 55,700 | 56,422 | 32,128 | 24,294 |
| Contract Services | 56,526 | 75,793 | 67,301 | 8,492 |
| Capital Outlay | - | 37,733 | 23,987 | 13,746 |
| <u>TOTAL ELECTIONS</u> | <u>1,094,522</u> | <u>1,177,430</u> | <u>1,087,449</u> | <u>89,981</u> |

FINANCIAL ADMINISTRATION:

County Auditor:

| | | | | |
|----------------------|------------------|------------------|------------------|--------------|
| Salaries | 1,288,837 | 1,223,837 | 1,223,761 | 76 |
| Employee Benefits | 535,500 | 482,400 | 481,601 | 799 |
| Supplies | 23,200 | 21,257 | 19,492 | 1,765 |
| Contract Services | 40,715 | 37,564 | 31,258 | 6,306 |
| Capital Outlay | - | 4,238 | 4,238 | - |
| Total County Auditor | <u>1,888,252</u> | <u>1,769,296</u> | <u>1,760,350</u> | <u>8,946</u> |

County Treasurer:

| | | | | |
|------------------------|----------------|----------------|----------------|--------------|
| Salaries | 439,961 | 430,961 | 430,786 | 175 |
| Employee Benefits | 180,098 | 170,848 | 170,673 | 175 |
| Supplies | 12,031 | 14,553 | 9,809 | 4,744 |
| Contract Services | 19,543 | 16,709 | 15,293 | 1,416 |
| Total County Treasurer | <u>651,633</u> | <u>633,071</u> | <u>626,561</u> | <u>6,510</u> |

Tax Assessor-Collector:

| | | | | |
|------------------------------|------------------|------------------|------------------|----------------|
| Salaries | 2,652,551 | 2,487,551 | 2,476,326 | 11,225 |
| Employee Benefits | 1,250,835 | 1,135,035 | 1,133,640 | 1,395 |
| Supplies | 155,100 | 153,800 | 84,619 | 69,181 |
| Contract Services | 239,409 | 292,348 | 123,652 | 168,696 |
| Capital Outlay | 19,440 | 37,440 | 31,879 | 5,561 |
| Total Tax Assessor-Collector | <u>4,317,335</u> | <u>4,106,174</u> | <u>3,850,116</u> | <u>256,058</u> |

TOTAL FINANCIAL ADM

| | | | |
|------------------|------------------|------------------|----------------|
| <u>6,857,220</u> | <u>6,508,541</u> | <u>6,237,027</u> | <u>271,514</u> |
|------------------|------------------|------------------|----------------|

PUBLIC FACILITIES:

Custodial Services:

| | | | | |
|--------------------------|------------------|------------------|------------------|---------------|
| Salaries | 1,781,564 | 1,756,564 | 1,754,568 | 1,996 |
| Employee Benefits | 826,922 | 760,422 | 759,248 | 1,174 |
| Supplies | 387,810 | 386,392 | 362,479 | 23,913 |
| Contract Services | 88,521 | 107,025 | 96,860 | 10,165 |
| Capital Outlay | 21,876 | 28,207 | 21,160 | 7,047 |
| Total Custodial Services | <u>3,106,693</u> | <u>3,038,610</u> | <u>2,994,315</u> | <u>44,295</u> |

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

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| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-----------------|------------|-------------------------------|
| <u>PUBLIC FACILITIES (cont'd):</u> | | | | |
| Building Maintenance: | | | | |
| Salaries | 1,960,605 | 1,940,605 | 1,940,387 | 218 |
| Employee Benefits | 878,270 | 835,470 | 835,447 | 23 |
| Supplies | 970,014 | 1,023,019 | 902,357 | 120,662 |
| Contract Services | 778,651 | 1,593,548 | 1,213,721 | 379,827 |
| Capital Outlay | 102,264 | 224,573 | 220,656 | 3,917 |
| Total Building Maintenance | 4,689,804 | 5,617,215 | 5,112,568 | 504,647 |
| Jail: | | | | |
| Salaries | 11,184,373 | 11,184,663 | 11,105,132 | 79,531 |
| Employee Benefits | 5,566,651 | 5,545,594 | 5,128,069 | 417,525 |
| Supplies | 1,994,977 | 2,227,086 | 2,040,613 | 186,473 |
| Contract Services | 926,250 | 9,840,646 | 9,692,525 | 148,121 |
| Capital Outlay | 15,507 | 57,695 | 57,695 | - |
| Total Jail | 19,687,758 | 28,855,684 | 28,024,034 | 831,650 |
| Joe Corley Detention Facility: | | | | |
| Contract Services | 17,440,256 | 22,717,845 | 17,818,792 | 4,899,053 |
| Total Joe Corley Detention Facility | 17,440,256 | 22,717,845 | 17,818,792 | 4,899,053 |
| Magnolia Park: | | | | |
| Capital Outlay | - | 71,803 | - | 71,803 |
| Total Magnolia Park | - | 71,803 | - | 71,803 |
| <u>TOTAL PUBLIC FACILITIES</u> | 44,924,511 | 60,301,157 | 53,949,709 | 6,351,448 |
| <u>PUBLIC SAFETY:</u> | | | | |
| Fire Marshal: | | | | |
| Salaries | 768,377 | 702,034 | 701,610 | 424 |
| Employee Benefits | 268,610 | 248,270 | 247,769 | 501 |
| Supplies | 19,500 | 19,191 | 18,971 | 220 |
| Contract Services | 25,198 | 23,480 | 22,503 | 977 |
| Total Fire Marshal | 1,081,685 | 992,975 | 990,853 | 2,122 |
| Constable Pct 1: | | | | |
| Salaries | 1,965,154 | 1,994,784 | 1,993,737 | 1,047 |
| Employee Benefits | 771,992 | 770,439 | 767,543 | 2,896 |
| Supplies | 129,693 | 155,865 | 150,859 | 5,006 |
| Contract Services | 79,471 | 123,931 | 84,790 | 39,141 |
| Capital Outlay | 52,944 | 226,496 | 169,414 | 57,082 |
| Total Constable Pct 1 | 2,999,254 | 3,271,515 | 3,166,343 | 105,172 |

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

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| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---------------------------------------|--------------------|-----------------|------------|-------------------------------|
| <u>PUBLIC SAFETY (cont'd):</u> | | | | |
| Constable Pct 2: | | | | |
| Salaries | 947,181 | 940,181 | 934,458 | 5,723 |
| Employee Benefits | 350,458 | 340,182 | 338,053 | 2,129 |
| Supplies | 33,573 | 67,580 | 38,149 | 29,431 |
| Contract Services | 31,798 | 42,049 | 28,529 | 13,520 |
| Capital Outlay | - | 22,689 | 21,721 | 968 |
| Total Constable Pct 2 | 1,363,010 | 1,412,681 | 1,360,910 | 51,771 |
| Constable Pct 3: | | | | |
| Salaries | 1,802,703 | 1,825,280 | 1,812,193 | 13,087 |
| Employee Benefits | 683,428 | 683,552 | 651,506 | 32,046 |
| Supplies | 51,556 | 120,049 | 109,620 | 10,429 |
| Contract Services | 24,285 | 37,851 | 31,619 | 6,232 |
| Capital Outlay | - | 21,533 | 20,629 | 904 |
| Total Constable Pct 3 | 2,561,972 | 2,688,265 | 2,625,567 | 62,698 |
| Constable Pct 4: | | | | |
| Salaries | 1,610,613 | 1,629,703 | 1,628,989 | 714 |
| Employee Benefits | 644,377 | 608,166 | 607,364 | 802 |
| Supplies | 35,321 | 80,321 | 80,062 | 259 |
| Contract Services | 34,240 | 33,076 | 32,263 | 813 |
| Capital Outlay | - | 5,972 | 5,972 | - |
| Total Constable Pct 4 | 2,324,551 | 2,357,238 | 2,354,650 | 2,588 |
| Constable Pct 5: | | | | |
| Salaries | 1,453,510 | 1,474,330 | 1,419,611 | 54,719 |
| Employee Benefits | 555,338 | 553,745 | 523,748 | 29,997 |
| Supplies | 48,735 | 55,701 | 51,437 | 4,264 |
| Contract Services | 28,855 | 49,357 | 32,854 | 16,503 |
| Capital Outlay | - | 5,558 | 5,558 | - |
| Total Constable Pct 5 | 2,086,438 | 2,138,691 | 2,033,208 | 105,483 |
| Sheriff: | | | | |
| Salaries | 20,835,933 | 22,222,799 | 21,750,256 | 472,543 |
| Employee Benefits | 9,095,719 | 9,386,596 | 9,012,291 | 374,305 |
| Supplies | 2,440,410 | 3,196,955 | 2,689,325 | 507,630 |
| Contract Services | 2,155,492 | 2,237,259 | 2,016,177 | 221,082 |
| Capital Outlay | 940,207 | 3,694,226 | 2,750,624 | 943,602 |
| Total Sheriff | 35,467,761 | 40,737,835 | 38,218,673 | 2,519,162 |

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

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| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|-------------------------------------|--------------------|-------------------|-------------------|-------------------------------|
| <u>PUBLIC SAFETY(cont'd)</u> | | | | |
| Juvenile Services: | | | | |
| Salaries | 3,109,296 | 3,168,403 | 3,072,014 | 96,389 |
| Employee Benefits | 1,468,584 | 1,471,136 | 1,424,096 | 47,040 |
| Supplies | 82,585 | 94,304 | 87,442 | 6,862 |
| Contract Services | 377,277 | 794,357 | 322,956 | 471,401 |
| Capital Outlay | - | 32,355 | 32,355 | - |
| Total Juvenile Services | <u>5,037,742</u> | <u>5,560,555</u> | <u>4,938,863</u> | <u>621,692</u> |
| Adult Services: | | | | |
| Supplies | 10,023 | 7,455 | 85 | 7,370 |
| Contract Services | - | 7,919 | 5,954 | 1,965 |
| Capital Outlay | <u>11,110</u> | <u>13,151</u> | <u>13,151</u> | <u>-</u> |
| Total Adult Services | <u>21,133</u> | <u>28,525</u> | <u>19,190</u> | <u>9,335</u> |
| Emergency Management: | | | | |
| Salaries | 155,204 | 404,252 | 331,357 | 72,895 |
| Employee Benefits | 53,974 | 153,665 | 120,192 | 33,473 |
| Supplies | 2,889 | 65,341 | 21,395 | 43,946 |
| Contract Services | 42,356 | 1,003,788 | 179,790 | 823,998 |
| Capital Outlay | <u>-</u> | <u>2,147,514</u> | <u>1,672,010</u> | <u>475,504</u> |
| Total Emergency Management | <u>254,423</u> | <u>3,774,560</u> | <u>2,324,744</u> | <u>1,449,816</u> |
| Department of Public Safety: | | | | |
| Salaries | 66,254 | 61,854 | 61,756 | 98 |
| Employee Benefits | 36,495 | 34,305 | 34,211 | 94 |
| Supplies | <u>450</u> | <u>450</u> | <u>450</u> | <u>-</u> |
| Total Dept of Public Safety | <u>103,199</u> | <u>96,609</u> | <u>96,417</u> | <u>192</u> |
| <u>TOTAL PUBLIC SAFETY</u> | <u>53,301,168</u> | <u>63,059,449</u> | <u>58,129,418</u> | <u>4,930,031</u> |
| <u>HEALTH AND WELFARE:</u> | | | | |
| Vehicle Emissions Program: | | | | |
| Contract Services | <u>-</u> | <u>178,630</u> | <u>178,630</u> | <u>-</u> |
| Local Initiative Project | | | | |
| Contract Services | <u>-</u> | <u>20,965</u> | <u>-</u> | <u>20,965</u> |
| Medical: | | | | |
| Contract Services | <u>90,000</u> | <u>90,000</u> | <u>90,000</u> | <u>-</u> |
| Mental Health: | | | | |
| Contract Services | <u>318,525</u> | <u>318,525</u> | <u>229,663</u> | <u>88,862</u> |

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

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Page 9 of 10

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|
| <u>HEALTH AND WELFARE:</u> | | | | |
| Environmental Health: | | | | |
| Salaries | 1,532,922 | 1,515,922 | 1,515,654 | 268 |
| Employee Benefits | 641,634 | 602,534 | 602,267 | 267 |
| Supplies | 44,157 | 44,677 | 17,600 | 27,077 |
| Contract Services | 75,069 | 76,023 | 67,548 | 8,475 |
| Capital Outlay | - | 1,980 | 1,870 | 110 |
| Total Environmental Health | <u>2,293,782</u> | <u>2,241,136</u> | <u>2,204,939</u> | <u>36,197</u> |
| Forensic Services: | | | | |
| Salaries | 550,441 | 530,441 | 529,489 | 952 |
| Employee Benefits | 166,854 | 147,854 | 147,535 | 319 |
| Supplies | 228,522 | 204,401 | 64,550 | 139,851 |
| Contract Services | 330,090 | 360,802 | 197,852 | 162,950 |
| Capital Outlay | - | 18,121 | 18,121 | - |
| Total Forensic Services | <u>1,275,907</u> | <u>1,261,619</u> | <u>957,547</u> | <u>304,072</u> |
| Animal Control: | | | | |
| Salaries | 524,348 | 524,688 | 524,679 | 9 |
| Employee Benefits | 274,009 | 257,169 | 256,854 | 315 |
| Supplies | 60,050 | 86,897 | 82,967 | 3,930 |
| Contract Services | 38,106 | 125,532 | 120,582 | 4,950 |
| Capital Outlay | - | 3,054 | 3,054 | - |
| Total Animal Control | <u>896,513</u> | <u>997,340</u> | <u>988,136</u> | <u>9,204</u> |
| Welfare: | | | | |
| Contract Services | <u>966,731</u> | <u>966,731</u> | <u>966,731</u> | <u>-</u> |
| <u>TOTAL HEALTH/WELFARE</u> | <u><u>5,841,458</u></u> | <u><u>6,074,946</u></u> | <u><u>5,615,646</u></u> | <u><u>459,300</u></u> |
| <u>CONSERVATION:</u> | | | | |
| Extension Agent: | | | | |
| Salaries | 331,873 | 323,873 | 323,851 | 22 |
| Employee Benefits | 142,350 | 138,890 | 138,802 | 88 |
| Supplies | 19,780 | 21,322 | 21,269 | 53 |
| Contract Services | 65,208 | 68,558 | 66,056 | 2,502 |
| Capital Outlay | - | 28,940 | 28,940 | - |
| <u>TOTAL CONSERVATION</u> | <u><u>559,211</u></u> | <u><u>581,583</u></u> | <u><u>578,918</u></u> | <u><u>2,665</u></u> |

MONTGOMERY COUNTY, TEXAS

General Fund

Schedule of Expenditures and Other Financing Uses

Budget (GAAP Basis) and Actual Year Ended September 30, 2013

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Page 10 of 10

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-----------------------|---------------------------------------|
| <u>MISCELLANEOUS:</u> | | | | |
| Contingency | 513,051 | 2,543,466 | - | 2,543,466 |
| <u>TOTAL MISCELLANEOUS</u> | <u>513,051</u> | <u>2,543,466</u> | <u>-</u> | <u>2,543,466</u> |
| <u>TOTAL EXPENDITURES</u> | | | | |
| <u>GENERAL FUND</u> | <u>157,333,191</u> | <u>186,025,993</u> | <u>166,767,685</u> | <u>19,258,308</u> |
| To Civic Center | - | 2,068 | 2,068 | - |
| To Memorial Library | - | 30,000 | 9,630,000 | (9,600,000) |
| To Animal Shelter | - | 53,844 | 1,553,844 | (1,500,000) |
| To Child Welfare | - | - | 74,000 | (74,000) |
| To Airport Maintenance | - | 37,916 | 37,916 | - |
| To Attorney Administration | - | - | 7,500 | (7,500) |
| To Jury | - | 216,074 | 8,800,000 | (8,583,926) |
| To Road and Bridge | - | 6,586,415 | 6,586,415 | - |
| To Community Development | - | - | 36,305 | (36,305) |
| To Juvenile Probation | - | 26 | 26 | - |
| To Scofflaw | - | - | 7 | (7) |
| To Records Management | - | 3,604 | 3,604 | - |
| To Montgomery County Jail Fin | - | 42,558,427 | 46,001,908 | (3,443,481) |
| To Commissioner Pct 3 Projects | - | 135,000 | 135,000 | - |
| To Jail 13-14 | - | 13,361,631 | 13,361,631 | - |
| To North South Connectors | - | 500,000 | - | 500,000 |
| <u>TOTAL OTHER FINANCING USES</u> | <u>-</u> | <u>63,485,005</u> | <u>91,131,504</u> | <u>(27,646,499)</u> |
| <u>TOTAL EXPENDITURES AND OTHER FINANCING USES</u> | <u>\$ 157,333,191</u> | <u>\$ 249,510,998</u> | <u>\$ 257,899,189</u> | <u>\$ (8,388,191)</u> |

MONTGOMERY COUNTY, TEXAS
General Fund - Managerial Funds
Combining Balance Sheet
Year Ended September 30, 2013

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| | Civic Center Complex | Memorial Library | Animal Shelter |
|----------------------------|--------------------------|----------------------------|--------------------------|
| <u>ASSETS:</u> | | | |
| Cash | \$ - | \$ 590 | \$ - |
| Investments, at Fair Value | - | - | - |
| Receivables: | | | |
| Accounts | 343,132 | 2,590 | 3,115 |
| Due from Other Funds | 548,086 | 1,487,066 | 245,212 |
| Due from Other Governments | - | - | - |
| <u>TOTAL ASSETS</u> | <u>\$ 891,218</u> | <u>\$ 1,490,246</u> | <u>\$ 248,327</u> |

LIABILITIES AND FUND BALANCES:

| | | | |
|----------------------------|---------------|----------------|--------------|
| <u>LIABILITIES:</u> | | | |
| Accounts Payable | \$ 50,367 | \$ 299,655 | \$ 5,653 |
| Due to Other Funds | - | - | - |
| Deferred Revenue | - | - | - |
| Total Liabilities | <u>50,367</u> | <u>299,655</u> | <u>5,653</u> |

| | | | |
|------------------------------|----------------|------------------|----------------|
| <u>FUND BALANCES:</u> | | | |
| Restricted | - | - | - |
| Committed | 269 | 1,492 | - |
| Assigned | 840,582 | 1,189,099 | 242,674 |
| Total Fund Balances | <u>840,851</u> | <u>1,190,591</u> | <u>242,674</u> |

| | | | |
|---|--------------------------|----------------------------|--------------------------|
| <u>TOTAL LIABILITIES AND FUND BALANCES</u> | <u>\$ 891,218</u> | <u>\$ 1,490,246</u> | <u>\$ 248,327</u> |
|---|--------------------------|----------------------------|--------------------------|

| Historical Commission | Alternate Dispute Resolution | Child Welfare | Airport Maintenance | Totals |
|--------------------------|---------------------------------|------------------|------------------------|----------------------|
| \$ - | \$ 27,051 | \$ - | \$ 626,914 | \$ 654,555 |
| - | - | - | 610,914 | 610,914 |
| - | 10,298 | 797 | 261 | 360,193 |
| 40,915 | - | - | 7,065,961 | 9,387,240 |
| - | - | 23,913 | - | 23,913 |
| <u>\$ 40,915</u> | <u>\$ 37,349</u> | <u>\$ 24,710</u> | <u>\$ 8,304,050</u> | <u>\$ 11,036,815</u> |
| | | | | |
| \$ - | \$ 23,633 | \$ 6,816 | \$ 30,126 | \$ 416,250 |
| 40,915 | 3,195 | 16,382 | - | 60,492 |
| - | - | - | 3,371,320 | 3,371,320 |
| <u>40,915</u> | <u>26,828</u> | <u>23,198</u> | <u>3,401,446</u> | <u>3,848,062</u> |
| | | | | |
| - | 10,521 | - | 10,075 | 20,596 |
| - | - | 1,512 | 714,042 | 717,315 |
| - | - | - | 4,178,487 | 6,450,842 |
| <u>-</u> | <u>10,521</u> | <u>1,512</u> | <u>4,902,604</u> | <u>7,188,753</u> |
| | | | | |
| <u>\$ 40,915</u> | <u>\$ 37,349</u> | <u>\$ 24,710</u> | <u>\$ 8,304,050</u> | <u>\$ 11,036,815</u> |

MONTGOMERY COUNTY, TEXAS
General Fund - Managerial Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2013

A-7

| | Civic Center Complex | Memorial Library | Animal Shelter |
|--|-------------------------|---------------------|--------------------|
| <u>REVENUES:</u> | | | |
| Licenses and Permits | \$ 65,157 | \$ - | \$ 18,290 |
| Fees | - | - | - |
| Intergovernmental | 573,623 | - | - |
| Charges for Services | 442,321 | 159,520 | - |
| Interest | - | - | - |
| Miscellaneous | - | 2,405 | 2,312 |
| <u>TOTAL REVENUES</u> | <u>1,081,101</u> | <u>161,925</u> | <u>20,602</u> |
| <u>EXPENDITURES:</u> | | | |
| Legal Services | - | - | - |
| Public Facilities | 1,044,542 | - | - |
| Health and Welfare | - | - | 1,423,447 |
| Culture and Recreation | - | 8,592,268 | - |
| Public Transportation | - | - | - |
| <u>TOTAL EXPENDITURES</u> | <u>1,044,542</u> | <u>8,592,268</u> | <u>1,423,447</u> |
| Excess (Deficiency) Revenues Over Expenditures | <u>36,559</u> | <u>(8,430,343)</u> | <u>(1,402,845)</u> |
| <u>OTHER FINANCING SOURCES/ (USES):</u> | | | |
| Transfers In | 2,068 | 9,680,000 | 1,553,844 |
| Transfers Out | (33,436) | (221,388) | - |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>(31,368)</u> | <u>9,458,612</u> | <u>1,553,844</u> |
| Net Change in Fund Balances | 5,191 | 1,028,269 | 150,999 |
| Fund Balances at Beginning of Year | <u>835,660</u> | <u>162,322</u> | <u>91,675</u> |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 840,851</u> | <u>\$ 1,190,591</u> | <u>\$ 242,674</u> |

| Historical Commission | Alternate Dispute Resolution | Child Welfare | Airport Maintenance | Totals |
|--------------------------|---------------------------------|------------------|------------------------|--------------|
| \$ - | \$ - | \$ - | \$ - | \$ 83,447 |
| - | 136,496 | - | - | 136,496 |
| - | - | 14,203 | - | 587,826 |
| - | - | - | 299,280 | 901,121 |
| - | 193 | - | 2,856 | 3,049 |
| 50 | - | - | 42,137 | 46,904 |
| 50 | 136,689 | 14,203 | 344,273 | 1,758,843 |
| - | 137,385 | - | - | 137,385 |
| - | - | - | - | 1,044,542 |
| - | - | 87,406 | - | 1,510,853 |
| 50,965 | - | - | - | 8,643,233 |
| - | - | - | 694,923 | 694,923 |
| 50,965 | 137,385 | 87,406 | 694,923 | 12,030,936 |
| (50,915) | (696) | (73,203) | (350,650) | (10,272,093) |
| 50,915 | - | 74,000 | 47,824 | 11,408,651 |
| - | - | - | (8,150) | (262,974) |
| 50,915 | - | 74,000 | 39,674 | 11,145,677 |
| - | (696) | 797 | (310,976) | 873,584 |
| - | 11,217 | 715 | 5,213,580 | 6,315,169 |
| \$ - | \$ 10,521 | \$ 1,512 | \$ 4,902,604 | \$ 7,188,753 |

MONTGOMERY COUNTY, TEXAS
Civic Center Complex - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2013

A-8

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-----------------|------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Licenses and Permits | \$ - | \$ 50,000 | \$ 65,157 | \$ 15,157 |
| Charges for Service | 395,000 | 395,000 | 442,321 | 47,321 |
| Intergovernmental | 425,000 | 425,000 | 573,623 | 148,623 |
| Total Revenues | 820,000 | 870,000 | 1,081,101 | 211,101 |
| <u>EXPENDITURES:</u> | | | | |
| Facilities: | | | | |
| Salaries | 412,113 | 394,113 | 393,288 | 825 |
| Employee Benefits | 186,627 | 174,426 | 173,888 | 538 |
| Supplies | 140,066 | 238,858 | 108,419 | 130,439 |
| Contract Services | 355,222 | 411,222 | 328,214 | 83,008 |
| Capital Outlay | 81,513 | 105,513 | 40,733 | 64,780 |
| Total Expenditures | 1,175,541 | 1,324,132 | 1,044,542 | 279,590 |
| Excess (Deficiency) Revenues Over Expenditures | (355,541) | (454,132) | 36,559 | 490,691 |
| <u>OTHER FINANCING</u> | | | | |
| <u>SOURCES:</u> | | | | |
| Transfers In | - | 2,068 | 2,068 | - |
| Transfers Out | - | (33,436) | (33,436) | - |
| <u>TOTAL OTHER FINANCING</u> | | | | |
| <u>SOURCES/(USES)</u> | - | (31,368) | (31,368) | - |
| Net Change in Fund Balance | (355,541) | (485,500) | 5,191 | 490,691 |
| Fund Balance at Beginning of Year | 835,660 | 835,660 | 835,660 | - |
| <u>FUND BALANCE AT</u> | | | | |
| <u>END OF YEAR</u> | \$ 480,119 | \$ 350,160 | \$ 840,851 | \$ 490,691 |

MONTGOMERY COUNTY, TEXAS
Memorial Library - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2013

A-9

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|-----------------|--------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Charges for Service | \$ 140,000 | \$ 140,000 | \$ 159,520 | \$ 19,520 |
| Miscellaneous | - | - | 2,405 | 2,405 |
| Total Revenues | 140,000 | 140,000 | 161,925 | 21,925 |
| <u>EXPENDITURES:</u> | | | | |
| Culture & Recreation: | | | | |
| Salaries | 4,954,210 | 4,841,210 | 4,840,659 | 551 |
| Employee Benefits | 2,347,162 | 2,240,162 | 2,239,947 | 215 |
| Supplies | 604,718 | 657,972 | 626,623 | 31,349 |
| Contract Services | 743,437 | 773,437 | 578,954 | 194,483 |
| Capital Outlay | 251,908 | 306,085 | 306,085 | - |
| Total Expenditures | 8,901,435 | 8,818,866 | 8,592,268 | 226,598 |
| Excess (Deficiency) Revenues Over Expenditures | (8,761,435) | (8,678,866) | (8,430,343) | 248,523 |
| <u>OTHER FINANCING SOURCES/(USES):</u> | | | | |
| Transfers In | - | 80,000 | 9,680,000 | 9,600,000 |
| Transfers Out | - | (221,388) | (221,388) | - |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | - | (141,388) | 9,458,612 | 9,600,000 |
| Net Change in Fund Balance | (8,761,435) | (8,820,254) | 1,028,269 | 9,848,523 |
| Fund Balance at Beginning of Year | 162,322 | 162,322 | 162,322 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | \$ (8,599,113) | \$ (8,657,932) | \$ 1,190,591 | \$ 9,848,523 |

MONTGOMERY COUNTY, TEXAS

Animal Shelter - Managerial Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2013

A-10

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-----------------|-------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Licenses and Permits | \$ - | \$ - | \$ 18,290 | \$ 18,290 |
| Miscellaneous | - | - | 2,312 | 2,312 |
| Total Revenues | - | - | 20,602 | 20,602 |
| <u>EXPENDITURES:</u> | | | | |
| Health & Welfare: | | | | |
| Supplies | - | 150 | 150 | - |
| Contract Services | 1,397,416 | 1,451,809 | 1,423,297 | 28,512 |
| Total Expenditures | 1,397,416 | 1,451,959 | 1,423,447 | 28,512 |
| Excess (Deficiency) Revenues Over Expenditures | (1,397,416) | (1,451,959) | (1,402,845) | 49,114 |
| <u>OTHER FINANCING</u> | | | | |
| <u>SOURCES:</u> | | | | |
| Transfers In | - | 53,844 | 1,553,844 | 1,500,000 |
| Net Change in Fund Balance | (1,397,416) | (1,398,115) | 150,999 | 1,549,114 |
| Fund Balance at Beginning of Year | 91,675 | 91,675 | 91,675 | - |
| <u>FUND BALANCE AT</u> | | | | |
| <u>END OF YEAR</u> | \$ (1,305,741) | \$ (1,306,440) | \$ 242,674 | \$ 1,549,114 |

MONTGOMERY COUNTY, TEXAS
Historical Commission - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2013

A-11

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|--------------------|-------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Miscellaneous | \$ - | \$ - | \$ 50 | \$ 50 |
| Total Revenues | - | - | 50 | 50 |
| <u>EXPENDITURES:</u> | | | | |
| Culture & Recreation: | | | | |
| Contract Services | 45,000 | 55,000 | 50,965 | 4,035 |
| Total Expenditures | 45,000 | 55,000 | 50,965 | 4,035 |
| Excess (Deficiency) Revenues Over Expenditures | (45,000) | (55,000) | (50,915) | 4,085 |
| <u>OTHER FINANCING SOURCES:</u> | | | | |
| Transfers In | - | 10,000 | 50,915 | 60,915 |
| Net Change in Fund Balance | (45,000) | (45,000) | - | 65,000 |
| Fund Balance at Beginning of Year | - | - | - | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ (45,000)</u> | <u>\$ (45,000)</u> | <u>\$ -</u> | <u>\$ 65,000</u> |

MONTGOMERY COUNTY, TEXAS
Alternate Dispute Resolution - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2013

A-12

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|------------------|------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 145,543 | \$ 145,543 | \$ 136,496 | \$ (9,047) |
| Interest | - | - | 193 | 193 |
| Total Revenues | <u>145,543</u> | <u>145,543</u> | <u>136,689</u> | <u>(8,854)</u> |
| <u>EXPENDITURES:</u> | | | | |
| Legal Services: | | | | |
| Contract Services | <u>145,543</u> | <u>145,543</u> | <u>137,385</u> | <u>8,158</u> |
| Total Expenditures | <u>145,543</u> | <u>145,543</u> | <u>137,385</u> | <u>8,158</u> |
| Net Change in Fund Balance | - | - | (696) | (696) |
| Fund Balance at Beginning of Year | <u>11,217</u> | <u>11,217</u> | <u>11,217</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 11,217</u> | <u>\$ 11,217</u> | <u>\$ 10,521</u> | <u>\$ (696)</u> |

MONTGOMERY COUNTY, TEXAS
Child Welfare - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2013

A-13

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-----------------|-----------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Intergovernmental | \$ - | \$ 6,500 | \$ 14,203 | \$ 7,703 |
| Total Revenues | - | 6,500 | 14,203 | 7,703 |
| <u>EXPENDITURES:</u> | | | | |
| Health and Welfare: | | | | |
| Salaries | - | 32,501 | 13,638 | 18,863 |
| Supplies | 34,600 | 44,600 | 56,317 | (11,717) |
| Contract Services | 43,850 | 40,350 | 17,451 | 22,899 |
| Total Expenditures | 78,450 | 117,451 | 87,406 | 30,045 |
| Excess (Deficiency) Revenues Over Expenditures | (78,450) | (110,951) | (73,203) | 37,748 |
| <u>OTHER FINANCING</u> | | | | |
| <u>SOURCES:</u> | | | | |
| Transfers In | - | - | 74,000 | 74,000 |
| Net Change in Fund Balance | (78,450) | (110,951) | 797 | 111,748 |
| Fund Balance at Beginning of Year | 715 | 715 | 715 | - |
| <u>FUND BALANCE AT</u> | | | | |
| <u>END OF YEAR</u> | \$ (77,735) | \$ (110,236) | \$ 1,512 | \$ 111,748 |

MONTGOMERY COUNTY, TEXAS
Airport Maintenance - Managerial Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual Year Ended September 30, 2013

A-14

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Charges for Service | \$ 265,000 | \$ 265,000 | \$ 299,280 | \$ 34,280 |
| Interest | 700 | 700 | 2,856 | 2,156 |
| Miscellaneous | - | 22,209 | 42,137 | 19,928 |
| Total Revenues | <u>265,700</u> | <u>287,909</u> | <u>344,273</u> | <u>56,364</u> |
| <u>EXPENDITURES:</u> | | | | |
| Public Transportation: | | | | |
| Salaries | 281,921 | 277,941 | 277,855 | 86 |
| Employee Benefits | 102,874 | 100,224 | 100,135 | 89 |
| Supplies | 33,270 | 33,795 | 30,610 | 3,185 |
| Contract Services | 63,000 | 169,583 | 108,272 | 61,311 |
| Capital Outlay | 2,000 | 861,248 | 178,051 | 683,197 |
| Total Expenditures | <u>483,065</u> | <u>1,442,791</u> | <u>694,923</u> | <u>747,868</u> |
| Excess (Deficiency) Revenues Over Expenditures | <u>(217,365)</u> | <u>(1,154,882)</u> | <u>(350,650)</u> | <u>804,232</u> |
| <u>OTHER FINANCING SOURCES/(USES):</u> | | | | |
| Transfers In | - | 47,824 | 47,824 | - |
| Transfers Out | - | (8,150) | (8,150) | - |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>-</u> | <u>39,674</u> | <u>39,674</u> | <u>-</u> |
| Net Change in Fund Balance | (217,365) | (1,115,208) | (310,976) | 804,232 |
| Fund Balance at Beginning of Year | <u>5,213,580</u> | <u>5,213,580</u> | <u>5,213,580</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 4,996,215</u> | <u>\$ 4,098,372</u> | <u>\$ 4,902,604</u> | <u>\$ 804,232</u> |

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MONTGOMERY COUNTY, TEXAS**Nonmajor Governmental Funds****Combining Balance Sheet****September 30, 2013**

B-1

| | Special Revenue | Non Major Debt Service | Capital Projects | Total |
|--------------------------------|-----------------------------|---------------------------|-----------------------------|-----------------------------|
| <u>ASSETS:</u> | | | | |
| Cash | \$ 3,141,843 | \$ - | \$ 144,285 | \$ 3,286,128 |
| Investments, at Fair Value | 6,627,842 | - | 22,293,265 | 28,921,107 |
| Cash, Restricted for Retainage | - | - | 3,066 | 3,066 |
| Receivables: | | | | |
| Accounts (net) | 686,021 | - | - | 686,021 |
| Due from Other Funds | 7,376,860 | - | 13,713,346 | 21,090,206 |
| Due from Other Governments | 7,260,367 | - | - | 7,260,367 |
| Prepaid Items | 2,565,419 | - | - | 2,565,419 |
| <u>TOTAL ASSETS</u> | <u>\$ 27,658,352</u> | <u>\$ -</u> | <u>\$ 36,153,962</u> | <u>\$ 63,812,314</u> |

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

| | | | | |
|--------------------|-------------------|----------|----------------|-------------------|
| Accounts Payable | \$ 3,491,543 | \$ - | \$ 770,880 | \$ 4,262,423 |
| Retainage Payable | 38,699 | - | 112,133 | 150,832 |
| Due to Other Funds | 6,375,301 | - | - | 6,375,301 |
| Deferred Revenue | 527,737 | - | - | 527,737 |
| Total Liabilities | <u>10,433,280</u> | <u>-</u> | <u>883,013</u> | <u>11,316,293</u> |

FUND BALANCES:

| | | | | |
|---------------------|-------------------|----------|-------------------|-------------------|
| Nonspendable | 2,565,419 | - | - | 2,565,419 |
| Restricted | 12,979,252 | - | 21,887,116 | 34,866,368 |
| Committed | 575 | - | 13,383,833 | 13,384,408 |
| Assigned | 1,679,826 | - | - | 1,679,826 |
| Total Fund Balances | <u>17,225,072</u> | <u>-</u> | <u>35,270,949</u> | <u>52,496,021</u> |

**TOTAL LIABILITIES AND
FUND BALANCES**

| | | | |
|-----------------------------|--------------------|-----------------------------|-----------------------------|
| <u>\$ 27,658,352</u> | <u>\$ -</u> | <u>\$ 36,153,962</u> | <u>\$ 63,812,314</u> |
|-----------------------------|--------------------|-----------------------------|-----------------------------|

MONTGOMERY COUNTY, TEXAS**Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures, and Changes in Fund Balances****Year Ended September 30, 2013**

B-2

| | Special Revenue | Non Major Debt Service | Capital Projects | Totals |
|--|-----------------------------|---------------------------|-----------------------------|-----------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 2,834,798 | \$ - | \$ - | \$ 2,834,798 |
| Intergovernmental | 7,791,661 | - | - | 7,791,661 |
| Charges for Services | 792,466 | - | - | 792,466 |
| Interest | 19,291 | - | 24,359 | 43,650 |
| Contract Reimbursements | 15,577,306 | - | - | 15,577,306 |
| Fines and Forfeitures | 1,465,924 | - | - | 1,465,924 |
| Miscellaneous | 2,932,430 | - | - | 2,932,430 |
| <u>TOTAL REVENUES</u> | <u>31,413,876</u> | <u>-</u> | <u>24,359</u> | <u>31,438,235</u> |
| <u>EXPENDITURES:</u> | | | | |
| Current: | | | | |
| General Administration | 920,001 | - | - | 920,001 |
| Judicial | 11,084,917 | - | - | 11,084,917 |
| Legal Services | 421,190 | - | - | 421,190 |
| Elections | 799,787 | - | - | 799,787 |
| Financial Administration | 29 | - | - | 29 |
| Public Safety | 4,444,705 | - | - | 4,444,705 |
| Health and Welfare | 15,200,368 | - | - | 15,200,368 |
| Culture and Recreation | 156,982 | - | - | 156,982 |
| Public Transportation | 1,016,550 | - | - | 1,016,550 |
| Capital Projects | - | - | 10,119,233 | 10,119,233 |
| Debt Service: | | | | |
| Principal Retirement | - | 1,715,150 | - | 1,715,150 |
| Interest and Fiscal Charges | - | 1,728,330 | - | 1,728,330 |
| Issuance Costs | - | 216,029 | 169,327 | 385,356 |
| <u>TOTAL EXPENDITURES</u> | <u>34,044,529</u> | <u>3,659,509</u> | <u>10,288,560</u> | <u>47,992,598</u> |
| (Deficiency) Revenues Over Expenditures | <u>(2,630,653)</u> | <u>(3,659,509)</u> | <u>(10,264,201)</u> | <u>(16,554,363)</u> |
| <u>OTHER FINANCING SOURCES/(USES)</u> | | | | |
| Transfers In | 9,611,225 | 46,001,908 | 13,496,631 | 69,109,764 |
| Transfers Out | (5,617,590) | - | - | (5,617,590) |
| Issuance of Certificates of Obligation | - | - | 13,350,000 | 13,350,000 |
| Premium on Debt Issuance | - | - | 1,898,423 | 1,898,423 |
| Payment to Refunded Bond Escrow Agent | - | (42,342,399) | - | (42,342,399) |
| Discount on Debt Issuance | - | - | (40,883) | (40,883) |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>3,993,635</u> | <u>3,659,509</u> | <u>28,704,171</u> | <u>36,357,315</u> |
| Net Change in Fund Balances | 1,362,982 | - | 18,439,970 | 19,802,952 |
| Fund Balances at Beginning of Year | 15,862,090 | - | 16,830,979 | 32,693,069 |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 17,225,072</u> | <u>\$ -</u> | <u>\$ 35,270,949</u> | <u>\$ 52,496,021</u> |

NONMAJOR SPECIAL REVENUE FUNDS

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

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

FEMA Disaster Grants Fund – to account for grants from the Federal Emergency Management Agency. In fiscal year ending September 30, 2013, the purpose of these grants is to assist the County in recovering from Hurricane Ike and the devastating fires in the southern part of the County.

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

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

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

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

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

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

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

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

Scofflaw Fund – to account for the administration of the scofflaw operation of the county.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MONTGOMERY COUNTY, TEXAS

Nonmajor Special Revenue Funds

Combining Balance Sheet

September 30, 2013

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Page 1 of 4

| | Attorney Administration | Forfeitures | FEMA Disaster Grants | Jury | Sheriff Commissary |
|----------------------------|----------------------------|--------------------------|----------------------------|----------------------------|--------------------------|
| <u>ASSETS:</u> | | | | | |
| Cash | \$ 2,251 | \$ 780,522 | \$ - | \$ 60,380 | \$ 278,905 |
| Investments, at Fair Value | - | - | - | - | - |
| Receivables: | | | | | |
| Accounts | 2,195 | - | - | 187,542 | - |
| Due from Other Funds | - | - | - | 1,603,937 | - |
| Due from Other Governments | - | - | \$ 4,698,393 | 313,540 | - |
| Prepaid Items | - | - | - | - | - |
| <u>TOTAL ASSETS</u> | <u>\$ 4,446</u> | <u>\$ 780,522</u> | <u>\$ 4,698,393</u> | <u>\$ 2,165,399</u> | <u>\$ 278,905</u> |

LIABILITIES AND FUND BALANCES:

LIABILITIES:

| | | | | | |
|--------------------|--------------|---------------|------------------|----------------|---------------|
| Accounts Payable | \$ 1,537 | \$ 11,956 | \$ - | \$ 480,258 | \$ 24,758 |
| Retainage Payable | - | - | - | - | - |
| Due to Other Funds | 2,391 | - | 4,628,986 | - | - |
| Deferred Revenue | - | - | - | 4,740 | - |
| Total Liabilities | <u>3,928</u> | <u>11,956</u> | <u>4,628,986</u> | <u>484,998</u> | <u>24,758</u> |

FUND BALANCES:

| | | | | | |
|---------------------|------------|----------------|---------------|------------------|----------------|
| Nonspendable | - | - | - | - | - |
| Restricted | 518 | 768,566 | 69,407 | - | 254,147 |
| Committed | - | - | - | 575 | - |
| Assigned | - | - | - | 1,679,826 | - |
| Total Fund Balances | <u>518</u> | <u>768,566</u> | <u>69,407</u> | <u>1,680,401</u> | <u>254,147</u> |

**TOTAL LIABILITIES AND
FUND BALANCES**

| | | | | |
|------------------------|--------------------------|----------------------------|----------------------------|--------------------------|
| <u>\$ 4,446</u> | <u>\$ 780,522</u> | <u>\$ 4,698,393</u> | <u>\$ 2,165,399</u> | <u>\$ 278,905</u> |
|------------------------|--------------------------|----------------------------|----------------------------|--------------------------|

| Memorial Library | Community Development | Memo Totals from Page 115 | Memo Totals from Page 117 | Memo Totals from Page 119 | Totals |
|---------------------|--------------------------|---------------------------------|---------------------------------|---------------------------------|----------------------|
| \$ - | \$ - | \$ 761,240 | \$ 306,935 | 951,610 | \$ 3,141,843 |
| - | - | 5,904,099 | 264,927 | 458,816 | 6,627,842 |
| - | 1,765 | 419,584 | 74,935 | - | 686,021 |
| 161,243 | - | 3,830,505 | 1,496,988 | 284,187 | 7,376,860 |
| 2,550 | 729,577 | 1,516,307 | - | - | 7,260,367 |
| - | - | 2,565,419 | - | - | 2,565,419 |
| <u>\$ 163,793</u> | <u>\$ 731,342</u> | <u>\$ 14,997,154</u> | <u>\$ 2,143,785</u> | <u>1,694,613</u> | <u>\$ 27,658,352</u> |
| | | | | | |
| \$ 18,008 | \$ 187,909 | \$ 2,716,076 | \$ 23,407 | 27,634 | \$ 3,491,543 |
| - | 38,699 | - | - | - | 38,699 |
| - | 288,699 | 596,487 | 78,700 | 780,038 | 6,375,301 |
| - | 216,000 | 306,997 | - | - | 527,737 |
| <u>18,008</u> | <u>731,307</u> | <u>3,619,560</u> | <u>102,107</u> | <u>807,672</u> | <u>10,433,280</u> |
| | | | | | |
| - | - | 2,565,419 | - | - | 2,565,419 |
| 145,785 | 35 | 8,812,175 | 2,041,678 | 886,941 | 12,979,252 |
| - | - | - | - | - | 575 |
| - | - | - | - | - | 1,679,826 |
| <u>145,785</u> | <u>35</u> | <u>11,377,594</u> | <u>2,041,678</u> | <u>886,941</u> | <u>17,225,072</u> |
| | | | | | |
| <u>\$ 163,793</u> | <u>\$ 731,342</u> | <u>\$ 14,997,154</u> | <u>\$ 2,143,785</u> | <u>\$ 1,694,613</u> | <u>\$ 27,658,352</u> |

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2013

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Page 2 of 4

| | Law Library | Juvenile Probation | Records Management and Preservation | Pre-Trial Diversion |
|----------------------------|--------------------------|----------------------------|--|--------------------------|
| <u>ASSETS:</u> | | | | |
| Cash | \$ 29,124 | \$ 644,939 | \$ 57,233 | \$ - |
| Investments, at Fair Value | 385,326 | - | 4,284,349 | - |
| Receivables: | | | | |
| Accounts | 20,312 | 1,815 | 59,384 | - |
| Due from Other Funds | 1,175 | 918,218 | 409,134 | 210,264 |
| Due from Other Governments | - | 216,978 | - | - |
| Prepaid Items | - | - | - | - |
| <u>TOTAL ASSETS</u> | <u>\$ 435,937</u> | <u>\$ 1,781,950</u> | <u>\$ 4,810,100</u> | <u>\$ 210,264</u> |

LIABILITIES AND FUND BALANCES:

| | | | | |
|----------------------------|---------------|----------------|---------------|--------------|
| <u>LIABILITIES:</u> | | | | |
| Accounts Payable | \$ 22,711 | \$ 102,198 | \$ 16,347 | \$ 1,056 |
| Due to Other Funds | - | - | - | - |
| Deferred Revenue | - | 106,339 | - | - |
| Total Liabilities | <u>22,711</u> | <u>208,537</u> | <u>16,347</u> | <u>1,056</u> |

FUND BALANCES:

| | | | | |
|---------------------|----------------|------------------|------------------|----------------|
| Nonspendable | - | - | - | - |
| Restricted | 413,226 | 1,573,413 | 4,793,753 | 209,208 |
| Total Fund Balances | <u>413,226</u> | <u>1,573,413</u> | <u>4,793,753</u> | <u>209,208</u> |

TOTAL LIABILITIES AND

| | | | | |
|-----------------------------|--------------------------|----------------------------|----------------------------|--------------------------|
| <u>FUND BALANCES</u> | <u>\$ 435,937</u> | <u>\$ 1,781,950</u> | <u>\$ 4,810,100</u> | <u>\$ 210,264</u> |
|-----------------------------|--------------------------|----------------------------|----------------------------|--------------------------|

| Scofflaw | Airport Grants | Mental Health Facility | Records Management County | Records Management District Clerk | Memo Totals to Page 113 |
|-------------|---------------------|------------------------------|---------------------------------|--|-------------------------------|
| \$ - | \$ - | \$ - | \$ 19,055 | \$ 10,889 | \$ 761,240 |
| - | 692,280 | - | 394,370 | 147,774 | 5,904,099 |
| - | 321,354 | 75 | 13,300 | 3,344 | 419,584 |
| - | 100,705 | 2,182,828 | - | 8,181 | 3,830,505 |
| - | 49,329 | 1,250,000 | - | - | 1,516,307 |
| - | 2,565,419 | - | - | - | 2,565,419 |
| <u>\$ -</u> | <u>\$ 3,729,087</u> | <u>\$ 3,432,903</u> | <u>\$ 426,725</u> | <u>\$ 170,188</u> | <u>\$ 14,997,154</u> |
| | | | | | |
| \$ - | \$ - | \$ 2,555,574 | \$ 15,830 | \$ 2,360 | \$ 2,716,076 |
| - | 321,354 | - | 275,133 | - | 596,487 |
| - | - | 200,658 | - | - | 306,997 |
| <u>-</u> | <u>321,354</u> | <u>2,756,232</u> | <u>290,963</u> | <u>2,360</u> | <u>3,619,560</u> |
| | | | | | |
| - | 2,565,419 | - | - | - | 2,565,419 |
| - | 842,314 | 676,671 | 135,762 | 167,828 | 8,812,175 |
| <u>-</u> | <u>3,407,733</u> | <u>676,671</u> | <u>135,762</u> | <u>167,828</u> | <u>11,377,594</u> |
| | | | | | |
| <u>\$ -</u> | <u>\$ 3,729,087</u> | <u>\$ 3,432,903</u> | <u>\$ 426,725</u> | <u>\$ 170,188</u> | <u>\$ 14,997,154</u> |

MONTGOMERY COUNTY, TEXAS

Nonmajor Special Revenue Funds

Combining Balance Sheet

September 30, 2013

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Page 3 of 4

| | Digital Preservation County and District | District Clerk Record Preservation | Court Guardianship | Court Reporter |
|--|---|---|-------------------------|-------------------------|
| <u>ASSETS:</u> | | | | |
| Cash | \$ 4,144 | \$ - | \$ 1,461 | \$ 19,945 |
| Investments, at Fair Value | 181,012 | 83,915 | - | - |
| Receivables: | | | | |
| Accounts | 4,290 | 3,226 | 1,500 | 9,618 |
| Due from Other Funds | 66,705 | - | 79,503 | 63,485 |
| <u>TOTAL ASSETS</u> | <u>\$ 256,151</u> | <u>\$ 87,141</u> | <u>\$ 82,464</u> | <u>\$ 93,048</u> |
| <u>LIABILITIES AND FUND BALANCES:</u> | | | | |
| <u>LIABILITIES:</u> | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ 3,904 |
| Due to Other Funds | - | 45,383 | - | - |
| Total Liabilities | <u>-</u> | <u>45,383</u> | <u>-</u> | <u>3,904</u> |
| <u>FUND BALANCES:</u> | | | | |
| Restricted | 256,151 | 41,758 | 82,464 | 89,144 |
| Total Fund Balances | <u>256,151</u> | <u>41,758</u> | <u>82,464</u> | <u>89,144</u> |
| <u>TOTAL LIABILITIES AND</u> | | | | |
| <u>FUND BALANCES</u> | <u>\$ 256,151</u> | <u>\$ 87,141</u> | <u>\$ 82,464</u> | <u>\$ 93,048</u> |

| Courthouse Security | Court Technology County and District | Justice Court Building Security | Justice Court Technology | Juvenile Case Manager | Bond Supervision | Memo Totals to Page 113 |
|------------------------|---|--|--------------------------------|-----------------------------|---------------------|-------------------------------|
| \$ 20,330 | \$ 3,920 | \$ 3,415 | \$ 13,667 | \$ 15,399 | \$ 224,654 | \$ 306,935 |
| - | - | - | - | - | - | 264,927 |
| 27,091 | 1,484 | 3,543 | 14,218 | 9,965 | - | 74,935 |
| - | - | 643 | 643,042 | 643,610 | - | 1,496,988 |
| <u>\$ 47,421</u> | <u>\$ 5,404</u> | <u>\$ 7,601</u> | <u>\$ 670,927</u> | <u>\$ 668,974</u> | <u>\$ 224,654</u> | <u>\$ 2,143,785</u> |
| | | | | | | |
| \$ 14,657 | \$ 285 | \$ - | \$ - | \$ 3,406 | \$ 1,155 | \$ 23,407 |
| 29,812 | 491 | - | - | - | 3,014 | 78,700 |
| <u>44,469</u> | <u>776</u> | <u>-</u> | <u>-</u> | <u>3,406</u> | <u>4,169</u> | <u>102,107</u> |
| | | | | | | |
| 2,952 | 4,628 | 7,601 | 670,927 | 665,568 | 220,485 | 2,041,678 |
| <u>2,952</u> | <u>4,628</u> | <u>7,601</u> | <u>670,927</u> | <u>665,568</u> | <u>220,485</u> | <u>2,041,678</u> |
| | | | | | | |
| <u>\$ 47,421</u> | <u>\$ 5,404</u> | <u>\$ 7,601</u> | <u>\$ 670,927</u> | <u>\$ 668,974</u> | <u>\$ 224,654</u> | <u>\$ 2,143,785</u> |



MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2013

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| | Contract Elections Services | HAVA Grant Fund | Federal ARRA Grants | Memo Totals to Page 113 |
|----------------------------|-----------------------------------|--------------------------|---------------------------|-------------------------------|
| <u>ASSETS:</u> | | | | |
| Cash | \$ 951,610 | \$ - | \$ - | \$ 951,610 |
| Investments, at Fair Value | 458,816 | - | - | 458,816 |
| Due from Other Funds | - | 249,186 | 35,001 | 284,187 |
| <u>TOTAL ASSETS</u> | <u>\$ 1,410,426</u> | <u>\$ 249,186</u> | <u>\$ 35,001</u> | <u>\$ 1,694,613</u> |

LIABILITIES AND FUND BALANCES:

| | | | | |
|----------------------------|----------------|----------|---------------|----------------|
| <u>LIABILITIES:</u> | | | | |
| Accounts Payable | \$ - | \$ - | \$ 27,634 | \$ 27,634 |
| Due to Other Funds | 780,038 | - | - | 780,038 |
| Total Liabilities | <u>780,038</u> | <u>-</u> | <u>27,634</u> | <u>807,672</u> |

| | | | | |
|------------------------------|----------------|----------------|--------------|----------------|
| <u>FUND BALANCES:</u> | | | | |
| Restricted | <u>630,388</u> | <u>249,186</u> | <u>7,367</u> | <u>886,941</u> |
| Total Fund Balances | <u>630,388</u> | <u>249,186</u> | <u>7,367</u> | <u>886,941</u> |

TOTAL LIABILITIES AND

| | | | | |
|-----------------------------|----------------------------|--------------------------|-------------------------|----------------------------|
| <u>FUND BALANCES</u> | <u>\$ 1,410,426</u> | <u>\$ 249,186</u> | <u>\$ 35,001</u> | <u>\$ 1,694,613</u> |
|-----------------------------|----------------------------|--------------------------|-------------------------|----------------------------|

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2013

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| | Attorney Administration | Forfeitures | FEMA Disaster Grants | Jury | Sheriff Commissary |
|--|----------------------------|-------------------|-------------------------|---------------------|-----------------------|
| <u>REVENUES:</u> | | | | | |
| Fees | \$ - | \$ - | \$ - | \$ 66,861 | \$ - |
| Intergovernmental | - | - | 967 | 880,544 | - |
| Charges for Services | 44,222 | - | - | 177,912 | 555,527 |
| Interest | 9 | 8,182 | - | 280 | 543 |
| Contract Reimbursements | - | - | - | 946,312 | - |
| Fines and Forfeitures | - | 923,266 | - | 542,658 | - |
| Miscellaneous | - | - | - | 154,592 | - |
| <u>TOTAL REVENUES</u> | <u>44,231</u> | <u>931,448</u> | <u>967</u> | <u>2,769,159</u> | <u>556,070</u> |
| <u>EXPENDITURES:</u> | | | | | |
| General Administration | 52,459 | - | - | - | - |
| Judicial | - | - | - | 10,590,274 | - |
| Legal Services | - | - | - | - | - |
| Elections | - | - | - | - | - |
| Financial Administration | - | - | - | - | - |
| Public Safety | - | 1,035,154 | - | - | 496,469 |
| Health and Welfare | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - |
| Public Transportation | - | - | - | - | - |
| <u>TOTAL EXPENDITURES</u> | <u>52,459</u> | <u>1,035,154</u> | <u>-</u> | <u>10,590,274</u> | <u>496,469</u> |
| Excess (Deficiency) Revenues Over Expenditures | <u>(8,228)</u> | <u>(103,706)</u> | <u>967</u> | <u>(7,821,115)</u> | <u>59,601</u> |
| <u>OTHER FINANCING SOURCES/ (USES):</u> | | | | | |
| Transfers In | 7,500 | - | - | 8,800,000 | - |
| Transfers Out | - | - | - | (454,116) | - |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>7,500</u> | <u>-</u> | <u>-</u> | <u>8,345,884</u> | <u>-</u> |
| Net Change in Fund Balances | (728) | (103,706) | 967 | 524,769 | 59,601 |
| Fund Balances at Beginning of Year | <u>1,246</u> | <u>872,272</u> | <u>68,440</u> | <u>1,155,632</u> | <u>194,546</u> |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 518</u> | <u>\$ 768,566</u> | <u>\$ 69,407</u> | <u>\$ 1,680,401</u> | <u>\$ 254,147</u> |

| Memorial Library | Community Development | Memo Totals from Page 123 | Memo Totals from Page 125 | Memo Totals from Page 127 | Totals |
|---------------------|--------------------------|---------------------------------|---------------------------------|---------------------------------|---------------|
| \$ - | \$ - | \$ 1,338,498 | \$ 1,429,439 | \$ - | \$ 2,834,798 |
| 3,612 | 2,806,583 | 3,139,280 | - | 960,675 | 7,791,661 |
| - | - | 14,805 | - | - | 792,466 |
| - | - | 9,310 | 967 | - | 19,291 |
| - | - | 14,630,994 | - | - | 15,577,306 |
| - | - | - | - | - | 1,465,924 |
| 80,533 | 136,313 | 2,556,075 | - | 4,917 | 2,932,430 |
| 84,145 | 2,942,896 | 21,688,962 | 1,430,406 | 965,592 | 31,413,876 |
| - | - | 867,542 | - | - | 920,001 |
| - | - | - | 494,643 | - | 11,084,917 |
| - | - | 361,716 | 59,474 | - | 421,190 |
| - | - | - | - | 799,787 | 799,787 |
| - | - | 29 | - | - | 29 |
| - | - | 2,259,429 | 653,653 | - | 4,444,705 |
| - | 2,942,896 | 12,257,472 | - | - | 15,200,368 |
| 156,982 | - | - | - | - | 156,982 |
| - | - | 1,000,160 | - | 16,390 | 1,016,550 |
| 156,982 | 2,942,896 | 16,746,348 | 1,207,770 | 816,177 | 34,044,529 |
| (72,837) | - | 4,942,614 | 222,636 | 149,415 | (2,630,653) |
| - | 36,305 | 3,636 | - | 763,784 | 9,611,225 |
| - | (220,729) | (4,826,907) | - | (115,838) | (5,617,590) |
| - | (184,424) | (4,823,271) | - | 647,946 | 3,993,635 |
| (72,837) | (184,424) | 119,343 | 222,636 | 797,361 | 1,362,982 |
| 218,622 | 184,459 | 11,258,251 | 1,819,042 | 89,580 | 15,862,090 |
| \$ 145,785 | \$ 35 | \$ 11,377,594 | \$ 2,041,678 | \$ 886,941 | \$ 17,225,072 |

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2013

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| | Law Library | Juvenile Probation | Records Management and Preservation | Pre-Trial Diversion |
|--|--------------------------|----------------------------|--|--------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 237,436 | \$ - | \$ 755,531 | \$ 124,125 |
| Intergovernmental | - | 2,307,156 | - | - |
| Charges for Services | 537 | 14,268 | - | - |
| Interest | 373 | 1,997 | 6,161 | - |
| Contract Reimbursements | - | - | - | - |
| Miscellaneous | 9,055 | 1,200 | - | - |
| <u>TOTAL REVENUES</u> | <u>247,401</u> | <u>2,324,621</u> | <u>761,692</u> | <u>124,125</u> |
| <u>EXPENDITURES:</u> | | | | |
| General Administration | - | - | 345,424 | 21,934 |
| Legal Services | 361,716 | - | - | - |
| Financial Administration | - | - | - | - |
| Public Safety | - | 2,259,429 | - | - |
| Health and Welfare | - | - | - | - |
| Public Transportation | - | - | - | - |
| <u>TOTAL EXPENDITURES</u> | <u>361,716</u> | <u>2,259,429</u> | <u>345,424</u> | <u>21,934</u> |
| Excess (Deficiency) Revenues Over Expenditures | <u>(114,315)</u> | <u>65,192</u> | <u>416,268</u> | <u>102,191</u> |
| <u>OTHER FINANCING SOURCES/ (USES):</u> | | | | |
| Transfers In | - | 26 | 3,603 | - |
| Transfers Out | - | (4,250) | (161) | - |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>-</u> | <u>(4,224)</u> | <u>3,442</u> | <u>-</u> |
| Net Change in Fund Balances | (114,315) | 60,968 | 419,710 | 102,191 |
| Fund Balances at Beginning of Year | <u>527,541</u> | <u>1,512,445</u> | <u>4,374,043</u> | <u>107,017</u> |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 413,226</u> | <u>\$ 1,573,413</u> | <u>\$ 4,793,753</u> | <u>\$ 209,208</u> |

| Scofflaw | Airport Grants | Mental Health Facility | Records Management County | Records Management District Clerk | Memo Totals to Page 121 |
|----------|-------------------|------------------------------|---------------------------------|--|-------------------------------|
| \$ 20 | \$ - | \$ - | \$ 176,893 | \$ 44,493 | \$ 1,338,498 |
| - | 832,124 | - | - | - | 3,139,280 |
| - | - | - | - | - | 14,805 |
| - | - | - | 567 | 212 | 9,310 |
| - | - | 14,630,994 | - | - | 14,630,994 |
| - | 2,545,820 | - | - | - | 2,556,075 |
| 20 | 3,377,944 | 14,630,994 | 177,460 | 44,705 | 21,688,962 |
| - | - | - | 462,447 | 37,737 | 867,542 |
| - | - | - | - | - | 361,716 |
| 29 | - | - | - | - | 29 |
| - | - | - | - | - | 2,259,429 |
| - | - | 12,257,472 | - | - | 12,257,472 |
| - | 1,000,160 | - | - | - | 1,000,160 |
| 29 | 1,000,160 | 12,257,472 | 462,447 | 37,737 | 16,746,348 |
| (9) | 2,377,784 | 2,373,522 | (284,987) | 6,968 | 4,942,614 |
| 7 | - | - | - | - | 3,636 |
| - | - | (4,822,496) | - | - | (4,826,907) |
| 7 | - | (4,822,496) | - | - | (4,823,271) |
| (2) | 2,377,784 | (2,448,974) | (284,987) | 6,968 | 119,343 |
| 2 | 1,029,949 | 3,125,645 | 420,749 | 160,860 | 11,258,251 |
| \$ - | \$ 3,407,733 | \$ 676,671 | \$ 135,762 | \$ 167,828 | \$ 11,377,594 |

MONTGOMERY COUNTY, TEXAS
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2013

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| | Digital Preservation County and District | District Clerk Record Preservation | Court Guardianship | Court Reporter | Courthouse Security |
|---|---|---|-----------------------|-------------------|------------------------|
| <u>REVENUES:</u> | | | | | |
| Fees | \$ 62,278 | \$ 40,430 | \$ 22,464 | \$ 117,235 | \$ 342,812 |
| Interest | 260 | 120 | - | - | - |
| <u>TOTAL REVENUES</u> | <u>62,538</u> | <u>40,550</u> | <u>22,464</u> | <u>117,235</u> | <u>342,812</u> |
| <u>EXPENDITURES:</u> | | | | | |
| Judicial | - | 39,740 | 800 | 140,460 | - |
| Legal Services | - | - | - | - | - |
| Public Safety | - | - | - | - | 405,166 |
| <u>TOTAL EXPENDITURES</u> | <u>-</u> | <u>39,740</u> | <u>800</u> | <u>140,460</u> | <u>405,166</u> |
| Excess (Deficiency) Revenues Over Expenditures | <u>62,538</u> | <u>810</u> | <u>21,664</u> | <u>(23,225)</u> | <u>(62,354)</u> |
| Net Change in Fund Balances | 62,538 | 810 | 21,664 | (23,225) | (62,354) |
| Fund Balances at Beginning of Year | <u>193,613</u> | <u>40,948</u> | <u>60,800</u> | <u>112,369</u> | <u>65,306</u> |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 256,151</u> | <u>\$ 41,758</u> | <u>\$ 82,464</u> | <u>\$ 89,144</u> | <u>\$ 2,952</u> |

| Court Technology County and District | Justice Court Building Security | Justice Court Technology | Juvenile Case Manager | Bond Supervision | Memo Totals to Page 121 |
|---|--|--------------------------------|-----------------------------|---------------------|-------------------------------|
| \$ 18,955 | \$ 45,353 | \$ 182,139 | \$ 129,388 | \$ 468,385 | \$ 1,429,439 |
| - | - | - | - | 587 | 967 |
| 18,955 | 45,353 | 182,139 | 129,388 | 468,972 | 1,430,406 |
| 18,619 | - | 183,802 | 111,222 | - | 494,643 |
| - | 59,474 | - | - | - | 59,474 |
| - | - | - | - | 248,487 | 653,653 |
| 18,619 | 59,474 | 183,802 | 111,222 | 248,487 | 1,207,770 |
| 336 | (14,121) | (1,663) | 18,166 | 220,485 | 222,636 |
| 336 | (14,121) | (1,663) | 18,166 | 220,485 | 222,636 |
| 4,292 | 21,722 | 672,590 | 647,402 | - | 1,819,042 |
| \$ 4,628 | \$ 7,601 | \$ 670,927 | \$ 665,568 | \$ 220,485 | \$ 2,041,678 |



MONTGOMERY COUNTY, TEXAS

Nonmajor Special Revenue Funds

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

Year Ended September 30, 2013

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| | Contract Elections Services | HAVA Grant Fund | ARRA Grant Fund | Memo Totals to Page 121 |
|--|-----------------------------------|-----------------------|-----------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Intergovernmental | \$ 339,525 | \$ 576,052 | \$ 45,098 | \$ 960,675 |
| Miscellaneous | - | - | 4,917 | 4,917 |
| <u>TOTAL REVENUES</u> | <u>339,525</u> | <u>576,052</u> | <u>50,015</u> | <u>965,592</u> |
| <u>EXPENDITURES:</u> | | | | |
| Elections | 472,921 | 326,866 | - | 799,787 |
| Public Transportation | - | - | 16,390 | 16,390 |
| <u>TOTAL EXPENDITURES</u> | <u>472,921</u> | <u>326,866</u> | <u>16,390</u> | <u>816,177</u> |
| Excess (Deficiency) Revenues Over Expenditures | <u>(133,396)</u> | <u>249,186</u> | <u>33,625</u> | <u>149,415</u> |
| <u>OTHER FINANCING SOURCES/ (USES):</u> | | | | |
| Transfers In | 763,784 | - | - | 763,784 |
| Transfers Out | - | - | (115,838) | (115,838) |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>763,784</u> | <u>-</u> | <u>(115,838)</u> | <u>647,946</u> |
| Net Change in Fund Balances | 630,388 | 249,186 | (82,213) | 797,361 |
| Fund Balances at Beginning of Year | <u>-</u> | <u>-</u> | <u>89,580</u> | <u>89,580</u> |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 630,388</u> | <u>\$ 249,186</u> | <u>\$ 7,367</u> | <u>\$ 886,941</u> |

MONTGOMERY COUNTY, TEXAS

Attorney Administration Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-3

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|----------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Charges for Service | \$ 59,552 | \$ 59,552 | \$ 44,222 | \$ (15,330) |
| Interest | - | - | 9 | 9 |
| Total Revenues | <u>59,552</u> | <u>59,552</u> | <u>44,231</u> | <u>(15,321)</u> |
| <u>EXPENDITURES:</u> | | | | |
| General Administration: | | | | |
| Salaries | 47,059 | 47,059 | 33,472 | 13,587 |
| Employee Benefits | 21,246 | 21,246 | 18,194 | 3,052 |
| Supplies | 2,302 | 2,302 | 615 | 1,687 |
| Contract Services | 250 | 250 | 178 | 72 |
| Total Expenditures | <u>70,857</u> | <u>70,857</u> | <u>52,459</u> | <u>18,398</u> |
| (Deficiency) Revenues Over Expenditures | <u>(11,305)</u> | <u>(11,305)</u> | <u>(8,228)</u> | <u>3,077</u> |
| <u>OTHER FINANCING SOURCES:</u> | | | | |
| Transfers In | <u>-</u> | <u>-</u> | <u>7,500</u> | <u>7,500</u> |
| Net Change in Fund Balance | (11,305) | (11,305) | (728) | 10,577 |
| Fund Balance at Beginning of Year | <u>1,246</u> | <u>1,246</u> | <u>1,246</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ (10,059)</u> | <u>\$ (10,059)</u> | <u>\$ 518</u> | <u>\$ 10,577</u> |

MONTGOMERY COUNTY, TEXAS

Forfeitures Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-4

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-------------------|-------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Interest | \$ - | \$ 8,131 | \$ 8,182 | \$ 51 |
| Fines and Forfeitures | 513,932 | 919,310 | 923,266 | 3,956 |
| Total Revenues | 513,932 | 927,441 | 931,448 | 4,007 |
| <u>EXPENDITURES:</u> | | | | |
| Public Safety: | | | | |
| Salaries | 8,806 | 55,021 | 55,021 | - |
| Employee Benefits | 2,073 | 19,760 | 19,760 | - |
| Supplies | 202,545 | 352,863 | 339,024 | 13,839 |
| Contract Services | 77,128 | 146,953 | 145,667 | 1,286 |
| Capital Outlay | 223,380 | 475,683 | 475,682 | 1 |
| Total Expenditures | 513,932 | 1,050,280 | 1,035,154 | 15,126 |
| Net Change in Fund Balance | - | (122,839) | (103,706) | 19,133 |
| Fund Balance at Beginning of Year | 872,272 | 872,272 | 872,272 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 872,272</u> | <u>\$ 749,433</u> | <u>\$ 768,566</u> | <u>\$ 19,133</u> |

MONTGOMERY COUNTY, TEXAS
FEMA Disaster Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-5

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|----------------------------|----------------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Intergovernmental: | | | | |
| Federal Grants | \$ - | \$ - | \$ 967 | \$ 967 |
| Total Revenues | <u> -</u> | <u> -</u> | <u> 967</u> | <u> 967</u> |
| Net Change in Fund Balance | - | - | 967 | 967 |
| Fund Balance at Beginning of Year | <u> 68,440</u> | <u> 68,440</u> | <u> 68,440</u> | <u> -</u> |
| <u>FUND BALANCE AT</u> | | | | |
| <u>END OF YEAR</u> | <u> \$ 68,440</u> | <u> \$ 68,440</u> | <u> \$ 69,407</u> | <u> \$ 967</u> |

MONTGOMERY COUNTY, TEXAS

Jury Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-6

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|-----------------------|-----------------------|---------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 405,000 | \$ 80,000 | \$ 66,861 | \$ (13,139) |
| Intergovernmental: | | | | |
| Federal Grants | - | 120,340 | 139,192 | 18,852 |
| State Grants | 445,340 | 628,834 | 613,852 | (14,982) |
| Other | - | 125,000 | 127,500 | 2,500 |
| Charges for Services | - | 326,230 | 177,912 | (148,318) |
| Interest | 200 | 200 | 280 | 80 |
| Contract Reimbursements | 443,083 | 593,083 | 946,312 | 353,229 |
| Fines and Forfeitures | 700,000 | 700,000 | 542,658 | (157,342) |
| Miscellaneous | - | 209,714 | 154,592 | (55,122) |
| Total Revenues | <u>1,993,623</u> | <u>2,783,401</u> | <u>2,769,159</u> | <u>(14,242)</u> |
| <u>EXPENDITURES:</u> | | | | |
| Judicial: | | | | |
| Salaries | 2,560,479 | 2,770,969 | 2,679,317 | 91,652 |
| Employee Benefits | 1,005,422 | 970,259 | 929,224 | 41,035 |
| Supplies | 58,491 | 94,781 | 82,107 | 12,674 |
| Contract Services | 6,788,200 | 6,992,051 | 6,745,034 | 247,017 |
| Capital Outlay | 2,500 | 155,692 | 154,592 | 1,100 |
| Total Expenditures | <u>10,415,092</u> | <u>10,983,752</u> | <u>10,590,274</u> | <u>393,478</u> |
| (Deficiency) Revenues Over Expenditures | <u>(8,421,469)</u> | <u>(8,200,351)</u> | <u>(7,821,115)</u> | <u>379,236</u> |
| <u>OTHER FINANCING SOURCES/(USES):</u> | | | | |
| Transfers In | - | 216,074 | 8,800,000 | 8,583,926 |
| Transfers Out | - | (454,116) | (454,116) | - |
| Total Other Financing Sources /(Uses) | <u>-</u> | <u>(238,042)</u> | <u>8,345,884</u> | <u>8,583,926</u> |
| Net Change in Fund Balance | (8,421,469) | (8,438,393) | 524,769 | 8,963,162 |
| Fund Balance at Beginning of Year | <u>1,155,632</u> | <u>1,155,632</u> | <u>1,155,632</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ (7,265,837)</u> | <u>\$ (7,282,761)</u> | <u>\$ 1,680,401</u> | <u>\$ 8,963,162</u> |

MONTGOMERY COUNTY, TEXAS

Sheriff Commissary Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-7

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Charges for Services | \$ 83,000 | \$ 496,942 | \$ 555,527 | \$ 58,585 |
| Interest | - | 543 | 543 | - |
| Total Revenues | <u>83,000</u> | <u>497,485</u> | <u>556,070</u> | <u>58,585</u> |
| <u>EXPENDITURES:</u> | | | | |
| Public Safety: | | | | |
| Salaries | - | 41,410 | 41,410 | - |
| Employee Benefits | - | 20,727 | 20,727 | - |
| Supplies | 73,000 | 240,776 | 239,872 | 904 |
| Contract Services | 10,000 | 94,660 | 94,647 | 13 |
| Capital Outlay | - | 99,912 | 99,813 | 99 |
| Total Expenditures | <u>83,000</u> | <u>497,485</u> | <u>496,469</u> | <u>1,016</u> |
| Net Change in Fund Balance | - | - | 59,601 | 59,601 |
| Fund Balance at Beginning of Year | <u>194,546</u> | <u>194,546</u> | <u>194,546</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 194,546</u> | <u>\$ 194,546</u> | <u>\$ 254,147</u> | <u>\$ 59,601</u> |

MONTGOMERY COUNTY, TEXAS

Memorial Library Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-8

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|------------------|-------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Intergovernmental: | | | | |
| State Grants | \$ - | \$ 3,612 | \$ 3,612 | \$ - |
| Miscellaneous | - | 80,533 | 80,533 | - |
| Total Revenues | - | 84,145 | 84,145 | - |
| <u>EXPENDITURES:</u> | | | | |
| Culture and Recreation: | | | | |
| Supplies | - | 39,486 | 29,524 | 9,962 |
| Contract Services | - | 58,171 | 2,153 | 56,018 |
| Capital Outlay | - | 180,874 | 125,305 | 55,569 |
| Total Expenditures | - | 278,531 | 156,982 | 121,549 |
| Net Change in Fund Balance | - | (194,386) | (72,837) | 121,549 |
| Fund Balance at Beginning of Year | 218,622 | 218,622 | 218,622 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 218,622</u> | <u>\$ 24,236</u> | <u>\$ 145,785</u> | <u>\$ 121,549</u> |

MONTGOMERY COUNTY, TEXAS
Community Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-9

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Intergovernmental: | | | | |
| Federal Grants | \$ 2,786,380 | \$ 2,934,327 | \$ 2,806,583 | \$ (127,744) |
| Miscellaneous | - | 137,516 | 136,313 | (1,203) |
| Total Revenues | <u>2,786,380</u> | <u>3,071,843</u> | <u>2,942,896</u> | <u>(128,947)</u> |
| <u>EXPENDITURES:</u> | | | | |
| Health and Welfare: | | | | |
| Salaries | 316,225 | 1,195,620 | 556,177 | 639,443 |
| Employee Benefits | 117,138 | 247,300 | 129,175 | 118,125 |
| Supplies | 9,286 | 100,531 | 5,589 | 94,942 |
| Contract Services | 899,833 | 3,135,708 | 1,548,511 | 1,587,197 |
| Capital Outlay | 1,443,898 | 15,163,625 | 703,444 | 14,460,181 |
| Total Expenditures | <u>2,786,380</u> | <u>19,842,784</u> | <u>2,942,896</u> | <u>16,899,888</u> |
| (Deficiency) Revenues Over Expenditures | <u>-</u> | <u>(16,770,941)</u> | <u>-</u> | <u>16,770,941</u> |
| <u>OTHER FINANCING SOURCES/(USES):</u> | | | | |
| Transfers In | - | - | 36,305 | 36,305 |
| Transfers Out | - | - | (220,729) | (220,729) |
| Total Other Financing Sources/(Uses): | <u>-</u> | <u>-</u> | <u>(184,424)</u> | <u>(184,424)</u> |
| Net Change in Fund Balance | - | (16,770,941) | (184,424) | 16,586,517 |
| Fund Balance at Beginning of Year | <u>184,459</u> | <u>184,459</u> | <u>184,459</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 184,459</u> | <u>\$ (16,586,482)</u> | <u>\$ 35</u> | <u>\$ 16,586,517</u> |

MONTGOMERY COUNTY, TEXAS

Law Library Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-10

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 407,636 | \$ 407,636 | \$ 237,436 | \$ (170,200) |
| Charges for Service | - | - | 537 | 537 |
| Interest | - | - | 373 | 373 |
| Miscellaneous | - | - | 9,055 | 9,055 |
| Total Revenues | <u>407,636</u> | <u>407,636</u> | <u>247,401</u> | <u>(160,235)</u> |
| <u>EXPENDITURES:</u> | | | | |
| Legal Services: | | | | |
| Salaries | 156,613 | 156,613 | 156,588 | 25 |
| Employee Benefits | 65,990 | 65,990 | 65,110 | 880 |
| Supplies | 22,000 | 16,575 | 12,917 | 3,658 |
| Contract Services | 93,033 | 98,458 | 97,419 | 1,039 |
| Capital Outlay | 70,000 | 70,000 | 29,682 | 40,318 |
| Total Expenditures | <u>407,636</u> | <u>407,636</u> | <u>361,716</u> | <u>45,920</u> |
| (Deficiency) Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>(114,315)</u> | <u>(114,315)</u> |
| Net Change in Fund Balance | - | - | (114,315) | (114,315) |
| Fund Balance at Beginning of Year | <u>527,541</u> | <u>527,541</u> | <u>527,541</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 527,541</u> | <u>\$ 527,541</u> | <u>\$ 413,226</u> | <u>\$ (114,315)</u> |

MONTGOMERY COUNTY, TEXAS

Juvenile Probation Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-11

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|---------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Intergovernmental: | | | | |
| Federal Grants | \$ - | \$ 30,282 | \$ 8,632 | \$ (21,650) |
| State Grants | - | 2,453,206 | 2,298,524 | (154,682) |
| Charges for Services | - | 45,868 | 14,268 | (31,600) |
| Interest | - | 1,997 | 1,997 | - |
| Miscellaneous | - | - | 1,200 | 1,200 |
| Total Revenues | <u>-</u> | <u>2,531,353</u> | <u>2,324,621</u> | <u>(206,732)</u> |
| <u>EXPENDITURES:</u> | | | | |
| Public Safety: | | | | |
| Salaries | - | 1,950,772 | 946,254 | 1,004,518 |
| Benefits | - | 947,687 | 450,894 | 496,793 |
| Supplies | - | 276,612 | 129,039 | 147,573 |
| Contract Services | - | 1,742,317 | 695,972 | 1,046,345 |
| Capital Outlay | - | 37,270 | 37,270 | - |
| Total Expenditures | <u>-</u> | <u>4,954,658</u> | <u>2,259,429</u> | <u>2,695,229</u> |
| Excess (Deficiency) Revenues Over Expenditures | <u>-</u> | <u>(2,423,305)</u> | <u>65,192</u> | <u>2,488,497</u> |
| <u>OTHER FINANCING SOURCES/(USES):</u> | | | | |
| Transfers In | - | 26 | 26 | - |
| Transfers Out | <u>-</u> | <u>(4,250)</u> | <u>(4,250)</u> | <u>-</u> |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>(4,224)</u> | <u>(4,224)</u> | <u>-</u> |
| Net Change in Fund Balance | - | (2,427,529) | 60,968 | 2,488,497 |
| Fund Balance at Beginning of Year | <u>1,512,445</u> | <u>1,512,445</u> | <u>1,512,445</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 1,512,445</u> | <u>\$ (915,084)</u> | <u>\$ 1,573,413</u> | <u>\$ 2,488,497</u> |

MONTGOMERY COUNTY, TEXAS
Records Management and Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-12

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 377,724 | \$ 411,724 | \$ 755,531 | \$ 343,807 |
| Interest | - | - | 6,161 | 6,161 |
| Total Revenues | <u>377,724</u> | <u>411,724</u> | <u>761,692</u> | <u>349,968</u> |
| <u>EXPENDITURES:</u> | | | | |
| General Administration: | | | | |
| Salaries | 199,722 | 199,722 | 166,518 | 33,204 |
| Employee Benefits | 74,722 | 74,722 | 55,712 | 19,010 |
| Supplies | 12,620 | 12,458 | 10,004 | 2,454 |
| Contract Services | 90,660 | 106,264 | 91,570 | 14,694 |
| Capital Outlay | - | 22,000 | 21,620 | 380 |
| Total Expenditures | <u>377,724</u> | <u>415,166</u> | <u>345,424</u> | <u>69,742</u> |
| Excess (Deficiency) Revenues Over Expenditures | <u>-</u> | <u>(3,442)</u> | <u>416,268</u> | <u>419,710</u> |
| <u>OTHER FINANCING SOURCES/(USES):</u> | | | | |
| Transfers In | - | 3,603 | 3,603 | - |
| Transfers Out | <u>-</u> | <u>(161)</u> | <u>(161)</u> | <u>-</u> |
| Total Other Financing Sources/(Uses) | <u>-</u> | <u>3,442</u> | <u>3,442</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 419,710 | 419,710 |
| Fund Balance at Beginning of Year | <u>4,374,043</u> | <u>4,374,043</u> | <u>4,374,043</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 4,374,043</u> | <u>\$ 4,374,043</u> | <u>\$ 4,793,753</u> | <u>\$ 419,710</u> |

MONTGOMERY COUNTY, TEXAS

Pre-Trial Diversion Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-13

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 52,984 | \$ 52,984 | \$ 124,125 | \$ 71,141 |
| Total Revenues | <u>52,984</u> | <u>52,984</u> | <u>124,125</u> | <u>71,141</u> |
| <u>EXPENDITURES:</u> | | | | |
| General Administration: | | | | |
| Salaries | 23,299 | 23,299 | 9,922 | 13,377 |
| Employee Benefits | 2,043 | 2,043 | 2,018 | 25 |
| Supplies | 24,694 | 24,694 | 7,334 | 17,360 |
| Contract Services | 3,000 | 3,000 | 2,660 | 340 |
| Total Expenditures | <u>53,036</u> | <u>53,036</u> | <u>21,934</u> | <u>31,102</u> |
| Net Change in Fund Balance | (52) | (52) | 102,191 | 102,243 |
| Fund Balance at Beginning of Year | <u>107,017</u> | <u>107,017</u> | <u>107,017</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 106,965</u> | <u>\$ 106,965</u> | <u>\$ 209,208</u> | <u>\$ 102,243</u> |

MONTGOMERY COUNTY, TEXAS

Scofflaw Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-14

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|---------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 2,983 | \$ 2,983 | \$ 20 | \$ (2,963) |
| Total Revenues | <u>2,983</u> | <u>2,983</u> | <u>20</u> | <u>(2,963)</u> |
| <u>EXPENDITURES:</u> | | | | |
| Financial Administration: | | | | |
| Supplies | 1,800 | 1,800 | 29 | 1,771 |
| Contract Services | <u>1,183</u> | <u>1,183</u> | <u>-</u> | <u>1,183</u> |
| Total Expenditures | <u>2,983</u> | <u>2,983</u> | <u>29</u> | <u>2,954</u> |
| Excess (Deficiency) Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>(9)</u> | <u>(9)</u> |
| <u>OTHER FINANCING SOURCES:</u> | | | | |
| Transfers In | <u>-</u> | <u>-</u> | <u>7</u> | <u>7</u> |
| Net Change in Fund Balance | - | - | (2) | (2) |
| Fund Balance at Beginning of Year | <u>2</u> | <u>2</u> | <u>2</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 2</u> | <u>\$ 2</u> | <u>\$ -</u> | <u>\$ (2)</u> |

MONTGOMERY COUNTY, TEXAS

Airport Grants Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-15

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-------------------|---------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Intergovernmental: | | | | |
| Federal Grants | \$ - | \$ 15,833,793 | \$ 782,795 | \$ (15,050,998) |
| State Grants | - | 50,000 | 49,329 | (671) |
| Miscellaneous | - | 2,545,820 | 2,545,820 | - |
| Total Revenues | - | 18,429,613 | 3,377,944 | (15,051,669) |
| <u>EXPENDITURES:</u> | | | | |
| Public Transportation: | | | | |
| Capital Outlay | 50,000 | 18,848,144 | 1,000,160 | 17,847,984 |
| Total Expenditures | 50,000 | 18,848,144 | 1,000,160 | 17,847,984 |
| (Deficiency) Revenues Over Expenditures | (50,000) | (418,531) | 2,377,784 | 2,796,315 |
| Net Change in Fund Balance | (50,000) | (418,531) | 2,377,784 | 2,796,315 |
| Fund Balance at Beginning of Year | 1,029,949 | 1,029,949 | 1,029,949 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 979,949</u> | <u>\$ 611,418</u> | <u>\$ 3,407,733</u> | <u>\$ 2,796,315</u> |

MONTGOMERY COUNTY, TEXAS

Mental Health Facility Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-16

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|--------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Contract Reimbursement | \$ 15,000,000 | \$ 15,000,000 | \$ 14,630,994 | \$ (369,006) |
| Total Revenues | <u>15,000,000</u> | <u>15,000,000</u> | <u>14,630,994</u> | <u>(369,006)</u> |
| <u>EXPENDITURES:</u> | | | | |
| Health and Welfare: | | | | |
| Contract Services | <u>13,179,219</u> | <u>13,179,219</u> | <u>12,257,472</u> | <u>921,747</u> |
| Total Expenditures | <u>13,179,219</u> | <u>13,179,219</u> | <u>12,257,472</u> | <u>921,747</u> |
| Excess Revenues Over Expenditures | <u>1,820,781</u> | <u>1,820,781</u> | <u>2,373,522</u> | <u>552,741</u> |
| <u>OTHER FINANCING (USES):</u> | | | | |
| Transfers out | <u>-</u> | <u>-</u> | <u>(4,822,496)</u> | <u>(4,822,496)</u> |
| Net Change in Fund Balance | 1,820,781 | 1,820,781 | (2,448,974) | (4,269,755) |
| Fund Balance at Beginning of Year | <u>3,125,645</u> | <u>3,125,645</u> | <u>3,125,645</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 4,946,426</u> | <u>\$ 4,946,426</u> | <u>\$ 676,671</u> | <u>\$ (4,269,755)</u> |

MONTGOMERY COUNTY, TEXAS
Records Management County Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-17

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-------------------|-------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 424,045 | \$ 172,388 | \$ 176,893 | \$ 4,505 |
| Interest | - | 567 | 567 | - |
| Total Revenues | - | 172,955 | 177,460 | 4,505 |
| <u>EXPENDITURES:</u> | | | | |
| General Administration: | | | | |
| Salaries | - | 250,387 | 250,387 | - |
| Employee Benefits | - | 124,530 | 124,530 | - |
| Supplies | - | 21,722 | 19,809 | 1,913 |
| Contract Services | - | 24,016 | 24,016 | - |
| Capital Outlay | - | 43,705 | 43,705 | - |
| Total Expenditures | - | 464,360 | 462,447 | 1,913 |
| Excess Revenues Over Expenditures | - | (291,405) | (284,987) | 6,418 |
| Net Change in Fund Balance | - | (291,405) | (284,987) | 6,418 |
| Fund Balance at Beginning of Year | 420,749 | 420,749 | 420,749 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 420,749</u> | <u>\$ 129,344</u> | <u>\$ 135,762</u> | <u>\$ 6,418</u> |

MONTGOMERY COUNTY, TEXAS
Records Management District Clerk Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-18

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------------|--------------------------|--------------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 51,991 | \$ 51,991 | \$ 44,493 | \$ (7,498) |
| Investment Earnings | - | - | 212 | 212 |
| Total Revenues | 51,991 | 51,991 | 44,705 | (7,286) |
| <u>EXPENDITURES:</u> | | | | |
| General Administration: | | | | |
| Supplies | 10,087 | 9,808 | 9,807 | 1 |
| Contract Services | 32,941 | 48,521 | 18,689 | 29,832 |
| Capital Outlay | 8,963 | 9,241 | 9,241 | - |
| Total Expenditures | 51,991 | 67,570 | 37,737 | 29,833 |
| Excess (Deficiency) Revenues Over Expenditures | - | (15,579) | 6,968 | 22,547 |
| Net Change in Fund Balance | - | (15,579) | 6,968 | 22,547 |
| Fund Balance at Beginning of Year | 160,860 | 160,860 | 160,860 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 160,860</u> | <u>\$ 145,281</u> | <u>\$ 167,828</u> | <u>\$ 22,547</u> |

MONTGOMERY COUNTY, TEXAS
Digital Preservation County and District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-19

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-------------------|-------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ - | \$ - | \$ 62,278 | \$ 62,278 |
| Interest | - | - | 260 | 260 |
| Total Revenues | - | - | 62,538 | 62,538 |
| Net Change in Fund Balance | - | - | 62,538 | 62,538 |
| Fund Balance at Beginning of Year | 193,613 | 193,613 | 193,613 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 193,613</u> | <u>\$ 193,613</u> | <u>\$ 256,151</u> | <u>\$ 449,764</u> |

MONTGOMERY COUNTY, TEXAS
District Clerk Record Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-20

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|-------------------------|-------------------------|-------------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ - | \$ 40,000 | \$ 40,430 | \$ 430 |
| Interest | - | - | 120 | 120 |
| Total Revenues | - | 40,000 | 40,550 | 550 |
| <u>EXPENDITURES:</u> | | | | |
| Judicial: | | | | |
| Contract Services | - | 40,000 | 39,740 | 260 |
| Total Expenditures | - | 40,000 | 39,740 | 260 |
| Excess Revenues Over Expenditures | - | - | 810 | 810 |
| Net Change in Fund Balance | - | - | 810 | 810 |
| Fund Balance at Beginning of Year | 40,948 | 40,948 | 40,948 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 40,948</u> | <u>\$ 40,948</u> | <u>\$ 41,758</u> | <u>\$ 810</u> |

MONTGOMERY COUNTY, TEXAS

Court Guardianship Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-21

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ - | \$ 800 | \$ 22,464 | \$ 21,664 |
| Total Revenues | - | 800 | 22,464 | 21,664 |
| <u>EXPENDITURES:</u> | | | | |
| Judicial: | | | | |
| Contract Services | - | 800 | 800 | - |
| Total Expenditures | - | 800 | 800 | - |
| Excess Revenues Over Expenditures | - | - | 21,664 | 21,664 |
| Net Change in Fund Balance | - | - | 21,664 | 21,664 |
| Fund Balance at Beginning of Year | 60,800 | 60,800 | 60,800 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 60,800</u> | <u>\$ 60,800</u> | <u>\$ 82,464</u> | <u>\$ 21,664</u> |

MONTGOMERY COUNTY, TEXAS

Court Reporter Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-22

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 114,500 | \$ 122,485 | \$ 117,235 | \$ (5,250) |
| Total Revenues | <u>114,500</u> | <u>122,485</u> | <u>117,235</u> | <u>(5,250)</u> |
| <u>EXPENDITURES:</u> | | | | |
| Judicial: | | | | |
| Supplies | - | 15,250 | 15,250 | - |
| Contract Services | 114,500 | 114,934 | 114,934 | - |
| Capital Outlay | - | 10,276 | 10,276 | - |
| Total Expenditures | <u>114,500</u> | <u>140,460</u> | <u>140,460</u> | <u>-</u> |
| (Deficiency) Revenues Over Expenditures | <u>-</u> | <u>(17,975)</u> | <u>(23,225)</u> | <u>(5,250)</u> |
| Net Change in Fund Balance | - | (17,975) | (23,225) | (5,250) |
| Fund Balance at Beginning of Year | <u>112,369</u> | <u>112,369</u> | <u>112,369</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 112,369</u> | <u>\$ 94,394</u> | <u>\$ 89,144</u> | <u>\$ (5,250)</u> |

MONTGOMERY COUNTY, TEXAS

Courthouse Security Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-23

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-----------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 335,000 | \$ 343,244 | \$ 342,812 | \$ (432) |
| Total Revenues | <u>335,000</u> | <u>343,244</u> | <u>342,812</u> | <u>(432)</u> |
| <u>EXPENDITURES:</u> | | | | |
| Public Safety: | | | | |
| Contract Services | <u>335,000</u> | <u>405,166</u> | <u>405,166</u> | <u>-</u> |
| Total Expenditures | <u>335,000</u> | <u>405,166</u> | <u>405,166</u> | <u>-</u> |
| (Deficiency) Revenues Over Expenditures | <u>-</u> | <u>(61,922)</u> | <u>(62,354)</u> | <u>(432)</u> |
| Net Change in Fund Balance | - | (61,922) | (62,354) | (432) |
| Fund Balance at Beginning of Year | <u>65,306</u> | <u>65,306</u> | <u>65,306</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 65,306</u> | <u>\$ 3,384</u> | <u>\$ 2,952</u> | <u>\$ (432)</u> |

MONTGOMERY COUNTY, TEXAS
Court Technology County and District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-24

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|--------------------|-----------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ - | \$ 4,056 | \$ 18,955 | \$ 14,899 |
| Total Revenues | - | 4,056 | 18,955 | 14,899 |
| <u>EXPENDITURES:</u> | | | | |
| Judicial: | | | | |
| Contract Services | - | 19,412 | 18,619 | 793 |
| Total Expenditures | - | 19,412 | 18,619 | 793 |
| Excess (Deficiency) Revenues Over Expenditures | - | (15,356) | 336 | 15,692 |
| Net Change in Fund Balance | - | (15,356) | 336 | 15,692 |
| Fund Balance at Beginning of Year | 4,292 | 4,292 | 4,292 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 4,292</u> | <u>\$ (11,064)</u> | <u>\$ 4,628</u> | <u>\$ 15,692</u> |

MONTGOMERY COUNTY, TEXAS
Justice Court Building Security
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-25

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|-------------------------|-------------------------|------------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ - | \$ 59,474 | \$ 45,353 | \$ (14,121) |
| Total Revenues | - | 59,474 | 45,353 | (14,121) |
| <u>EXPENDITURES:</u> | | | | |
| Legal Services: | | | | |
| Salaries | - | 44,202 | 44,202 | - |
| Employee Benefits | - | 15,272 | 15,272 | - |
| Total Expenditures | - | 59,474 | 59,474 | - |
| (Deficiency) Revenues Over Expenditures | - | - | (14,121) | (14,121) |
| Net Change in Fund Balance | - | - | (14,121) | (14,121) |
| Fund Balance at Beginning of Year | 21,722 | 21,722 | 21,722 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 21,722</u> | <u>\$ 21,722</u> | <u>\$ 7,601</u> | <u>\$ (14,121)</u> |

MONTGOMERY COUNTY, TEXAS
Justice Court Technology Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-26

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|-------------------|-------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ - | \$ 42,334 | \$ 182,139 | \$ 139,805 |
| Total Revenues | - | 42,334 | 182,139 | 139,805 |
| <u>EXPENDITURES:</u> | | | | |
| Judicial: | | | | |
| Supplies | - | 8,422 | 8,096 | 326 |
| Contract Services | - | 175,706 | 175,706 | - |
| Total Expenditures | - | 184,128 | 183,802 | 326 |
| Excess (Deficiency) Revenues Over Expenditures | - | (141,794) | (1,663) | 140,131 |
| Net Change in Fund Balance | - | (141,794) | (1,663) | 140,131 |
| Fund Balance at Beginning of Year | 672,590 | 672,590 | 672,590 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 672,590</u> | <u>\$ 530,796</u> | <u>\$ 670,927</u> | <u>\$ 140,131</u> |

MONTGOMERY COUNTY, TEXAS

Juvenile Case Manager Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-27

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ 109,942 | \$ 112,443 | \$ 129,388 | \$ 16,945 |
| Total Revenues | <u>109,942</u> | <u>112,443</u> | <u>129,388</u> | <u>16,945</u> |
| <u>EXPENDITURES:</u> | | | | |
| Judicial: | | | | |
| Salaries | 72,251 | 74,452 | 74,446 | 6 |
| Employee Benefits | 37,673 | 37,673 | 36,476 | 1,197 |
| Contract Services | - | 300 | 300 | - |
| Total Expenditures | <u>109,924</u> | <u>112,425</u> | <u>111,222</u> | <u>1,203</u> |
| Net Change in Fund Balance | 18 | 18 | 18,166 | 18,148 |
| Fund Balance at Beginning of Year | <u>647,402</u> | <u>647,402</u> | <u>647,402</u> | <u>-</u> |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 647,420</u> | <u>\$ 647,420</u> | <u>\$ 665,568</u> | <u>\$ 18,148</u> |

MONTGOMERY COUNTY, TEXAS

Bond Supervision Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-28

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Fees | \$ - | \$ 350,000 | \$ 468,385 | \$ 118,385 |
| Interest | - | 500 | 587 | 87 |
| Total Revenues | - | 350,500 | 468,972 | 118,472 |
| <u>EXPENDITURES:</u> | | | | |
| Public Safety: | | | | |
| Salaries | - | 225,000 | 149,774 | 75,226 |
| Employee Benefits | - | 76,500 | 55,829 | 20,671 |
| Supplies | - | 4,000 | 1,094 | 2,906 |
| Contract Services | - | 45,000 | 41,790 | 3,210 |
| Total Expenditures | - | 350,500 | 248,487 | 102,013 |
| Net Change in Fund Balance | - | - | 220,485 | 220,485 |
| Fund Balance at Beginning of Year | - | - | - | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 220,485</u> | <u>\$ 220,485</u> |

MONTGOMERY COUNTY, TEXAS
Contract Elections Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-29

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|----------------------|--------------------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Intergovernmental: | | | | |
| Other | \$ - | \$ 177,299 | \$ 339,525 | \$ 162,226 |
| Total Revenues | - | 177,299 | 339,525 | 162,226 |
| <u>EXPENDITURES:</u> | | | | |
| Elections: | | | | |
| Salaries | - | 313,935 | 313,825 | 110 |
| Employee Benefits | - | 31,580 | 31,552 | 28 |
| Supplies | - | 23,645 | 23,567 | 78 |
| Contract Services | - | 99,699 | 99,566 | 133 |
| Capital Outlay | - | 4,411 | 4,411 | - |
| Total Expenditures | - | 473,270 | 472,921 | 349 |
| Excess Revenues | | | | |
| Over Expenditures | - | (295,971) | (133,396) | 162,575 |
| <u>OTHER FINANCING SOURCES:</u> | | | | |
| Transfers In | - | 296,414 | 763,784 | 467,370 |
| Net Change in Fund Balance | - | 443 | 630,388 | 629,945 |
| Fund Balance at Beginning of Year | - | - | - | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ -</u> | <u>\$ 443</u> | <u>\$ 630,388</u> | <u>\$ 629,945</u> |

MONTGOMERY COUNTY, TEXAS

HAVA Grant Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-30

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|-------------------------|-------------------|---------------------------------------|
| <u>REVENUES:</u> | | | | |
| Intergovernmental: | | | | |
| Other | \$ - | \$ 326,767 | \$ 576,052 | \$ 249,285 |
| Total Revenues | - | 326,767 | 576,052 | 249,285 |
| <u>EXPENDITURES:</u> | | | | |
| Elections: | | | | |
| Supplies | - | 152,865 | 152,865 | - |
| Contract Services | - | 125,571 | 125,571 | - |
| Capital Outlay | - | 48,775 | 48,430 | 345 |
| Total Expenditures | - | 327,211 | 326,866 | 345 |
| Excess (Deficiency) Revenues Over Expenditures | - | (444) | 249,186 | 249,630 |
| <u>OTHER FINANCING SOURCES:</u> | | | | |
| Transfers In | - | 296,414 | - | (296,414) |
| Net Change in Fund Balance | - | 295,970 | 249,186 | (46,784) |
| Fund Balance at Beginning of Year | - | - | - | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ -</u> | <u>\$ 295,970</u> | <u>\$ 249,186</u> | <u>\$ (46,784)</u> |

MONTGOMERY COUNTY, TEXAS

Federal ARRA Grant Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual Year Ended September 30, 2013

C-31

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|--------------------|--------------------|-----------------|-------------------------------|
| <u>REVENUES:</u> | | | | |
| Intergovernmental: | | | | |
| Federal Grants | \$ - | \$ 45,098 | \$ 45,098 | \$ - |
| Miscellaneous | - | (25,083) | 4,917 | 30,000 |
| Total Revenues | - | 20,015 | 50,015 | 30,000 |
| <u>EXPENDITURES:</u> | | | | |
| Public Transportation: | | | | |
| Contract Services | - | 34,917 | 4,917 | 30,000 |
| Capital Outlay | - | 42,372 | 11,473 | 30,899 |
| Total Expenditures | - | 77,289 | 16,390 | 60,899 |
| Excess (Deficiency) Revenues Over Expenditures | - | (57,274) | 33,625 | 90,899 |
| <u>OTHER FINANCING (USES):</u> | | | | |
| Transfers Out | - | (115,838) | (115,838) | - |
| Net Change in Fund Balance | - | (173,112) | (82,213) | 90,899 |
| Fund Balance at Beginning of Year | 89,580 | 89,580 | 89,580 | - |
| <u>FUND BALANCE AT END OF YEAR</u> | <u>\$ 89,580</u> | <u>\$ (83,532)</u> | <u>\$ 7,367</u> | <u>\$ 90,899</u> |

NONMAJOR DEBT SERVICE FUNDS

Jail Financing Corporation Debt Service Fund - to account and provide for the receipt and disbursement of funds to retire debt resulting from the issuance of revenue bonds. Financing is provided by contracts executed with the U.S. Government for the housing of federal prisoners.

MONTGOMERY COUNTY, TEXAS

Nonmajor Debt Service Fund

Balance Sheet

September 30, 2013

D-1

ASSETS:

TOTAL ASSETS

Jail Financing
Corporation

\$ -

LIABILITIES AND FUND BALANCES:

LIABILITIES:

Total Liabilities

-

FUND BALANCES:

Restricted

-

Total Fund Balances

-

**TOTAL LIABILITIES AND
FUND BALANCES**

\$ -

MONTGOMERY COUNTY, TEXAS
Nonmajor Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended September 30, 2013

D-2

| | |
|--|-------------------------------|
| | Jail Financing Corporation |
| | <hr/> |
| <u>REVENUES:</u> | |
| <u>TOTAL REVENUES</u> | <hr/> \$ - <hr/> |
| <u>EXPENDITURES:</u> | |
| Debt Service | |
| Principal Retirement | 1,715,150 |
| Interest and Fiscal Charges | 1,728,330 |
| Issuance Costs | 216,029 |
| <u>TOTAL EXPENDITURES</u> | <hr/> 3,659,509 <hr/> |
| (Deficiency) Revenues Over Expenditures | <hr/> (3,659,509) <hr/> |
| <u>OTHER FINANCING SOURCES:</u> | |
| Transfers In | 46,001,908 |
| Payment Refunding Bond Escrow Agent | (42,342,399) |
| <u>TOTAL OTHER FINANCING SOURCES</u> | <hr/> 3,659,509 <hr/> |
| Net Change in Fund Balance | - |
| Fund Balances at Beginning of Year | <hr/> - <hr/> |
| <u>FUND BALANCES AT END OF YEAR</u> | <hr/> \$ - <hr/> |



NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

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

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

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

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

Revenue Tax Bonds Series 2009 - to account for the County's issuance of \$56,190,000 in bonds that are being used to finance improvements to four specific state-owned roads, as well as direct connectors to two additional roads of the state highway system. The County has entered into a "pass-thru toll agreement" with the State of Texas for improvements by the County to roads owned by the State.

Certificates of Obligation Series 2010 - to account for the construction of a new mental health treatment facility. The issuance of approximately \$32.45 million in certificates of obligation will provide the funding.

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

Certificates of Obligation Series 2012A - to account for various road improvements to county owned roads and the construction and renovation of runway and taxiway improvements at the Lone Star Executive Airport. The County intends to reimburse itself for these current expenditures upon issuance of certificates of obligation in early fiscal year 2013.

Commissioner Precinct 3 Projects - to account for the remodel of an existing building to house the operations of Commissioner Precinct 3.

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

MONTGOMERY COUNTY, TEXAS
Nonmajor Capital Project Funds
Combining Balance Sheet
September 30, 2013

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Page 1 of 3

| | Road Bonds Series 2003A | Road Bonds Series 2004 | Certificates Obligation Series 2006 | Certificates Obligation Series 2008 | Road Bonds Series 2006A |
|---|----------------------------|---------------------------|---|---|----------------------------|
| <u>ASSETS:</u> | | | | | |
| Cash | \$ 1,561 | \$ 20,564 | \$ 7,926 | \$ 4,179 | \$ 40,307 |
| Investments, at Fair Value | 27,488 | 560,889 | 43,166 | 392,193 | 105,220 |
| Cash, Restricted for Retainage | - | - | - | - | - |
| Due from Other Funds | - | - | - | - | 6,130 |
| <u>TOTAL ASSETS</u> | <u>\$ 29,049</u> | <u>\$ 581,453</u> | <u>\$ 51,092</u> | <u>\$ 396,372</u> | <u>\$ 151,657</u> |
| <u>LIABILITIES AND FUND BALANCES:</u> | | | | | |
| <u>LIABILITIES:</u> | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ 1,800 | \$ - |
| Retainage Payable | - | - | - | - | - |
| Total Liabilities | - | - | - | 1,800 | - |
| <u>FUND BALANCES:</u> | | | | | |
| Restricted | 29,049 | 581,453 | 51,092 | 394,572 | 151,657 |
| Committed | - | - | - | - | - |
| Total Fund Balances | 29,049 | 581,453 | 51,092 | 394,572 | 151,657 |
| <u>TOTAL LIABILITIES AND FUND BALANCES</u> | <u>\$ 29,049</u> | <u>\$ 581,453</u> | <u>\$ 51,092</u> | <u>\$ 396,372</u> | <u>\$ 151,657</u> |

| Road Bonds Series 2006B | Road Bonds Series 2008A | Road Bonds Series 2008B | Revenue Tax Bonds Series 2009 | Memo Totals from Page 165 | Totals |
|----------------------------|----------------------------|----------------------------|-------------------------------------|---------------------------------|----------------------|
| \$ 27,756 | \$ 4,222 | \$ 5,317 | \$ 5,407 | \$ 27,046 | \$ 144,285 |
| 353,744 | 898,696 | 409,357 | 649,649 | 18,852,863 | 22,293,265 |
| - | - | - | - | 3,066 | 3,066 |
| - | - | - | - | 13,707,216 | 13,713,346 |
| <u>\$ 381,500</u> | <u>\$ 902,918</u> | <u>\$ 414,674</u> | <u>\$ 655,056</u> | <u>\$ 32,590,191</u> | <u>\$ 36,153,962</u> |
| | | | | | |
| \$ - | \$ - | \$ 1,570 | \$ 138,410 | \$ 629,100 | \$ 770,880 |
| - | - | - | - | 112,133 | 112,133 |
| - | - | 1,570 | 138,410 | 741,233 | 883,013 |
| | | | | | |
| 381,500 | 902,918 | 413,104 | 516,646 | 18,465,125 | 21,887,116 |
| - | - | - | - | 13,383,833 | 13,383,833 |
| <u>381,500</u> | <u>902,918</u> | <u>413,104</u> | <u>516,646</u> | <u>31,848,958</u> | <u>35,270,949</u> |
| | | | | | |
| <u>\$ 381,500</u> | <u>\$ 902,918</u> | <u>\$ 414,674</u> | <u>\$ 655,056</u> | <u>\$ 32,590,191</u> | <u>\$ 36,153,962</u> |



MONTGOMERY COUNTY, TEXAS
Nonmajor Capital Project Funds
Combining Balance Sheet
September 30, 2013

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Page 3 of 3

| | Certificates Obligation Series 2010 | Certificates Obligation Series 2012 | Certificates Obligation Series 2012A | Commissioner Pct 3 Projects | Jail Project 13-14 | Memo Totals to Page 163 |
|--------------------------------|---|---|--|-----------------------------------|-----------------------------|-------------------------------|
| <u>ASSETS:</u> | | | | | | |
| Cash | \$ 21,866 | \$ - | \$ 5,180 | \$ - | \$ - | \$ 27,046 |
| Investments, at Fair Value | 96,775 | 8,042,014 | 10,714,074 | - | - | 18,852,863 |
| Cash, Restricted for Retainage | - | 3,066 | - | - | - | 3,066 |
| Due from Other Funds | - | 220,797 | 100,557 | 24,231 | 13,361,631 | 13,707,216 |
| <u>TOTAL ASSETS</u> | <u>\$ 118,641</u> | <u>\$ 8,265,877</u> | <u>\$ 10,819,811</u> | <u>\$ 24,231</u> | <u>\$ 13,361,631</u> | <u>\$ 32,590,191</u> |

LIABILITIES AND FUND BALANCES:

LIABILITIES:

| | | | | | | |
|-------------------|------|------------|------------|----------|------|------------|
| Accounts Payable | \$ - | \$ 300,165 | \$ 326,906 | \$ 2,029 | \$ - | \$ 629,100 |
| Retainage Payable | - | 112,133 | - | - | - | 112,133 |
| Total Liabilities | - | 412,298 | 326,906 | 2,029 | - | 741,233 |

FUND BALANCES:

| | | | | | | |
|---------------------|---------|-----------|------------|--------|------------|------------|
| Restricted | 118,641 | 7,853,579 | 10,492,905 | - | - | 18,465,125 |
| Committed | - | - | - | 22,202 | 13,361,631 | 13,383,833 |
| Total Fund Balances | 118,641 | 7,853,579 | 10,492,905 | 22,202 | 13,361,631 | 31,848,958 |

**TOTAL LIABILITIES AND
FUND BALANCES**

| | | | | | |
|--------------------------|----------------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------|
| <u>\$ 118,641</u> | <u>\$ 8,265,877</u> | <u>\$ 10,819,811</u> | <u>\$ 24,231</u> | <u>\$ 13,361,631</u> | <u>\$ 32,590,191</u> |
|--------------------------|----------------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------|

MONTGOMERY COUNTY, TEXAS
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2013

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Page 1 of 3

| | Road Bonds Series 2003A | Road Bonds Series 2004 | Certificates Obligation Series 2006 | Certificates Obligation Series 2008 | Road Bonds Series 2006A |
|--|----------------------------|---------------------------|---|---|----------------------------|
| <u>REVENUES:</u> | | | | | |
| Interest | \$ 121 | \$ 326 | \$ 181 | \$ 208 | \$ 159 |
| <u>TOTAL REVENUES</u> | <u>121</u> | <u>326</u> | <u>181</u> | <u>208</u> | <u>159</u> |
| <u>EXPENDITURES:</u> | | | | | |
| Professional Services | - | - | - | - | - |
| Capital Outlay | 69,022 | - | 40,196 | 94,577 | 2,850 |
| Issuance Costs | - | - | - | - | - |
| <u>TOTAL EXPENDITURES</u> | <u>69,022</u> | <u>-</u> | <u>40,196</u> | <u>94,577</u> | <u>2,850</u> |
| Excess (Deficiency) Revenues Over Expenditures | (68,901) | 326 | (40,015) | (94,369) | (2,691) |
| <u>OTHER FINANCING SOURCES/(USES):</u> | | | | | |
| Transfers In | - | - | - | - | - |
| Issuance of Certificates of Obligation | - | - | - | - | - |
| Premium on Debt Issuance | - | - | - | - | - |
| Discount on Debt Issuance | - | - | - | - | - |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | (68,901) | 326 | (40,015) | (94,369) | (2,691) |
| Fund Balances at Beginning of Year | <u>97,950</u> | <u>581,127</u> | <u>91,107</u> | <u>488,941</u> | <u>154,348</u> |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 29,049</u> | <u>\$ 581,453</u> | <u>\$ 51,092</u> | <u>\$ 394,572</u> | <u>\$ 151,657</u> |

| Road Bonds Series 2006B | Road Bonds Series 2008A | Road Bonds Series 2008B | Revenue Tax Bonds Series 2009 | Memo Totals from Page 169 | Totals |
|----------------------------|----------------------------|----------------------------|-------------------------------------|---------------------------------|---------------|
| \$ 232 | \$ 318 | \$ 160 | \$ 397 | \$ 22,257 | \$ 24,359 |
| 232 | 318 | 160 | 397 | 22,257 | 24,359 |
| - | - | - | - | 2,738,875 | 2,738,875 |
| - | 61,178 | 61,508 | 855,288 | 6,195,739 | 7,380,358 |
| - | - | - | - | 169,327 | 169,327 |
| - | 61,178 | 61,508 | 855,288 | 9,103,941 | 10,288,560 |
| 232 | (60,860) | (61,348) | (854,891) | (9,081,684) | (10,264,201) |
| - | - | - | - | 13,496,631 | 13,496,631 |
| - | - | - | - | 13,350,000 | 13,350,000 |
| - | - | - | - | 1,898,423 | 1,898,423 |
| - | - | - | - | (40,883) | (40,883) |
| - | - | - | - | 28,704,171 | 28,704,171 |
| 232 | (60,860) | (61,348) | (854,891) | 19,622,487 | 18,439,970 |
| 381,268 | 963,778 | 474,452 | 1,371,537 | 12,226,471 | 16,830,979 |
| \$ 381,500 | \$ 902,918 | \$ 413,104 | \$ 516,646 | \$ 31,848,958 | \$ 35,270,949 |



MONTGOMERY COUNTY, TEXAS
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 2013

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Page 3 of 3

| | Certificates Obligation Series 2010 | Certificates Obligation Series 2012 | Certificates Obligation Series 2012A | Commissioner Pct 3 Projects | Jail Project 2013-2014 | Memo Totals to page 167 |
|--|---|---|--|-----------------------------------|------------------------------|-------------------------------|
| <u>REVENUES:</u> | | | | | | |
| Interest | \$ 58 | \$ 1,715 | \$ 20,484 | \$ - | \$ - | \$ 22,257 |
| <u>TOTAL REVENUES</u> | <u>58</u> | <u>1,715</u> | <u>20,484</u> | <u>-</u> | <u>-</u> | <u>22,257</u> |
| <u>EXPENDITURES:</u> | | | | | | |
| Professional Services | - | 1,942,967 | 795,908 | - | - | 2,738,875 |
| Capital Outlay | 26,713 | 2,305,127 | 3,751,101 | 112,798 | - | 6,195,739 |
| Issuance Costs | - | - | 169,327 | - | - | 169,327 |
| <u>TOTAL EXPENDITURES</u> | <u>26,713</u> | <u>4,248,094</u> | <u>4,716,336</u> | <u>112,798</u> | <u>-</u> | <u>9,103,941</u> |
| Excess (Deficiency) Revenues Over Expenditures | <u>(26,655)</u> | <u>(4,246,379)</u> | <u>(4,695,852)</u> | <u>(112,798)</u> | <u>-</u> | <u>(9,081,684)</u> |
| <u>OTHER FINANCING SOURCES/(USES):</u> | | | | | | |
| Transfers In | - | - | - | 135,000 | 13,361,631 | 13,496,631 |
| Issuance of Cert of Obligation | - | - | 13,350,000 | - | - | 13,350,000 |
| Premium on Debt Issuance | - | - | 1,898,423 | - | - | 1,898,423 |
| Discount on Debt Issuance | - | - | (40,883) | - | - | (40,883) |
| <u>TOTAL OTHER FINANCING SOURCES/(USES)</u> | <u>-</u> | <u>-</u> | <u>15,207,540</u> | <u>135,000</u> | <u>13,361,631</u> | <u>28,704,171</u> |
| Net Change in Fund Balance | (26,655) | (4,246,379) | 10,511,688 | 22,202 | 13,361,631 | 19,622,487 |
| Fund Balances at Beginning of Year | <u>145,296</u> | <u>12,099,958</u> | <u>(18,783)</u> | <u>-</u> | <u>-</u> | <u>12,226,471</u> |
| <u>FUND BALANCES AT END OF YEAR</u> | <u>\$ 118,641</u> | <u>\$ 7,853,579</u> | <u>\$ 10,492,905</u> | <u>\$ 22,202</u> | <u>\$ 13,361,631</u> | <u>\$ 31,848,958</u> |



INTERNAL SERVICE FUNDS

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

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

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

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

MONTGOMERY COUNTY, TEXAS
Combining Statement of Net Position
Internal Service Funds
September 30, 2013

F-1

| ASSETS: | Medical | Workers' | Accident | Wellness | Total |
|--|---------------------|---------------------|-------------------|---------------------|----------------------|
| | | Compensation | Liability | Clinic | |
| Current Assets: | | | | | |
| Cash and Cash Equivalents: | | | | | |
| Cash | \$ - | \$ 32,864 | \$ - | \$ - | \$ 32,864 |
| Receivables: | | | | | |
| Accounts | 468,027 | 595,324 | 9,971 | - | 1,073,322 |
| Due from Other funds | 13,657,203 | 3,859,102 | 635,281 | 1,038,467 | 19,190,053 |
| Total Current Assets | <u>14,125,230</u> | <u>4,487,290</u> | <u>645,252</u> | <u>1,038,467</u> | <u>20,296,239</u> |
| Capital Assets (net of accumulated depreciation): | | | | | |
| Buildings | - | - | - | 873,911 | 873,911 |
| Improvements | - | - | - | 1,437 | 1,437 |
| Equipment | - | - | - | 108,552 | 108,552 |
| Total Capital assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>983,900</u> | <u>983,900</u> |
| Total Assets | <u>14,125,230</u> | <u>4,487,290</u> | <u>645,252</u> | <u>2,022,367</u> | <u>21,280,139</u> |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| Cash Overdraft | 202,618 | - | - | - | 202,618 |
| Accounts Payable | - | - | 19,003 | 50 | 19,053 |
| Claims Payable | 3,031,892 | 1,148,725 | - | - | 4,180,617 |
| Due to Other Funds | 1,038,467 | - | - | 992,849 | 2,031,316 |
| Total Current Liabilities | <u>4,272,977</u> | <u>1,148,725</u> | <u>19,003</u> | <u>992,899</u> | <u>6,433,604</u> |
| Total Liabilities | <u>4,272,977</u> | <u>1,148,725</u> | <u>19,003</u> | <u>992,899</u> | <u>6,433,604</u> |
| NET POSITION: | | | | | |
| Invested in Capital Assets, net of related debt | - | - | - | 983,900 | 983,900 |
| Unrestricted | 9,852,253 | 3,338,565 | 626,249 | 45,568 | 13,862,635 |
| Total Net Position | <u>\$ 9,852,253</u> | <u>\$ 3,338,565</u> | <u>\$ 626,249</u> | <u>\$ 1,029,468</u> | <u>\$ 14,846,535</u> |

MONTGOMERY COUNTY, TEXAS
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
September 30, 2013

F-2

| | Medical | Workers' Compensation | Accident Liability | Wellness Clinic | Total |
|--------------------------------|---------------------|--------------------------|-----------------------|---------------------|----------------------|
| OPERATING REVENUES: | | | | | |
| Charges for Services | \$ 27,180,389 | \$ 1,789,833 | \$ 944,000 | \$ 1,101,529 | \$ 31,015,751 |
| Miscellaneous | - | 4,291 | 35,829 | - | 40,120 |
| Total Operating Revenues | <u>27,180,389</u> | <u>1,794,124</u> | <u>979,829</u> | <u>1,101,529</u> | <u>31,055,871</u> |
| OPERATING EXPENSES: | | | | | |
| Supplies | - | - | - | 29,643 | 29,643 |
| Services | 22,961,119 | 1,033,284 | 1,214,186 | 1,071,887 | 26,280,476 |
| Depreciation | - | - | - | 41,112 | 41,112 |
| Total Operating Expenses | <u>22,961,119</u> | <u>1,033,284</u> | <u>1,214,186</u> | <u>1,142,642</u> | <u>26,351,231</u> |
| Operating Income/(Loss) | <u>4,219,270</u> | <u>760,840</u> | <u>(234,357)</u> | <u>(41,113)</u> | <u>4,704,640</u> |
| Change in Net Position | 4,219,270 | 760,840 | (234,357) | (41,113) | 4,704,640 |
| Total Net Position - beginning | <u>5,632,983</u> | <u>2,577,725</u> | <u>860,606</u> | <u>1,070,581</u> | <u>10,141,895</u> |
| Total Net Position - ending | <u>\$ 9,852,253</u> | <u>\$ 3,338,565</u> | <u>\$ 626,249</u> | <u>\$ 1,029,468</u> | <u>\$ 14,846,535</u> |

MONTGOMERY COUNTY, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
September 30, 2013

F-3

| | Medical | Workers' Compensation | Accident Liability | Wellness Clinic | Total |
|--|---------------|--------------------------|-----------------------|--------------------|---------------|
| Cash flows from operating activities: | | | | | |
| Receipts from customers | \$ 24,214,107 | \$ 243,257 | \$ 932,850 | \$ 1,101,475 | \$ 26,491,689 |
| Receipts from others | (5,008,929) | (365,445) | 262,332 | 4 | (5,112,038) |
| Insurance recovery | - | 4,291 | - | - | 4,291 |
| Benefits paid | (19,929,228) | 115,441 | (1,195,182) | (1,101,479) | (22,110,448) |
| Net cash used by operating activities | (724,050) | (2,456) | - | - | (726,506) |
| Net (decrease) in cash and cash equivalents | (724,050) | (2,456) | - | - | (726,506) |
| Cash and cash equivalents - October 1, 2012 | 724,050 | 35,320 | - | - | 759,370 |
| Cash and cash equivalents - September 30, 2013 | \$ - | \$ 32,864 | \$ - | \$ - | \$ 32,864 |
| Reconciliation of operating income (loss) to net cash provided (used) in operating activities: | | | | | |
| Operating income (loss) | \$ 4,219,270 | \$ 760,840 | \$ (234,357) | \$ (41,113) | \$ 4,704,640 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| (Increase) decrease in due from other funds | (5,211,547) | (365,445) | 226,503 | 4 | (5,350,485) |
| Depreciation expense | - | - | - | 41,112 | 41,112 |
| (Increase) decrease in intergovernmental receivable | (411,155) | (180,045) | (4,487) | - | (595,687) |
| Increase (decrease) in accounts payable | 679,382 | (217,806) | 12,341 | (3) | 473,914 |
| Total adjustments | (4,943,320) | (763,296) | 234,357 | 41,113 | (5,431,146) |
| Net cash provided by operating activities | \$ (724,050) | \$ (2,456) | \$ - | \$ - | \$ (726,506) |

AGENCY FUNDS

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

Adult Probation Case Reduction Fund – to account for state funds received to provide high and medium-risk offenders with the needed supervision and services to improve their opportunity to successfully complete community supervision.

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

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

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

MONTGOMERY COUNTY, TEXAS
Agency Funds
Combining Statement of Assets and Liabilities
September 30, 2013

G-1

| | Adult Probation Supervision | Adult Probation Case Reduction | Adult Probation Community Correction | Adult Probation Mental Impairment | County Officials | Totals |
|---------------------------------|-----------------------------------|---|---|--|----------------------------|----------------------------|
| <u>ASSETS:</u> | | | | | | |
| Cash | \$ 800,603 | \$ 4,326 | \$ 206,238 | \$ 18,773 | \$ 9,007,108 | \$10,037,048 |
| Investments, at Fair Value | 1,376,771 | - | - | - | - | 1,376,771 |
| Accounts Receivable | 3,066 | - | - | - | 33,788 | 36,854 |
| <u>TOTAL ASSETS</u> | <u>\$2,180,440</u> | <u>\$ 4,326</u> | <u>\$ 206,238</u> | <u>\$ 18,773</u> | <u>\$ 9,040,896</u> | <u>\$11,450,673</u> |
| <u>LIABILITIES:</u> | | | | | | |
| Accounts Payable | \$2,180,440 | \$ 4,326 | \$ 206,238 | \$ 18,773 | \$ 5,404,921 | \$ 7,814,698 |
| Due to Other Governments | - | - | - | - | 3,635,975 | 3,635,975 |
| <u>TOTAL LIABILITIES</u> | <u>\$2,180,440</u> | <u>\$ 4,326</u> | <u>\$ 206,238</u> | <u>\$ 18,773</u> | <u>\$ 9,040,896</u> | <u>\$11,450,673</u> |

MONTGOMERY COUNTY, TEXAS
Agency Funds
Statement of Changes in Assets and Liabilities
Year Ended September 30, 2013

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Page 1 of 2

| | Balance October 1, 2012 | Additions | Deductions | Balance September 30, 2013 |
|---|-------------------------------|---------------------|---------------------|----------------------------------|
| <u>ADULT PROBATION - SUPERVISION:</u> | | | | |
| Assets: | | | | |
| Cash | \$ - | \$ 2,799,678 | \$ 1,999,075 | \$ 800,603 |
| Investments, at Fair Value | - | 1,376,771 | - | 1,376,771 |
| Accounts Receivable | - | 28,687 | 25,621 | 3,066 |
| Total Assets | <u>\$ -</u> | <u>\$ 4,205,136</u> | <u>\$ 2,024,696</u> | <u>\$ 2,180,440</u> |
| Liabilities: | | | | |
| Accounts Payable | <u>\$ -</u> | <u>\$ 4,205,136</u> | <u>\$ 2,024,696</u> | <u>\$ 2,180,440</u> |
| <u>ADULT PROBATION - CASE REDUCTION:</u> | | | | |
| Assets: | | | | |
| Cash | <u>\$ -</u> | <u>\$ 59,978</u> | <u>\$ 55,652</u> | <u>\$ 4,326</u> |
| Liabilities: | | | | |
| Accounts Payable | <u>\$ -</u> | <u>\$ 59,978</u> | <u>\$ 55,652</u> | <u>\$ 4,326</u> |
| <u>ADULT PROBATION - COMMUNITY CORRECTION:</u> | | | | |
| Assets: | | | | |
| Cash | <u>\$ -</u> | <u>\$ 449,854</u> | <u>\$ 243,616</u> | <u>\$ 206,238</u> |
| Liabilities: | | | | |
| Accounts Payable | <u>\$ -</u> | <u>\$ 449,854</u> | <u>\$ 243,616</u> | <u>\$ 206,238</u> |
| <u>ADULT PROBATION - MENTAL IMPAIRMENT:</u> | | | | |
| Assets: | | | | |
| Cash | <u>\$ -</u> | <u>\$ 91,043</u> | <u>\$ 72,270</u> | <u>\$ 18,773</u> |
| Liabilities: | | | | |
| Accounts Payable | <u>\$ -</u> | <u>\$ 91,043</u> | <u>\$ 72,270</u> | <u>\$ 18,773</u> |

MONTGOMERY COUNTY, TEXAS
Agency Funds
Statement of Changes in Assets and Liabilities
Year Ended September 30, 2013

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Page 2 of 2

| | Balance October 1, 2012 | Additions | Deductions | Balance September 30, 2013 |
|---------------------------------|-------------------------------|-------------------------|-------------------------|----------------------------------|
| <u>COUNTY OFFICIALS:</u> | | | | |
| Assets: | | | | |
| Cash | \$ 11,291,911 | \$ 1,937,632,462 | \$ 1,939,917,265 | \$ 9,007,108 |
| Accounts Receivable | 28,662 | 29,901 | 24,775 | 33,788 |
| Due from Other Funds | - | 189,696 | 189,696 | - |
| Total Assets | <u>\$ 11,320,573</u> | <u>\$ 1,937,852,059</u> | <u>\$ 1,940,131,736</u> | <u>\$ 9,040,896</u> |

| | | | | |
|-------------------------|----------------------|-------------------------|-------------------------|---------------------|
| Liabilities: | | | | |
| Accounts Payable | \$ 6,700,109 | \$ 503,747,096 | \$ 505,042,284 | \$ 5,404,921 |
| Due to Other Funds | - | 431,277,688 | 431,277,688 | - |
| Due to Other Government | 4,620,464 | 1,002,827,275 | 1,003,811,764 | 3,635,975 |
| Total Liabilities | <u>\$ 11,320,573</u> | <u>\$ 1,937,852,059</u> | <u>\$ 1,940,131,736</u> | <u>\$ 9,040,896</u> |

TOTALS - ALL AGENCY FUNDS:

| | | | | |
|----------------------------|-----------------------------|--------------------------------|--------------------------------|-----------------------------|
| Assets: | | | | |
| Cash | \$ 11,291,911 | \$ 1,941,033,015 | \$ 1,942,287,878 | \$ 10,037,048 |
| Investments, at Fair Value | - | 1,376,771 | - | 1,376,771 |
| Accounts Receivable | 28,662 | 58,588 | 50,396 | 36,854 |
| Due from Other Funds | - | 189,696 | 189,696 | - |
| Total Assets | <u><u>\$ 11,320,573</u></u> | <u><u>\$ 1,942,658,070</u></u> | <u><u>\$ 1,942,527,970</u></u> | <u><u>\$ 11,450,673</u></u> |

| | | | | |
|-------------------------|-----------------------------|--------------------------------|--------------------------------|-----------------------------|
| Liabilities: | | | | |
| Accounts Payable | \$ 6,700,109 | \$ 508,553,107 | \$ 507,438,518 | \$ 7,814,698 |
| Due to Other Funds | - | 431,277,688 | 431,277,688 | - |
| Due to Other Government | 4,620,464 | 1,002,827,275 | 1,003,811,764 | 3,635,975 |
| Total Liabilities | <u><u>\$ 11,320,573</u></u> | <u><u>\$ 1,942,658,070</u></u> | <u><u>\$ 1,942,527,970</u></u> | <u><u>\$ 11,450,673</u></u> |

**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, 2013

H-1

GOVERNMENTAL FUNDS CAPITAL ASSETS:

| | |
|-----------------------------------|---------------|
| Land | \$ 45,698,159 |
| Buildings | 195,994,881 |
| Improvements Other than Buildings | 22,565,085 |
| Equipment | 86,073,733 |
| Infrastructure | 1,167,917,794 |
| Construction in Progress | 2,240,455 |

| | |
|---|--------------------------------|
| <u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u> | <u>\$ 1,520,490,107</u> |
|---|--------------------------------|

INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS

BY SOURCE:

| | |
|-----------------------|----------------|
| General Fund | \$ 259,313,866 |
| Special Revenue Funds | 1,258,935,786 |
| Capital Project Funds | 2,240,455 |

| | |
|---|--------------------------------|
| <u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u> | <u>\$ 1,520,490,107</u> |
|---|--------------------------------|

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net position.

MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
September 30, 2013

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Page 1 of 2

| Function and Activity | Total | Land | Buildings | Improvements Other than Buildings | Equipment | Infrastructure |
|---|---------------------------|-------------------------|--------------------------|---|-------------------------|----------------------|
| <u>GENERAL ADMINISTRATION:</u> | | | | | | |
| County Judge | \$ 18,491 | \$ - | \$ - | \$ - | \$ 18,491 | \$ - |
| Human Resources | 6,033 | - | - | - | 6,033 | - |
| Risk Management | 38,041 | - | - | - | 38,041 | - |
| County Clerk | 452,613 | - | - | - | 452,613 | - |
| Collections | 7,593 | - | - | - | 7,593 | - |
| Purchasing Agent | 73,195 | - | - | - | 73,195 | - |
| Commns/Info Services | 3,655,045 | - | 86,900 | 1,061,450 | 2,506,695 | - |
| County Buildings | 95,139,072 | - | 94,607,137 | 495,445 | - | 36,490 |
| County Land | 6,461,741 | 6,341,828 | - | 119,913 | - | - |
| <u>TOTAL GENERAL ADM</u> | <u>105,851,824</u> | <u>6,341,828</u> | <u>94,694,037</u> | <u>1,676,808</u> | <u>3,102,661</u> | <u>36,490</u> |
| <u>FINANCIAL ADMINISTRATION:</u> | | | | | | |
| County Auditor | 52,264 | - | - | - | 52,264 | - |
| County Treasurer | 27,291 | - | - | - | 27,291 | - |
| Tax Assessor/Collector | 221,717 | 7,500 | - | - | 214,217 | - |
| <u>TOTAL FINANCIAL ADM</u> | <u>301,272</u> | <u>7,500</u> | <u>-</u> | <u>-</u> | <u>293,772</u> | <u>-</u> |
| <u>CONSERVATION:</u> | | | | | | |
| Extension Agents | 877,115 | 1,682 | 815,958 | 48,017 | 11,458 | - |
| Recycling Stations | 194,633 | - | 61,318 | 53,478 | 79,837 | - |
| <u>TOTAL CONSERVATION</u> | <u>1,071,748</u> | <u>1,682</u> | <u>877,276</u> | <u>101,495</u> | <u>91,295</u> | <u>-</u> |
| <u>ELECTIONS:</u> | | | | | | |
| Elections Administrator | 3,626,846 | 3,000 | 493,239 | 70,469 | 3,060,138 | - |
| <u>TOTAL ELECTIONS ADM</u> | <u>3,626,846</u> | <u>3,000</u> | <u>493,239</u> | <u>70,469</u> | <u>3,060,138</u> | <u>-</u> |
| <u>FACILITIES:</u> | | | | | | |
| Custodial Services | 835,655 | 30,715 | 166,860 | 6,155 | 631,925 | - |
| Building Maintenance | 1,175,881 | - | 171,407 | 5,668 | 998,806 | - |
| Parks | 28,673,189 | 9,053,625 | 4,383,514 | 15,236,050 | - | - |
| Jail | 3,918,383 | - | 3,353,964 | 15,125 | 549,294 | - |
| Joe Corley Detention Facility | - | - | - | - | - | - |
| Civic Center | 16,555,751 | 88,216 | 14,551,294 | 1,509,464 | 406,777 | - |
| <u>TOTAL FACILITIES</u> | <u>51,158,859</u> | <u>9,172,556</u> | <u>22,627,039</u> | <u>16,772,462</u> | <u>2,586,802</u> | <u>-</u> |
| <u>HEALTH AND WELFARE:</u> | | | | | | |
| Public Health | 6,832,174 | 159,705 | 5,888,499 | 193,091 | 590,879 | - |
| Mental Health Treatment | 32,032,889 | 2,631,689 | 27,792,323 | 1,114,494 | 494,383 | - |
| Child Welfare | - | - | - | - | - | - |
| Community Development | 10,328,326 | 563,626 | 9,318,192 | - | 446,508 | - |
| <u>TOTAL HEALTH/WELFARE</u> | <u>49,193,389</u> | <u>3,355,020</u> | <u>42,999,014</u> | <u>1,307,585</u> | <u>1,531,770</u> | <u>-</u> |

MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
September 30, 2013

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| Function and Activity | Total | Land | Buildings | Improvements Other than Buildings | Equipment | Infrastructure |
|---|--------------------------------|-----------------------------|------------------------------|---|-----------------------------|--------------------------------|
| <u>JUDICIAL:</u> | | | | | | |
| Courts | 620,674 | - | - | 924 | 619,750 | - |
| District Attorney | 258,301 | - | - | - | 258,301 | - |
| District Clerk | 168,315 | - | 7,129 | - | 161,186 | - |
| Justice of Peace | 2,466,776 | - | 2,329,825 | 4,930 | 132,021 | - |
| <u>TOTAL JUDICIAL</u> | <u>3,514,066</u> | <u>-</u> | <u>2,336,954</u> | <u>5,854</u> | <u>1,171,258</u> | <u>-</u> |
| <u>LEGAL SERVICES:</u> | | | | | | |
| County Attorney | 8,987 | - | - | - | 8,987 | - |
| Law Library | 1,421,136 | - | - | - | 1,421,136 | - |
| <u>TOTAL LEGAL SERVICES</u> | <u>1,430,123</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,430,123</u> | <u>-</u> |
| <u>PUBLIC SAFETY:</u> | | | | | | |
| Emergency Management | 14,133,243 | - | 629,431 | 410,406 | 13,093,406 | - |
| Fire Marshal | 26,952 | - | - | - | 26,952 | - |
| Constables | 2,725,310 | 22,810 | 385,993 | 37,990 | 2,278,517 | - |
| Sheriff | 36,582,759 | 217,710 | 2,500,509 | 670,680 | 33,193,860 | - |
| District Attorney Forfeitures | 397,064 | - | - | 13,839 | 383,225 | - |
| Juvenile Probation | 1,845,838 | - | 1,399,459 | - | 446,379 | - |
| Adult Probation | 62,001 | - | 13,151 | - | 48,850 | - |
| <u>TOTAL PUBLIC SAFETY</u> | <u>55,773,167</u> | <u>240,520</u> | <u>4,928,543</u> | <u>1,132,915</u> | <u>49,471,189</u> | <u>-</u> |
| <u>PUBLIC TRANSPORTATION:</u> | | | | | | |
| Engineer | 34,869 | - | - | - | 34,869 | - |
| Commissioners' Operations | 1,190,618,294 | 21,312,397 | 6,402,134 | 750,524 | 15,157,524 | 1,146,995,715 |
| Airport | 27,608,970 | 1,626,028 | 4,156,947 | 696,279 | 244,127 | 20,885,589 |
| <u>TOTAL PUBLIC TRANSPORTATION</u> | <u>1,218,262,133</u> | <u>22,938,425</u> | <u>10,559,081</u> | <u>1,446,803</u> | <u>15,436,520</u> | <u>1,167,881,304</u> |
| <u>CULTURE AND RECREATION:</u> | | | | | | |
| Memorial Library | 28,066,225 | 3,637,628 | 16,479,698 | 50,694 | 7,898,205 | - |
| <u>TOTAL CULTURE/REC</u> | <u>28,066,225</u> | <u>3,637,628</u> | <u>16,479,698</u> | <u>50,694</u> | <u>7,898,205</u> | <u>-</u> |
| <u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u> | <u>1,518,249,652</u> | <u>\$ 45,698,159</u> | <u>\$ 195,994,881</u> | <u>\$ 22,565,085</u> | <u>\$ 86,073,733</u> | <u>\$ 1,167,917,794</u> |
| Construction In Progress | <u>2,240,455</u> | | | | | |
| <u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u> | <u>\$ 1,520,490,107</u> | | | | | |

MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year Ended September 30, 2013

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Page 1 of 2

| Function and Activity | Govtl Funds Capital Assets October 1, 2012 | Additions | Deletions | Govtl Funds Capital Assets September 30, 2013 |
|--|---|-------------------------|--------------------------|--|
| <u>GENERAL ADMINISTRATION:</u> | | | | |
| County Judge | \$ 18,491 | \$ - | \$ - | \$ 18,491 |
| Human Resources | 6,033 | - | - | 6,033 |
| Risk Management | 38,041 | - | - | 38,041 |
| County Clerk | 484,668 | 22,668 | 54,723 | 452,613 |
| Collections | 6,343 | 1,250 | - | 7,593 |
| Purchasing Agent | 559,328 | 1,787,154 | 2,273,287 | 73,195 |
| Commns/Info Services | 2,813,521 | 1,175,614 | 334,090 | 3,655,045 |
| County Buildings | 94,700,163 | 438,909 | - | 95,139,072 |
| County Land | 6,461,741 | - | - | 6,461,741 |
| <u>TOTAL GENERAL ADM</u> | <u>105,088,329</u> | <u>3,425,595</u> | <u>2,662,100</u> | <u>105,851,824</u> |
| <u>FINANCIAL ADMINISTRATION:</u> | | | | |
| County Auditor | 56,872 | 5,999 | 10,607 | 52,264 |
| County Treasurer | 39,047 | 1,242 | 12,998 | 27,291 |
| Tax Assessor/Collector | 205,714 | 19,440 | 3,437 | 221,717 |
| <u>TOTAL FINANCIAL ADM</u> | <u>301,633</u> | <u>26,681</u> | <u>27,042</u> | <u>301,272</u> |
| <u>CONSERVATION:</u> | | | | |
| Extension Agents | 844,617 | 32,498 | - | 877,115 |
| Recycling Stations | 199,633 | - | 5,000 | 194,633 |
| <u>TOTAL CONSERVATION</u> | <u>1,044,250</u> | <u>32,498</u> | <u>5,000</u> | <u>1,071,748</u> |
| <u>ELECTIONS:</u> | | | | |
| Elections Administrator | 3,556,430 | 80,784 | 10,368 | 3,626,846 |
| <u>TOTAL ELECTIONS</u> | <u>3,556,430</u> | <u>80,784</u> | <u>10,368</u> | <u>3,626,846</u> |
| <u>FACILITIES:</u> | | | | |
| Custodial Services | 787,160 | 72,400 | 23,905 | 835,655 |
| Building Maintenance | 1,119,953 | 70,390 | 14,462 | 1,175,881 |
| Parks | 28,775,338 | 33,930 | 136,079 | 28,673,189 |
| Jail | 3,881,595 | 36,788 | - | 3,918,383 |
| Joe Corley Detention Facility | 43,551,932 | - | 43,551,932 | - |
| Civic Center | 16,539,510 | 40,733 | 24,492 | 16,555,751 |
| <u>TOTAL FACILITIES</u> | <u>94,655,488</u> | <u>254,241</u> | <u>43,750,870</u> | <u>51,158,859</u> |
| <u>HEALTH AND WELFARE:</u> | | | | |
| Public Health | 6,494,725 | 346,550 | 9,101 | 6,832,174 |
| Mental Health Facility | 32,247,066 | 1,381,023 | 1,595,200 | 32,032,889 |
| Child Welfare | 1,051 | - | 1,051 | - |
| Community Development | 10,330,642 | - | 2,316 | 10,328,326 |
| <u>TOTAL HEALTH & WELFARE</u> | <u>49,073,484</u> | <u>1,727,573</u> | <u>1,607,668</u> | <u>49,193,389</u> |

MONTGOMERY COUNTY, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year Ended September 30, 2013

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Page 2 of 2

| Function and Activity | Govtl Funds Capital Assets October 1, 2012 | Additions | Deletions | Govtl Funds Capital Assets September 30, 2013 |
|---|---|----------------------|----------------------|--|
| <u>JUDICIAL:</u> | | | | |
| Courts | 666,501 | 154,843 | 200,670 | 620,674 |
| District Attorney | 297,891 | - | 39,590 | 258,301 |
| District Clerk | 156,802 | 11,513 | - | 168,315 |
| Justice of Peace | 2,438,264 | 34,013 | 5,501 | 2,466,776 |
| <u>TOTAL JUDICIAL</u> | <u>3,559,458</u> | <u>200,369</u> | <u>245,761</u> | <u>3,514,066</u> |
| <u>LEGAL SERVICES:</u> | | | | |
| County Attorney | 35,203 | - | 26,216 | 8,987 |
| Law Library | 1,391,454 | 29,682 | - | 1,421,136 |
| <u>TOTAL LEGAL SERVICES</u> | <u>1,426,657</u> | <u>29,682</u> | <u>26,216</u> | <u>1,430,123</u> |
| <u>PUBLIC SAFETY:</u> | | | | |
| Emergency Management | 12,624,077 | 1,556,497 | 47,331 | 14,133,243 |
| Fire Marshal | 13,109 | 16,000 | 2,157 | 26,952 |
| Constables | 2,553,686 | 433,621 | 261,997 | 2,725,310 |
| Sheriff | 33,910,035 | 3,698,626 | 1,025,902 | 36,582,759 |
| District Attorney Forfeitures | 370,341 | 78,072 | 51,349 | 397,064 |
| Juvenile Probation | 1,820,757 | 37,270 | 12,189 | 1,845,838 |
| Adult Probation | 14,551 | 181,877 | 134,427 | 62,001 |
| <u>TOTAL PUBLIC SAFETY</u> | <u>51,306,556</u> | <u>6,001,963</u> | <u>1,535,352</u> | <u>55,773,167</u> |
| <u>PUBLIC TRANSPORTATION:</u> | | | | |
| Engineer | 40,128 | - | 5,259 | 34,869 |
| Commissioners' Operations | 1,135,153,842 | 56,129,522 | 665,070 | 1,190,618,294 |
| Airport | 27,449,146 | 213,542 | 53,718 | 27,608,970 |
| <u>TOTAL PUBLIC TRANS</u> | <u>1,162,643,116</u> | <u>56,343,064</u> | <u>724,047</u> | <u>1,218,262,133</u> |
| <u>CULTURE & RECREATION:</u> | | | | |
| Memorial Library | 27,635,470 | 538,931 | 108,176 | 28,066,225 |
| <u>TOTAL CULTURE/REC</u> | <u>27,635,470</u> | <u>538,931</u> | <u>108,176</u> | <u>28,066,225</u> |
| Construction In Progress | 2,426,837 | 3,255,081 | 3,441,463 | 2,240,455 |
| <u>TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS</u> | <u>\$ 1,502,717,708</u> | <u>\$ 71,916,462</u> | <u>\$ 54,144,063</u> | <u>\$ 1,520,490,107</u> |



STATISTICAL SECTION

STATISTICAL SECTION

(unaudited)

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

Contents

Table

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

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



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

(accrual basis of accounting)

TABLE I

Governmental Activities:

| | Invested in Capital Assets, Net of Related Debt | Restricted for: | | Unrestricted | Total Net Position |
|------|---|------------------|--------------|-----------------|-----------------------|
| | | Capital Projects | Debt Service | | |
| 2004 | \$ 78,432,519 | \$ 82,619 | \$ 4,221,760 | \$ (41,868,121) | \$ 40,868,777 |
| 2005 | 122,477,741 | 7,138 | 5,212,724 | (52,123,132) | 75,574,471 |
| 2006 | 314,159,873 | 139,009 | 5,870,959 | (41,607,384) | 278,562,457 |
| 2007 | 368,993,046 | 77,208 | 6,993,506 | (59,096,992) | 316,966,768 |
| 2008 | 399,738,541 | 38,463 | 7,617,667 | (61,641,311) | 345,753,360 |
| 2009 | 377,016,683 | 6,139 | 8,305,224 | (45,241,159) | 340,086,887 |
| 2010 | 353,407,141 | 45,673 | 8,794,048 | (32,066,403) | 330,180,459 |
| 2011 | 380,478,332 | 6,211 | 9,354,751 | (75,320,823) | 314,518,471 |
| 2012 | 319,059,222 | 170,275 | 25,967,702 | (36,634,612) | 308,562,587 |
| 2013 | 364,555,659 | 33,463,975 | 28,522,430 | (37,107,523) | 389,434,541 |

Note: Accounting standards require that net position be reported in 3 components in the financial statements: Invested in capital assets, net of related debt; restricted; and unrestricted. Net position is considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted.

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

(accrual basis of accounting)

| | 2004 | 2005 | 2006 | 2007 |
|---|---------------|---------------|---------------|---------------|
| Expenses | | | | |
| <i>Governmental Activities:</i> | | | | |
| General Administration | \$ 11,020,255 | \$ 11,228,147 | \$ 13,416,534 | \$ 11,780,620 |
| Judicial | 14,196,220 | 14,787,696 | 16,761,386 | 17,042,393 |
| Legal | 1,688,226 | 1,823,681 | 2,101,795 | 2,233,072 |
| Elections | 741,325 | 460,869 | 1,086,378 | 1,466,229 |
| Financial Administration | 3,775,200 | 4,398,998 | 4,791,906 | 4,981,536 |
| Public Facilities | 6,351,995 | 16,611,013 | 20,768,370 | 20,208,449 |
| Public Safety | 41,783,788 | 38,293,859 | 41,162,610 | 44,725,170 |
| Health and Welfare | 5,679,181 | 6,253,621 | 8,958,511 | 7,637,646 |
| Culture and Recreation | 4,746,828 | 6,257,162 | 7,051,403 | 8,460,806 |
| Conservation | 565,941 | 721,238 | 721,982 | 760,370 |
| Public Transportation | 14,662,727 | 23,780,503 | 58,874,891 | 69,455,834 |
| Miscellaneous | 7,234,220 | 4,519,314 | 3,009,024 | 2,846,822 |
| Debt Service | 8,062,860 | 7,464,112 | 10,553,741 | 11,701,725 |
| Total Governmental Activities Expenses | 120,508,766 | 136,600,213 | 189,258,531 | 203,300,672 |
| Total Primary Government Expenses | 120,508,766 | 136,600,213 | 189,258,531 | 203,300,672 |
| Program Revenues | | | | |
| <i>Governmental Activities:</i> | | | | |
| Fees, Fines, Forfeitures and Charges for Services | | | | |
| General Administration | 4,860,689 | 5,063,830 | 6,445,057 | 7,393,470 |
| Judicial | 4,882,789 | 9,276,673 | 7,800,759 | 7,440,711 |
| Legal | 415,324 | 399,053 | 471,138 | 527,537 |
| Elections | 14,777 | 1,548 | 30,500 | 1,569 |
| Financial Administration | 677,703 | 1,167,804 | 1,325,948 | 1,459,788 |
| Public Facilities | 498,226 | 567,862 | 843,224 | 1,000,092 |
| Public Safety | 10,994,274 | 10,794,828 | 13,425,676 | 14,774,292 |
| Health and Welfare | 1,008,941 | 1,058,085 | 1,276,884 | 1,266,457 |
| Culture and Recreation | 226,038 | 230,775 | 246,400 | 258,398 |
| Conservation | - | - | - | - |
| Public Transportation | 7,720,244 | 7,382,918 | 7,725,846 | 7,987,128 |
| Operating Grants and Contributions | 5,787,485 | 8,238,497 | 8,343,395 | 8,288,928 |
| Capital Grants and Contributions | 1,032,241 | 27,335,093 | 41,591,644 | 65,322,295 |
| Total Governmental Activities Program Revenues | 38,118,731 | 71,516,966 | 89,526,471 | 115,720,665 |
| Total Primary Government Program Revenues | 38,118,731 | 71,516,966 | 89,526,471 | 115,720,665 |
| Net (Expense) Revenue | (82,390,035) | (65,083,247) | (99,732,060) | (87,580,007) |
| General Revenues and Other Changes in Net Position | | | | |
| <i>Governmental Activities:</i> | | | | |
| Taxes | | | | |
| Property Taxes | 86,767,811 | \$ 95,927,528 | 105,410,635 | 115,740,129 |
| Other Taxes | 929,853 | 1,077,680 | 1,142,888 | 1,381,764 |
| Unrestricted Grants and Contributions | - | - | - | - |
| Investment Earnings | 785,873 | 2,007,229 | 3,582,630 | 8,442,457 |
| Miscellaneous | 260,233 | 776,504 | 160,887 | 419,968 |
| Total Governmental Activities | 88,743,770 | 99,788,941 | 110,297,040 | 125,984,318 |
| Total Primary Government | 88,743,770 | 99,788,941 | 110,297,040 | 125,984,318 |
| Change in Net Position | \$ 6,353,735 | \$ 34,705,694 | \$ 10,564,980 | \$ 38,404,311 |

TABLE II

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------|---------------|----------------|-----------------|----------------|---------------|
| \$ 16,822,168 | \$ 22,046,369 | \$ 15,339,911 | \$ 56,850,436 | \$ 54,732,939 | \$ 49,084,269 |
| 15,894,641 | 22,794,440 | 24,893,295 | 25,751,781 | 27,800,678 | 29,981,281 |
| 2,445,787 | 2,678,359 | 2,824,360 | 2,893,028 | 3,254,126 | 3,170,292 |
| 1,947,963 | 1,694,067 | 1,827,247 | 1,723,583 | 2,249,037 | 2,081,998 |
| 5,088,713 | 5,917,962 | 6,358,514 | 6,111,643 | 6,334,740 | 6,748,425 |
| 19,887,748 | 41,255,267 | 43,618,780 | 50,133,665 | 49,812,586 | 57,821,137 |
| 51,558,472 | 55,941,218 | 62,650,758 | 62,564,836 | 66,364,576 | 65,088,893 |
| 16,301,079 | 29,039,919 | 9,085,174 | 14,924,434 | 28,582,176 | 22,722,536 |
| 8,697,389 | 9,981,330 | 7,456,924 | 9,061,639 | 9,607,386 | 10,121,267 |
| 825,476 | 341,910 | 986,843 | 982,337 | 1,003,159 | 1,170,933 |
| 76,212,732 | 95,536,899 | 111,627,910 | 80,597,409 | 65,221,658 | 76,521,763 |
| 1,070,696 | 1,156,114 | 1,683,887 | 659,499 | - | - |
| 15,998,167 | 21,121,081 | 22,946,953 | 24,566,713 | 23,989,607 | 29,179,720 |
| 232,751,031 | 309,504,935 | 311,300,556 | 336,821,003 | 338,952,668 | 353,692,514 |
| 232,751,031 | 309,504,935 | 311,300,556 | 336,821,003 | 338,952,668 | 353,692,514 |
| 5,797,753 | 5,402,968 | 5,948,735 | 39,240,521 | 37,812,374 | 38,371,600 |
| 8,712,572 | 10,475,877 | 12,702,190 | 8,713,071 | 2,973,713 | 7,504,357 |
| 483,018 | 501,896 | 518,257 | 503,400 | 499,509 | 484,413 |
| 2,081 | 1,131 | 103,831 | 177 | 453 | 182 |
| 2,101,194 | 2,268,952 | 2,244,114 | 2,553,434 | 2,943,952 | 3,700,987 |
| 4,548,064 | 24,717,702 | 21,800,561 | 19,812,950 | 23,655,878 | 30,568,848 |
| 14,255,517 | 15,388,348 | 19,139,564 | 17,542,034 | 17,403,723 | 14,140,176 |
| 1,495,403 | 1,478,897 | 1,735,047 | 10,628,153 | 16,718,253 | 16,494,475 |
| 294,045 | 323,520 | 316,855 | 309,966 | 287,967 | 287,822 |
| - | - | - | - | - | 228,653 |
| 7,714,365 | 8,442,985 | 9,118,839 | 9,219,220 | 10,489,702 | 7,538,461 |
| 15,376,235 | 29,439,925 | 11,446,490 | 12,781,928 | 9,526,211 | 8,669,829 |
| 60,429,833 | 55,848,681 | 56,300,073 | 24,936,363 | 27,209,719 | 92,305,068 |
| 121,210,080 | 154,290,882 | 141,374,556 | 146,241,217 | 149,521,454 | 220,294,871 |
| 121,210,080 | 154,290,882 | 141,374,556 | 146,241,217 | 149,521,454 | 220,294,871 |
| (111,540,951) | (155,214,053) | (169,926,000) | (190,579,786) | (189,431,214) | (133,397,643) |
| 131,600,844 | 145,696,133 | 156,397,865 | 161,327,007 | 167,297,778 | 175,901,469 |
| 1,610,605 | 1,719,903 | 1,824,262 | 1,785,343 | 1,674,934 | 1,970,594 |
| - | - | - | 8,364,557 | 12,855,843 | - |
| 5,680,817 | 1,667,591 | 790,693 | 540,642 | 382,170 | 459,052 |
| 1,435,277 | 463,953 | 1,006,752 | 2,900,249 | 1,264,605 | 30,938,482 |
| 140,327,543 | 149,547,580 | 160,019,572 | 174,917,798 | 183,475,330 | 209,269,597 |
| 140,327,543 | 149,547,580 | 160,019,572 | 174,917,798 | 183,475,330 | 209,269,597 |
| \$ 28,786,592 | (5,666,473) | \$ (9,906,428) | \$ (15,661,988) | \$ (5,955,884) | \$ 75,871,954 |

MONTGOMERY COUNTY, TEXAS
Governmental Fund Balances
Last Ten Fiscal Years

| | Fiscal Year | | | |
|------------------------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2004 | 2005 | 2006 | 2007 |
| General Fund | | | | |
| Reserved for: | | | | |
| Prepaid items | \$ 186,540 | \$ - | \$ 355,284 | \$ 405,442 |
| Unreserved | 4,597,977 | 9,818,012 | 16,496,456 | 20,357,618 |
| Restricted | - | - | - | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total General Fund | <u>\$ 4,784,517</u> | <u>\$ 9,818,012</u> | <u>\$ 16,851,740</u> | <u>\$ 20,763,060</u> |
| All Other Governmental Funds | | | | |
| Reserved for: | | | | |
| Prepaid items | \$ 56,219 | \$ 1,799,127 | \$ 1,464,625 | \$ 3,183,467 |
| Capital projects | 40,717,540 | 25,183,317 | 124,460,927 | 119,067,943 |
| Inventory | 77,008 | 80,227 | 71,186 | 66,617 |
| Debt service | 2,160,259 | 2,142,695 | 2,246,764 | 2,633,600 |
| Unreserved, reported in: | | | | |
| Special revenue funds | 1,774,849 | 500,665 | 4,228,581 | 3,908,678 |
| Debt service funds | - | - | - | - |
| Nonspendable | - | - | - | - |
| Restricted | - | - | - | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Total All Other Governmental Funds | <u>\$ 44,785,875</u> | <u>\$ 29,706,031</u> | <u>\$ 132,472,083</u> | <u>\$ 128,860,305</u> |

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

TABLE III

| Fiscal Year | | | | | |
|-----------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| 2008 | 2009 | 2010 | 2011 ⁽¹⁾ | 2012 | 2013 |
| \$ 226,088 | \$ 1,209,368 | \$ 614,103 | \$ - | \$ - | \$ - |
| 25,621,544 | 33,804,639 | 43,326,405 | - | - | - |
| - | - | - | - | 11,217 | 2,010,097 |
| - | - | - | 134,855 | 91,718 | 5,909,899 |
| - | - | - | 19,571,942 | 32,806,254 | 36,450,842 |
| - | - | - | 29,647,002 | 30,241,977 | 35,336,437 |
| <u>\$ 25,847,632</u> | <u>\$ 35,014,007</u> | <u>\$ 43,940,508</u> | <u>\$ 49,353,799</u> | <u>\$ 63,151,166</u> | <u>\$ 79,707,275</u> |
| | | | | | |
| \$ 769,559 | \$ 1,533 | \$ 42,762 | \$ - | \$ - | \$ - |
| 109,016,095 | 91,075,383 | 35,255,056 | - | - | - |
| 67,641 | 85,034 | 91,503 | - | - | - |
| 4,561,190 | 12,206,656 | 10,761,379 | - | - | - |
| | | | | | |
| 21,832,516 | 26,929,735 | 32,894,308 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 172,593 | 363,698 | 2,654,365 |
| - | - | - | 76,922,025 | 80,798,663 | 97,079,589 |
| - | - | - | 19,740 | 16,848 | 25,354,566 |
| - | - | - | 7,421,107 | 10,801,627 | 11,718,578 |
| <u>\$ 136,247,001</u> | <u>\$ 130,298,341</u> | <u>\$ 79,045,008</u> | <u>\$ 84,535,465</u> | <u>\$ 91,980,836</u> | <u>\$ 136,807,098</u> |

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

(modified accrual basis of accounting)

| | 2004 | 2005 | 2006 | 2007 |
|--|----------------|-----------------|----------------|----------------|
| Revenues | | | | |
| Taxes | \$ 87,999,696 | \$ 96,881,886 | \$ 106,734,347 | \$ 117,303,468 |
| Licenses and Permits | 7,391,938 | 7,090,124 | 7,705,191 | 7,903,148 |
| Fees | 10,355,267 | 11,245,253 | 13,965,850 | 14,919,639 |
| Intergovernmental | 7,780,777 | 9,753,650 | 12,928,979 | 16,939,038 |
| Charges for Services | 1,159,017 | 1,208,604 | 1,479,104 | 1,683,063 |
| Interest | 785,873 | 2,007,225 | 3,582,649 | 8,580,033 |
| Contract Reimbursements | 7,587,085 | 8,026,103 | 9,105,696 | 10,385,885 |
| Inmate Housing | 118,818 | 50,430 | 1,356,977 | 1,607,241 |
| Fines and Forfeitures | 2,421,254 | 2,338,177 | 2,010,036 | 1,933,374 |
| Miscellaneous | 1,706,620 | 2,477,813 | 2,421,395 | 2,084,903 |
| Total Revenues | 127,306,345 | 141,079,265 | 161,290,224 | 183,339,792 |
| Expenditures | | | | |
| General Administration | 9,656,917 | 11,956,474 | 12,249,238 | 12,293,414 |
| Judicial | 14,135,706 | 14,533,798 | 16,621,754 | 17,179,832 |
| Legal Services | 1,712,325 | 1,820,797 | 2,113,773 | 2,228,239 |
| Elections | 730,253 | 650,970 | 3,144,556 | 1,373,213 |
| Financial Administration | 3,737,425 | 4,359,609 | 4,751,654 | 4,966,523 |
| Public Facilities | 6,376,545 | 15,795,553 | 20,439,889 | 22,477,341 |
| Public Safety | 42,296,886 | 39,990,719 | 41,794,370 | 45,184,624 |
| Health and Welfare | 6,426,018 | 6,979,121 | 8,969,704 | 8,883,225 |
| Culture and Recreation | 4,473,911 | 6,102,610 | 6,948,700 | 7,812,017 |
| Conservation | 755,853 | 707,684 | 646,202 | 745,767 |
| Public Transportation | 18,210,470 | 16,857,418 | 17,390,668 | 17,161,732 |
| Miscellaneous | 7,234,220 | 4,519,314 | 3,009,024 | 2,846,822 |
| Capital Projects | 14,361,966 | 16,092,056 | 41,126,282 | 69,694,164 |
| Debt Service: | | | | |
| Principal Retirement | 3,237,591 | 3,034,930 | 3,830,069 | 5,305,000 |
| Interest and Fiscal Charges | 8,831,163 | 8,087,980 | 8,285,966 | 13,929,488 |
| Issuance Costs | 262,523 | 618,647 | - | 1,356,675 |
| Total Expenditures | 142,439,772 | 152,107,680 | 191,321,849 | 233,438,076 |
| (Deficiency) Revenues over Expenditures | (15,133,427) | (11,028,415) | (30,031,625) | (50,098,284) |
| Other Financing Sources/(Uses) | | | | |
| Transfers In | 14,571,754 | 16,324,181 | 15,894,991 | 46,199,570 |
| Transfers Out | (14,571,754) | (16,324,181) | (15,894,991) | (46,199,570) |
| Capital Lease Financing | 581,915 | 1,264,452 | 262,529 | 3,953,897 |
| Issuance of Refunding Bonds | - | 45,850,000 | - | 41,495,000 |
| Payment to Refunded Bond Escrow Agent | - | (49,904,606) | - | (41,706,307) |
| Sale of Capital Asset | - | - | - | - |
| Issuance of Other Bonds | 12,805,000 | - | 137,870,000 | 44,834,989 |
| Discounts/Premiums on Debt Issuance | 671,113 | 3,772,220 | 3,650,574 | 820,247 |
| Total Other Financing Sources/(Uses) | 14,058,028 | 982,066 | 141,783,103 | 49,397,826 |
| Net Change in Fund Balances | \$ (1,075,399) | \$ (10,046,349) | \$ 111,751,478 | \$ (700,458) |
| Debt Service as a percentage of noncapital expenditures | 9.6% | 8.6% | 8.1% | 12.6% |

TABLE IV

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------|----------------|-----------------|----------------|----------------|----------------|
| \$ 132,652,213 | \$ 147,492,907 | \$ 157,541,607 | \$ 162,716,956 | \$ 169,042,135 | \$ 178,176,320 |
| 7,813,929 | 8,116,936 | 7,552,220 | 7,498,169 | 7,340,620 | 7,933,209 |
| 14,702,564 | 14,027,489 | 14,925,021 | 16,404,832 | 17,013,807 | 19,145,966 |
| 25,176,883 | 34,078,838 | 19,798,654 | 32,110,368 | 31,530,494 | 47,182,714 |
| 1,927,909 | 2,094,454 | 2,168,606 | 1,633,673 | 1,975,389 | 2,892,355 |
| 5,898,574 | 1,312,224 | 790,282 | 540,616 | 382,173 | 459,053 |
| 11,138,260 | 12,126,654 | 16,506,829 | 24,213,859 | 30,930,076 | 28,960,527 |
| 3,566,886 | 23,895,939 | 21,085,088 | 18,958,951 | 22,670,575 | 29,373,490 |
| 2,026,564 | 3,192,219 | 3,047,555 | 3,662,448 | 4,247,571 | 4,392,610 |
| 3,802,795 | 2,741,345 | 3,568,946 | 5,055,183 | 4,354,033 | 5,557,556 |
| 208,706,577 | 249,079,005 | 246,984,808 | 272,795,055 | 289,486,873 | 324,073,800 |
| 13,532,419 | 17,048,371 | 15,758,058 | 26,145,340 | 24,829,831 | 22,145,663 |
| 18,504,705 | 21,795,715 | 23,657,153 | 25,547,447 | 26,939,088 | 28,623,495 |
| 2,397,829 | 2,550,211 | 2,716,217 | 2,982,862 | 3,136,043 | 2,963,853 |
| 1,606,046 | 1,258,713 | 1,410,441 | 1,344,669 | 2,156,915 | 1,887,236 |
| 5,251,827 | 5,624,961 | 5,877,896 | 5,983,660 | 5,997,385 | 6,237,056 |
| 25,448,843 | 44,144,809 | 43,995,733 | 42,038,981 | 46,681,717 | 55,409,376 |
| 64,484,699 | 55,809,351 | 61,405,346 | 65,088,924 | 63,136,032 | 62,574,123 |
| 17,851,636 | 30,236,637 | 12,520,365 | 23,540,364 | 27,684,389 | 22,365,117 |
| 7,314,312 | 8,008,564 | 8,393,594 | 8,480,049 | 8,621,870 | 8,800,215 |
| 803,808 | 845,288 | 899,649 | 960,483 | 910,093 | 1,074,697 |
| 18,991,837 | 20,469,397 | 25,913,518 | 33,746,483 | 25,354,154 | 34,898,188 |
| 1,070,696 | 1,156,114 | 1,683,887 | 659,499 | - | - |
| 93,906,202 | 71,212,681 | 91,100,968 | 26,806,719 | 8,809,026 | 10,119,233 |
| 4,598,741 | 6,557,918 | 7,916,895 | 11,304,861 | 16,970,899 | 20,185,150 |
| 16,024,292 | 18,713,749 | 20,511,045 | 23,757,714 | 23,245,469 | 23,025,209 |
| 1,443,423 | 1,265,496 | 1,336,839 | 329,498 | 382,183 | 590,333 |
| 293,231,315 | 306,697,975 | 325,097,604 | 298,717,553 | 284,855,094 | 300,898,944 |
| (84,524,738) | (57,618,970) | (78,112,796) | (25,922,498) | 4,631,779 | 23,174,856 |
| 21,663,686 | 24,812,746 | 27,012,983 | 20,909,835 | 27,961,981 | 98,091,394 |
| (21,663,686) | (24,812,746) | (27,012,983) | (20,909,835) | (27,961,981) | (98,091,394) |
| 16,599,021 | 1,133,148 | 3,125,403 | 1,197,802 | 830,702 | 218,758 |
| 9,855,000 | - | 43,380,000 | - | 30,885,000 | 15,880,000 |
| (10,211,444) | - | (44,643,876) | - | (35,739,475) | (60,594,395) |
| - | - | - | - | - | 65,000,000 |
| 79,885,000 | 56,190,000 | 1,167,562 | 31,390,000 | 14,925,000 | 13,350,000 |
| 1,868,429 | 3,513,538 | 32,756,874 | 4,238,443 | 5,709,732 | 4,353,152 |
| 97,996,006 | 60,836,686 | 35,785,963 | 36,826,245 | 16,610,959 | 38,207,515 |
| \$ 13,471,268 | \$ 3,217,716 | \$ (42,326,833) | \$ 10,903,747 | \$ 21,242,738 | \$ 61,382,371 |
| 11.1% | 11.3% | 13.4% | 13.1% | 14.8% | 14.8% |



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

TABLE V

| Fiscal Year | Residential Property | Commercial Property | Other Property | Personal Property | Less: Tax Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate ⁽³⁾ |
|----------------|-------------------------|------------------------|-------------------|----------------------|---------------------------------|------------------------------------|---|
| 2004 | \$ 12,224,993 | \$ 2,473,292 | \$ 2,250,623 | \$ 2,212,393 | \$(1,568,846) | \$ 17,592,455 | 0.4828 |
| 2005 | 13,394,640 | 2,611,940 | 2,279,231 | 2,381,924 | (1,699,504) | 18,968,231 | 0.4963 |
| 2006 | 13,358,120 | 2,853,812 | 2,347,028 | 2,494,947 | (1,903,704) | 19,150,203 | 0.4963 |
| 2007 | 17,092,450 | 3,100,030 | 2,404,638 | 2,818,786 | (2,065,921) | 23,349,983 | 0.4913 |
| 2008 | 20,050,557 | 3,347,344 | 3,421,027 | 3,085,402 | (3,153,108) | 26,751,222 | 0.4888 |
| 2009 | 23,181,793 | 3,725,463 | 3,662,668 | 3,374,666 | (3,609,764) | 30,334,826 | 0.4838 |
| 2010 | 24,780,448 | 4,130,865 | 3,545,480 | 3,673,289 | (3,467,731) | 32,662,351 | 0.4838 |
| 2011 | 25,470,544 | 4,313,292 | 3,635,389 | 3,557,689 | (3,114,294) | 33,862,620 | 0.4838 |
| 2012 | 26,546,279 | 4,406,788 | 3,637,096 | 3,710,767 | (3,199,844) | 35,101,086 | 0.4838 |
| 2013 | 27,633,521 | 4,749,812 | 3,644,710 | 3,767,339 | (3,089,011) | 36,706,371 | 0.4838 |

⁽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

| | 2004 | 2005 | 2006 | 2007 |
|---|-----------|-----------|-----------|-----------|
| <u>MONTGOMERY COUNTY, TEXAS:</u> | | | | |
| General Fund | \$ 0.3627 | \$ 0.3822 | \$ 0.3869 | \$ 0.3611 |
| Special Revenue Funds | 0.0523 | 0.0528 | 0.0528 | 0.0478 |
| Debt Service Fund | 0.0678 | 0.0613 | 0.0566 | 0.0824 |
| Total Montgomery County, Texas | 0.4828 | 0.4963 | 0.4963 | 0.4913 |
| <u>OVERLAPPING GOVERNMENTS:</u> | | | | |
| Special Districts: | | | | |
| Chateau Woods M.U.D. | 0.2500 | 0.2332 | 0.1939 | 0.1939 |
| Clover Creek M.U.D. | 1.2500 | 1.2500 | 1.2500 | 1.2500 |
| Conroe M.U.D. #1 | - | - | - | - |
| Corinthian Point M.U.D. | 0.7987 | 0.7694 | 0.7222 | 0.7122 |
| East Montgomery County M.U.D. #3 | 0.5000 | 0.7500 | 0.9500 | 0.9500 |
| East Plantation U.D. | 0.7300 | 0.7700 | 0.8100 | 0.8000 |
| Far Hills U.D. | 0.4950 | 0.4800 | 0.4800 | 0.4700 |
| Grand Oaks M.U.D. | - | - | 1.3500 | 1.3500 |
| Harris County M.U.D. #386 | - | - | - | - |
| Kings Manor M.U.D. | 1.2900 | 1.2900 | 1.2000 | 1.0000 |
| Lake Conroe Hills M.U.D. | 0.5000 | 0.5000 | 0.5000 | 0.5000 |
| Lazy River I.D. | 0.7200 | 0.6339 | - | 0.6050 |
| Lone Star Community College | 0.1145 | 0.1145 | 0.1207 | 0.1167 |
| Montgomery County D.D. #6 | 0.2922 | 0.2800 | 0.2733 | 0.2733 |
| Montgomery County D.D. #10 | - | 0.4580 | 0.4580 | 0.4580 |
| Montgomery County F.W.S.D. #6 | 0.3774 | 0.3945 | 0.3945 | 0.3945 |
| Montgomery County Hospital Dist | 0.1082 | 0.0999 | 0.0850 | 0.0781 |
| Montgomery County M.U.D. #6 | 0.3000 | 0.2500 | 0.2200 | 0.1100 |
| Montgomery County M.U.D. #7 | 0.3800 | 0.3400 | 0.3000 | 0.2000 |
| Montgomery County M.U.D. #8 | 0.2263 | 0.2171 | 0.2012 | 0.2272 |
| Montgomery County M.U.D. #9 | 0.7000 | 0.6000 | 0.6000 | 0.6000 |
| Montgomery County M.U.D. #15 | 1.6000 | 1.5000 | 1.4500 | 1.3268 |
| Montgomery County M.U.D. #16 | 3.9600 | 2.4600 | 1.5800 | 1.3600 |
| Montgomery County M.U.D. #18 | 0.5600 | 0.5100 | 0.5100 | 0.5000 |
| Montgomery County M.U.D. #19 | 0.4500 | 0.4000 | 0.3500 | No Tax |
| Montgomery County M.U.D. #24 | 1.5900 | 1.5700 | 1.4900 | No Tax |
| Montgomery County M.U.D. #36 | 0.3600 | 0.3600 | 0.3230 | 0.1200 |
| Montgomery County M.U.D. #39 | 0.7200 | 0.7000 | 0.5800 | 0.4800 |
| Montgomery County M.U.D. #40 | 0.3200 | 0.2800 | 0.2500 | 0.2100 |
| Montgomery County M.U.D. #42 | 1.4800 | 1.3800 | 1.3500 | 1.3200 |
| Montgomery County M.U.D. #46 | 0.6000 | 0.5800 | 0.5000 | 0.4200 |
| Montgomery County M.U.D. #47 | 0.3700 | 0.3600 | 0.3100 | 0.2800 |
| Montgomery County M.U.D. #56 | 1.2500 | 1.2500 | 1.2500 | 1.2500 |

TABLE VI

Page 1 of 4

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| \$ 0.3630 | \$ 0.3647 | \$ 0.3576 | \$ 0.3582 | \$ 0.3629 | \$ 0.3715 |
| 0.0478 | 0.0464 | 0.0464 | 0.0458 | 0.0464 | 0.0464 |
| 0.0780 | 0.0727 | 0.0798 | 0.0798 | 0.0745 | 0.0659 |
| 0.4888 | 0.4838 | 0.4838 | 0.4838 | 0.4838 | 0.4838 |
| 0.1847 | 0.1793 | 0.2016 | 0.2223 | 0.2317 | 0.2486 |
| 1.2500 | 1.2500 | 1.2500 | 1.2500 | 1.2500 | 1.2500 |
| 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 |
| 0.6066 | 0.5587 | 0.5487 | 0.5738 | 0.5393 | 0.5393 |
| 0.9500 | 0.9500 | 0.9500 | 0.9500 | 0.9500 | 0.9500 |
| 0.7600 | 0.0729 | 0.7090 | 0.7090 | 0.7090 | 0.7090 |
| 0.4700 | 0.4700 | 0.4700 | 0.4700 | 0.4820 | 0.4820 |
| 1.3500 | 1.3500 | 1.3500 | 1.3500 | 1.3500 | 1.3500 |
| - | - | - | - | 0.9900 | 0.9400 |
| 0.8800 | 0.8600 | 0.8600 | 0.8600 | 0.8600 | 0.8300 |
| 0.5000 | 0.5000 | 0.5000 | 0.5000 | 0.5000 | 0.5000 |
| 0.5623 | 0.5544 | 0.5547 | 0.5599 | 0.5342 | 0.5627 |
| 0.1144 | 0.1101 | 0.1101 | 0.1176 | 0.1210 | 0.1198 |
| 0.2666 | 0.2641 | 0.2641 | 0.2641 | 0.2100 | 0.2100 |
| 0.4580 | 0.4470 | 0.4470 | 0.4470 | 0.4470 | 0.4500 |
| 0.3945 | 0.3945 | 0.3945 | 0.2941 | 0.2820 | 0.3385 |
| 0.0777 | 0.0760 | 0.0755 | 0.7540 | 0.0745 | 0.0729 |
| 0.1100 | 0.1100 | 0.1000 | 0.0950 | 0.0875 | 0.0800 |
| 0.2000 | 0.1750 | 0.1750 | 0.1750 | 0.1675 | 0.1675 |
| 0.2118 | 0.2179 | 0.2332 | 0.2494 | 0.2651 | 0.2651 |
| 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 |
| 1.2937 | 1.2450 | 1.2400 | 1.2400 | 1.2400 | 1.2400 |
| 1.2300 | 1.2100 | 1.3000 | 1.3000 | 1.3000 | 1.2600 |
| 0.4900 | 0.4500 | 0.4400 | 0.4400 | 0.4300 | 0.3800 |
| 0.3243 | 0.3243 | 0.3243 | 0.3243 | 0.3243 | 0.3243 |
| 1.4000 | 1.2800 | 1.2800 | 1.3800 | 1.1800 | 1.1800 |
| 0.1200 | 0.1100 | 0.1000 | 0.0550 | 0.0400 | 0.0350 |
| 0.4700 | 0.4400 | 0.4300 | 0.4300 | 0.4200 | 0.4200 |
| 0.2100 | 0.1900 | 0.1800 | 0.1700 | 0.1600 | 0.1500 |
| 1.2500 | 1.2400 | 1.2400 | 1.2300 | 1.1800 | 1.1500 |
| 0.3800 | 0.3100 | 0.2850 | 0.2750 | 0.2650 | 0.2550 |
| 0.2800 | 0.2600 | 0.2500 | 0.2500 | 0.2450 | 0.2450 |
| 1.2500 | 1.2500 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |

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

| | 2004 | 2005 | 2006 | 2007 |
|--------------------------------|--------|--------|--------|--------|
| Special Districts (continued): | | | | |
| Montgomery County M.U.D. #60 | 0.4200 | 0.4200 | 0.3500 | 0.3000 |
| Montgomery County M.U.D. #67 | 0.4700 | 0.4500 | 0.4300 | 0.3400 |
| Montgomery County M.U.D. #83 | 1.2500 | 1.2500 | 1.2500 | 1.2500 |
| Montgomery County M.U.D. #84 | - | - | 1.2500 | 1.2500 |
| Montgomery County M.U.D. #88 | - | - | No Tax | No Tax |
| Montgomery County M.U.D. #89 | 1.3900 | 1.3900 | 1.3900 | 1.3900 |
| Montgomery County M.U.D. #90 | - | - | 0.6000 | 0.6000 |
| Montgomery County M.U.D. #92 | - | - | 0.6000 | 0.6000 |
| Montgomery County M.U.D. #94 | 1.2200 | 1.2200 | 1.2200 | 1.2200 |
| Montgomery County M.U.D. #95 | 1.2500 | 1.2500 | 1.2500 | No Tax |
| Montgomery County M.U.D. #98 | - | - | 1.2500 | No Tax |
| Montgomery County M.U.D. #99 | - | - | - | 1.0400 |
| Montgomery County M.U.D. #107 | - | - | - | 0.6000 |
| Montgomery County M.U.D. #111 | - | - | - | No Tax |
| Montgomery County M.U.D. #112 | - | - | - | - |
| Montgomery County M.U. D #113 | - | - | - | - |
| Montgomery County M.U.D. #115 | - | - | - | - |
| Montgomery County M.U.D. #119 | - | - | - | - |
| Montgomery County M.U.D. #123 | - | - | - | - |
| Montgomery County U.D. #2 | 0.5900 | 0.5700 | 0.5700 | 0.5700 |
| Montgomery County U.D. #3 | 0.5765 | 0.4516 | 0.4516 | 0.4516 |
| Montgomery County U.D. #4 | 0.3800 | 0.3300 | 0.3800 | 0.4200 |
| Montgomery County W.C.I.D. #1 | 0.8200 | 0.8200 | 0.8200 | 0.8200 |
| New Caney M.U.D. | 0.5076 | 0.5076 | 0.5376 | 0.5376 |
| Point Aquarius M.U.D. | 0.5558 | 0.5347 | 0.5132 | 0.6777 |
| Porter M.U.D. | 0.5150 | 0.5150 | 0.5150 | 0.5150 |
| Rayford Road M.U.D. | 0.7620 | 0.7620 | 0.7620 | 0.7020 |
| River Plantation M.U.D. | 0.4895 | 0.4812 | 0.4504 | 0.3387 |
| Roman Forest Cons. M.U.D. | 0.5800 | 0.5650 | 0.4760 | 0.3974 |
| Roman Forest P.U.D. #3 | 1.2500 | 1.2500 | 1.2500 | 1.2500 |
| Roman Forest P.U.D. #4 | 1.1500 | 1.1500 | 1.1500 | 1.1500 |
| South Montgomery County M.U.D. | 0.2704 | 0.2326 | 0.2200 | 0.2200 |
| Spring Creek U.D. | 1.0100 | 1.0100 | 1.0000 | 1.0000 |
| Stanley Lake M.U.D. | 0.6000 | 0.5800 | 0.5800 | 0.5800 |
| Texas National M.U.D. | 1.1100 | 0.9022 | 0.8918 | 0.8966 |
| Valley Ranch M.U.D. #1 | - | - | - | 1.4000 |
| Wood Trace M.U.D. #1 | 1.2500 | 1.2500 | 1.0000 | No Tax |
| Woodlands Metro-Center M.U.D. | 0.3000 | 0.3000 | 0.2700 | 0.2300 |
| Woodlands M.U.D. #2 | 0.4100 | 0.3750 | 0.3350 | 0.2700 |
| Woodlands R.U.D. #1 | 0.5000 | 0.5000 | 0.4817 | 0.4800 |
| Emergency Service District #1 | 0.1000 | 0.1000 | 0.1000 | 0.0973 |
| Emergency Service District #2 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |

TABLE VI

Page 2 of 4

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------|--------|--------|--------|--------|--------|
| 0.2900 | 0.2650 | 0.2400 | 0.2400 | 0.2375 | 0.2275 |
| 0.3300 | 0.3200 | 0.3200 | 0.3200 | 0.3125 | 0.3125 |
| No Tax | 1.2500 | 1.2500 | 1.2000 | 1.1300 | 1.0500 |
| No Tax | 1.2500 | 1.2500 | 1.2500 | 1.2500 | 1.2500 |
| 1.3900 | 1.3900 | 1.3900 | 1.3900 | 1.3900 | 1.3900 |
| 1.3700 | 1.3000 | 1.2500 | 1.1800 | 1.1100 | 1.0900 |
| 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 |
| 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 |
| 1.2100 | 1.2000 | 1.1600 | 1.1600 | 1.1300 | 1.1000 |
| No Tax | No Tax | No Tax | No Tax | 1.3500 | 1.3500 |
| No Tax | 1.2300 | 1.2300 | 1.2300 | 1.2250 | 1.2250 |
| 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.0400 |
| 0.6000 | 0.6000 | 0.7000 | 0.7000 | 0.7000 | 0.7000 |
| No Tax | No Tax | No Tax | No Tax | No Tax | N/A |
| No Tax | 1.1000 | 1.1000 | 1.1000 | 1.1000 | 1.1000 |
| - | 1.1000 | 1.1000 | 1.1900 | 1.1900 | 0.7500 |
| 1.3500 | 1.3500 | 1.3500 | 1.3500 | 1.3500 | 1.3500 |
| - | 1.4500 | 1.4500 | 1.4500 | 1.4500 | 1.4500 |
| - | - | - | - | 1.2500 | - |
| 0.5700 | 0.5700 | 0.5700 | 0.5700 | 0.5700 | 0.5700 |
| 0.4516 | 0.4516 | 0.4412 | 0.4554 | 0.4515 | 0.4515 |
| 0.5200 | 0.5002 | 0.4952 | 0.4895 | 0.4895 | 0.4100 |
| 0.7750 | 0.7750 | 0.7750 | 0.7750 | 0.8100 | 0.8100 |
| 0.5862 | 0.5862 | 0.6200 | 0.7100 | 0.7100 | 0.7100 |
| 0.7463 | 0.7275 | 0.7015 | 0.7032 | 0.7032 | 0.7032 |
| 0.5150 | 0.5150 | 0.5150 | 0.5150 | 0.5150 | 0.5150 |
| 0.6420 | 0.6020 | 0.5920 | 0.5920 | 0.6220 | 0.6100 |
| 0.3156 | 0.3112 | 0.3101 | 0.3101 | 0.3200 | 0.3200 |
| 0.3708 | 0.3183 | 0.3000 | 0.2900 | 0.2700 | 0.2000 |
| 1.2500 | 1.2500 | 1.2500 | 1.2500 | 1.2500 | - |
| 1.1500 | 1.1500 | 1.1500 | 1.1500 | 1.1500 | 1.1540 |
| 0.2200 | 0.2200 | 0.2200 | 0.2266 | 0.2266 | 0.2266 |
| 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| 0.5000 | 0.4900 | 0.5200 | 0.5200 | 0.5100 | 0.5000 |
| 0.9190 | 0.9040 | 1.0959 | 1.0959 | 1.0959 | 1.0823 |
| 1.4000 | 1.4000 | 1.4000 | 1.4000 | 1.4000 | 1.4000 |
| 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 | 0.7500 |
| 0.2100 | 0.1900 | 0.1900 | 0.1900 | 0.1750 | 0.1750 |
| 0.2400 | 0.1900 | 0.2300 | 0.1900 | 0.1700 | 0.1500 |
| 0.4800 | 0.4738 | 0.4491 | 0.4300 | 0.4266 | 0.4063 |
| 0.1000 | 0.1000 | 0.0975 | 0.0974 | 0.9640 | 0.0964 |
| 0.1000 | 0.1000 | 0.0940 | 0.1000 | 0.1000 | 0.1000 |

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

| | 2004 | 2005 | 2006 | 2007 |
|---------------------------------------|---------|---------|---------|---------|
| Special Districts (continued): | | | | |
| Emergency Service District #3 | 0.1000 | 0.1000 | 0.1000 | 0.0968 |
| Emergency Service District #4 | 0.1000 | 0.0980 | 0.0908 | 0.0843 |
| Emergency Service District #5 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Emergency Service District #6 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Emergency Service District #7 | 0.1000 | 0.1000 | 0.0983 | 0.1000 |
| Emergency Service District #8 | 0.0562 | 0.0722 | 0.0713 | 0.0725 |
| Emergency Service District #9 | 0.0620 | 0.0981 | - | 0.0998 |
| Emergency Service District #10 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Emergency Service District #11 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Emergency Service District #12 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Emergency Service District #14 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Total Special Districts | 43.5173 | 41.4957 | 43.8165 | 40.6722 |
| Cities: | | | | |
| Cleveland | - | - | - | - |
| Conroe | 0.4335 | 0.4335 | 0.4335 | 0.4300 |
| Magnolia | 0.4186 | 0.4963 | 0.4935 | 0.4847 |
| Montgomery | 0.3869 | 0.3869 | 0.5605 | 0.5605 |
| Oak Ridge North | 0.7579 | 0.7579 | 0.7300 | 0.7300 |
| Panorama Village | 0.6586 | 0.6653 | 0.6653 | 0.6608 |
| Patton Village | 0.4340 | 0.4585 | 0.5000 | 0.5000 |
| Roman Forest | 0.5000 | 0.5198 | 0.5000 | 0.4697 |
| Shenandoah Village | 0.4099 | 0.4010 | 0.4010 | 0.3610 |
| Splendora | 0.3000 | 0.3000 | 0.3000 | 0.3000 |
| Stagecoach | 0.5330 | 0.5330 | 0.5373 | 0.5775 |
| Willis | 0.5784 | 0.5784 | 0.5934 | 0.5442 |
| Woodbranch Village | 0.4919 | 0.4919 | 0.4179 | 0.4031 |
| Woodlands Township | - | - | - | - |
| Woodloch | 0.7186 | 0.7186 | 0.6300 | 0.5954 |
| Auburn Trail Defined Area | - | - | - | - |
| Houston (County Line City) | 0.6500 | 0.6500 | 0.6475 | 0.6450 |
| Total Cities | 7.2713 | 7.3911 | 7.4099 | 7.2619 |
| School Districts: | | | | |
| Cleveland I.S.D. | 1.7000 | 1.7000 | 1.7400 | 1.5850 |
| Conroe I.S.D. | 1.7325 | 1.7325 | 1.7600 | 1.5900 |
| Humble I.S.D. | - | - | - | - |
| Magnolia I.S.D. | 1.6800 | 1.6800 | 1.7900 | 1.6600 |

TABLE VI

Page 3 of 4

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------|---------|---------|---------|---------|---------|
| 0.1000 | 0.1000 | 0.0972 | 0.1000 | 0.0998 | 0.0990 |
| 0.1000 | 0.0984 | 0.1000 | 0.1000 | 0.0986 | 0.0961 |
| 0.1000 | 0.1000 | 0.0982 | 0.0935 | 0.1000 | 0.1000 |
| 0.1000 | 0.1000 | 0.0988 | 0.1000 | 0.1000 | 0.1000 |
| 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.0998 |
| 0.0736 | 0.0722 | 0.0762 | 0.1000 | 0.1000 | 0.1000 |
| 0.0948 | 0.0974 | 0.1000 | 0.1000 | 0.0946 | 0.0917 |
| 0.1000 | 0.1000 | 0.0950 | 0.1000 | 0.0988 | 0.1000 |
| 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| 0.0908 | 0.0999 | 0.1000 | 0.1000 | 0.0996 | 0.0996 |
| 0.1000 | 0.0100 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| 44.6022 | 50.3512 | 49.7103 | 50.0391 | 53.2208 | 48.9162 |
| - | - | - | - | 0.6850 | 0.7800 |
| 0.4250 | 0.4200 | 0.4200 | 0.4200 | 0.4200 | 0.4200 |
| 0.4914 | 0.4914 | 0.4914 | 0.4914 | 0.4814 | 0.4786 |
| 0.5423 | 0.4523 | 0.4450 | 0.4199 | 0.4155 | 0.4155 |
| 0.7000 | 0.6431 | 0.6389 | 0.5996 | 0.5996 | 0.5744 |
| 0.6694 | 0.6474 | 0.6517 | 0.6512 | 0.6698 | 0.6844 |
| 0.4851 | 0.4366 | 0.4091 | 0.3890 | 0.3779 | 0.3779 |
| 0.4697 | 0.4750 | 0.4706 | 0.4707 | 0.4721 | 0.4819 |
| 0.3470 | 0.3470 | 0.3282 | 0.3282 | 0.3237 | 0.3137 |
| 0.2955 | 0.2984 | 0.2978 | 0.2968 | 0.2797 | 0.2797 |
| 0.5675 | 0.5525 | 0.5400 | 0.5214 | 0.5044 | 0.5000 |
| 0.5431 | 0.5376 | 0.5808 | 0.5893 | 0.5669 | 0.5208 |
| 0.3719 | 0.3537 | 0.3448 | 0.3373 | 0.3514 | 0.3544 |
| - | - | 0.3280 | 0.3274 | 0.3250 | 0.3173 |
| 0.5953 | 0.6257 | 0.5468 | 0.5199 | 1.0000 | 0.5000 |
| - | - | - | - | - | 0.9850 |
| 0.6438 | 0.6388 | 0.6388 | 0.6388 | 0.6388 | 0.6388 |
| 7.1470 | 6.9195 | 7.1319 | 7.0009 | 8.1112 | 8.6224 |
| 1.3150 | 1.3150 | 1.3150 | 1.3150 | 1.3150 | 1.3150 |
| 1.2400 | 1.2700 | 1.2850 | 1.2950 | 1.2950 | 1.2900 |
| - | - | - | - | 1.5200 | 1.5200 |
| 1.4200 | 1.4000 | 1.3800 | 1.3995 | 1.3995 | 1.3995 |

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

| | 2004 | 2005 | 2006 | 2007 |
|--|------------------|------------------|------------------|------------------|
| School Districts (continued): | | | | |
| Montgomery I.S.D. | 1.6600 | 1.6600 | 1.6600 | 1.5419 |
| New Caney I.S.D. | 1.7700 | 1.7700 | 1.7900 | 1.6400 |
| Richards I.S.D. | 1.5000 | 1.5000 | 1.5000 | 1.3700 |
| Splendora I.S.D. | 1.7300 | 1.7300 | 1.6900 | 1.5447 |
| Tomball I.S.D. | 1.7300 | 1.7300 | 1.7100 | 1.5800 |
| Willis I.S.D. | 1.7100 | 1.7100 | 1.7350 | 1.6020 |
| Total School Districts | 15.2125 | 15.2125 | 15.3750 | 14.1136 |
| <u>TOTAL PROPERTY TAX RATES -</u> | | | | |
| <u>DIRECT AND OVERLAPPING</u> | | | | |
| <u>GOVERNMENTS</u> | <u>\$66.4839</u> | <u>\$64.5956</u> | <u>\$67.0977</u> | <u>\$62.5390</u> |

⁽¹⁾ Per \$100 of assessed valuation.

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

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

TABLE VI

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| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| 1.3500 | 1.3500 | 1.3400 | 1.3400 | 1.3400 | 1.3400 |
| 1.4150 | 1.4400 | 1.4800 | 1.5400 | 1.5400 | 1.5400 |
| 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.0400 |
| 1.3173 | 1.5100 | 1.3200 | 1.3599 | 1.3300 | 1.3600 |
| 1.2750 | 1.3600 | 1.3600 | 1.3600 | 1.3600 | 1.3155 |
| 1.3060 | 1.3700 | 1.3700 | 1.3700 | 1.3700 | 1.3700 |
| 11.6783 | 12.0550 | 11.8900 | 12.0194 | 13.5095 | 13.4900 |
| <u>\$63.9163</u> | <u>\$69.8095</u> | <u>\$69.2160</u> | <u>\$69.5432</u> | <u>\$75.3252</u> | <u>\$71.5123</u> |

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

| <u>2013 Taxpayer</u> | <u>Type of Business</u> | <u>2013 Assessed Valuation ⁽¹⁾</u> | <u>Percentage of Total Assessed Valuation ⁽²⁾</u> |
|---|-------------------------|---|--|
| Wal Mart Real Estate Business Trust/ Sams Club | Retail | \$ 251,733,842 | 0.69 % |
| Entergy, Texas Inc | Electric Utility | 236,368,741 | 0.64 |
| Denbury Onshore LLC | Oil & Gas | 206,310,720 | 0.56 |
| Woodlands Land Dev | Land Development | 146,635,174 | 0.40 |
| Conroe Regional Medical Center/ Kingwood Medical Plaza | Medical | 148,308,971 | 0.40 |
| Anadarko Realty Co. | Oil & Gas | 137,104,330 | 0.37 |
| Canrig Drilling Tech Ltd | Oil & Gas | 114,681,030 | 0.31 |
| Hughes Christensen Company | Oil & Gas | 78,550,790 | 0.21 |
| Consolidated Communications of TX | Communications | 74,561,920 | 0.20 |
| Huntsman Petrochemical Corporation | Manufacturing | 61,147,404 | 0.17 |
| | | <u>\$ 1,455,402,922</u> | <u>3.95 %</u> |
| <u>2004 Taxpayer</u> | <u>Type of Business</u> | <u>2004 Assessed Valuation ⁽¹⁾</u> | <u>Percentage of Total Assessed Valuation ⁽³⁾</u> |
| The Woodlands Companies | Land Development | \$ 153,049,220 | 0.87 % |
| Gulf States Utilities Company | Electric Utility | 152,035,275 | 0.86 |
| Wal-Mart Stores, Inc | Retail | 150,590,673 | 0.86 |
| Columbia Regional Medical Center/ Kingwood Medical Plaza | Medical | 126,555,009 | 0.72 |
| TXU Communications Telephone | Telephone Utility | 90,319,000 | 0.51 |
| Eckerd Drugs | Retail | 64,542,849 | 0.37 |
| Huntsman Petrochemical Corp | Industrial | 60,086,358 | 0.34 |
| SBC Communications Inc. | Telephone Utility | 51,902,790 | 0.30 |
| The Woodlands Mall Association | Retail | 50,995,710 | 0.29 |
| SSR WM Texas LP | Property Mgmt | 40,217,890 | 0.23 |
| | | <u>\$ 940,294,774</u> | <u>5.35 %</u> |

(1) Source: Montgomery Central Appraisal District

(2) Net Assessed Valuation - 2013 \$ 36,706,371,252

(3) Net Assessed Valuation - 2004 \$ 17,592,455,375

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

TABLE VIII

| Fiscal Year | Collected in first period | | | | Collections in subsequent periods ⁽²⁾ | Total collections | | | | |
|----------------|---------------------------|-------------|------------|-------------|--|-------------------|------------|----|-------------|--------|
| | Levy | Amount | Percentage | | | Amount | Percentage | | | |
| 2004 | \$ | 85,764,910 | \$ | 83,960,577 | 97.9 % | \$ | 33,042 | \$ | 83,993,619 | 97.9 % |
| 2005 | | 94,513,506 | | 92,527,246 | 97.9 % | | 41,701 | | 92,568,947 | 97.9 % |
| 2006 | | 104,074,236 | | 102,113,249 | 98.1 % | | 47,617 | | 102,160,866 | 98.2 % |
| 2007 | | 114,138,148 | | 112,640,155 | 98.7 % | | 85,324 | | 112,725,479 | 98.8 % |
| 2008 | | 129,601,440 | | 127,903,113 | 98.7 % | | 178,802 | | 128,081,915 | 98.8 % |
| 2009 | | 144,971,851 | | 142,781,596 | 98.5 % | | 344,122 | | 143,125,718 | 98.7 % |
| 2010 | | 155,635,330 | | 153,508,163 | 98.6 % | | 766,313 | | 154,274,476 | 99.1 % |
| 2011 | | 160,613,960 | | 158,449,175 | 98.7 % | | 1,563,174 | | 160,012,349 | 99.6 % |
| 2012 | | 166,759,322 | | 164,636,997 | 98.7 % | | 979,786 | | 165,616,783 | 99.3 % |
| 2013 | | 175,204,298 | | 173,007,132 | 98.7 % | | - | | 173,007,132 | 98.7 % |

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

⁽²⁾ Collections in subsequent periods reflect only those amounts collected in 2012 and 2013.

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

TABLE IX

| Fiscal Year | General Obligation Bonds | Revenue Bonds ⁽³⁾ | Certificates of Obligation | Capital Leases Obligation | Net: Interest Premiums and Discounts | Total Long-Term Debt | Percent of Personal Income ⁽²⁾ | Per Capita ⁽²⁾ |
|-------------|--------------------------------|---------------------------------|----------------------------------|---------------------------------|--|----------------------------|---|------------------------------|
| 2004 | \$105,360,521 | \$ - | \$54,270,000 | \$1,790,377 | \$ 1,076,250 | \$ 162,497,148 | 1.35 % | \$ 450.86 |
| 2005 | 129,182,674 | - | 25,860,000 | 1,403,363 | 4,745,570 | 161,191,607 | 1.22 % | 429.25 |
| 2006 | 238,529,676 | - | 50,155,000 | 1,096,177 | 7,999,426 | 297,780,279 | 1.93 % | 791.75 |
| 2007 | 237,618,866 | 44,834,989 | 46,660,000 | 3,452,124 | 7,715,713 | 340,281,692 | 1.94 % | 862.53 |
| 2008 | 285,645,701 | 44,834,989 | 73,180,000 | 19,053,887 | 9,064,658 | 431,779,235 | 2.13 % | 1,002.36 |
| 2009 | 337,600,000 | 43,758,601 | 71,685,000 | 17,409,156 | 12,051,322 | 482,504,079 | 2.44 % | 1,108.18 |
| 2010 | 332,565,000 | 42,256,701 | 102,580,000 | 17,164,115 | 11,787,129 | 506,352,945 | 2.38 % | 1,105.16 |
| 2011 | 270,030,000 | 128,266,840 | 99,190,000 | 15,336,959 | 15,233,295 | 528,057,094 | 2.31 % | 1,142.62 |
| 2012 | 268,735,000 | 122,140,941 | 101,120,000 | 13,671,491 | 10,236,430 | 515,903,862 | 2.09 % | 1,071.90 |
| 2013 | 261,590,000 | 75,075,000 | 109,930,000 | 11,209,724 | 12,589,534 | 470,394,258 | N/A | 956.79 |

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

⁽²⁾ See Table XIV for personal income and population data.
Personal income for 2013 is not available.

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

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

TABLE X

| Fiscal Year | General Bonded Debt Outstanding | | | | Less: Amounts Available for Debt Service | Total | Percentage of Actual Value of Property ⁽²⁾ | Per Capita ⁽³⁾ |
|----------------|---------------------------------|---------------------------------|----------------------------------|----------------|---|----------------|--|------------------------------|
| | General Obligation Bonds | Revenue Bonds ⁽⁴⁾ | Certificates of Obligation | Total | | | | |
| 2004 | \$ 97,515,414 | \$ - | \$ 54,270,000 | \$ 151,785,414 | \$ 2,160,259 | \$ 149,625,155 | 0.85 % | \$ 415.14 |
| 2005 | 122,050,678 | - | 25,860,000 | 147,910,678 | 2,142,695 | 145,767,983 | 0.77 % | 388.18 |
| 2006 | 231,795,605 | - | 50,155,000 | 281,950,605 | 2,264,764 | 279,685,841 | 1.46 % | 743.64 |
| 2007 | 234,277,478 | 44,834,989 | 46,660,000 | 325,772,467 | 2,633,600 | 323,138,867 | 1.38 % | 819.07 |
| 2008 | 285,396,527 | 44,834,989 | 73,180,000 | 403,411,516 | 4,561,190 | 398,850,326 | 1.49 % | 925.92 |
| 2009 | 337,600,000 | 43,758,601 | 71,685,000 | 453,043,601 | 12,206,657 | 440,836,944 | 1.45 % | 1,012.48 |
| 2010 | 332,565,000 | 42,256,701 | 102,580,000 | 477,401,701 | 10,761,379 | 466,640,322 | 1.43 % | 1,018.49 |
| 2011 | 270,030,000 | 128,266,840 | 99,190,000 | 497,486,840 | 14,239,096 | 483,247,744 | 1.43 % | 1,045.66 |
| 2012 | 268,735,000 | 122,140,941 | 101,120,000 | 491,995,941 | 15,950,460 | 476,045,481 | 1.36 % | 989.09 |
| 2013 | 261,590,000 | 75,075,000 | 109,930,000 | 446,595,000 | 17,795,351 | 428,799,649 | 1.17 % | 872.19 |

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

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

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

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

MONTGOMERY COUNTY, TEXAS**Legal Debt Margin ⁽¹⁾****Last Ten Fiscal Years**

| | 2004 | 2005 | 2006 | 2007 |
|-------------------------------|---------------|---------------|---------------|---------------|
| Assessed value ⁽²⁾ | \$ 15,380,063 | \$ 16,586,307 | \$ 16,655,256 | \$ 20,531,197 |
| Debt limit ⁽³⁾ | 3,845,016 | 4,146,577 | 4,163,814 | 5,132,799 |
| Debt applicable to limit | | | | |
| Total bonded debt | 159,631 | 155,043 | 288,685 | 329,114 |
| Less: Assets in Debt | | | | |
| Service Funds available | | | | |
| for payment of principal | (2,160) | (2,143) | (2,247) | (2,631) |
| Total debt applicable | | | | |
| to limit | 157,471 | 152,900 | 286,438 | 326,483 |
| Legal debt margin | \$ 3,687,545 | \$ 3,993,677 | \$ 3,877,376 | \$ 4,806,316 |
| Total debt applicable | | | | |
| to the limit as a | | | | |
| percent of debt limit | 4.10% | 3.69% | 6.88% | 6.36% |

⁽¹⁾ Amounts expressed in thousands.

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

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

TABLE XI

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 23,665,820 | \$ 26,960,161 | \$ 32,662,351 | \$ 33,862,620 | \$ 35,101,086 | \$ 36,706,371 |
| 5,916,455 | 6,740,041 | 8,165,588 | 8,465,655 | 8,775,272 | 9,176,593 |
| 403,661 | 453,044 | 477,402 | 497,487 | 491,996 | 446,595 |
| (4,561) | (12,207) | (10,761) | (14,239) | (15,950) | (17,795) |
| 399,100 | 440,837 | 466,640 | 483,248 | 476,046 | 428,800 |
| <u>\$ 5,517,355</u> | <u>\$ 6,299,204</u> | <u>\$ 7,698,947</u> | <u>\$ 7,982,407</u> | <u>\$ 8,299,226</u> | <u>\$ 8,747,794</u> |
| 6.75% | 6.54% | 5.71% | 5.71% | 5.42% | 4.67% |

MONTGOMERY COUNTY, TEXAS**Direct and Overlapping Debt****September 30, 2013****TABLE XII**

| | Debt Outstanding | Percentage Applicable to Montgomery County ⁽¹⁾ | Amount Applicable to Montgomery County |
|--|---------------------------|---|--|
| Montgomery County, Texas | <u>\$ 457,804,724</u> | 100.00 | <u>\$ 457,804,724</u> |
| TOTAL DIRECT DEBT | <u>457,804,724</u> | | <u>457,804,724</u> |
| <u>OVERLAPPING GOVERNMENTS:</u> | | | |
| Special Districts: | | | |
| Clovercreek M.U.D. | 1,235,000 | 100.00 | 1,235,000 |
| Corinthian Point M.U.D. #2 | 130,000 | 100.00 | 130,000 |
| East Montgomery Co M.U.D #3 | 10,660,000 | 100.00 | 10,660,000 |
| East Plantation U.D. | 2,720,000 | 100.00 | 2,720,000 |
| Far Hills U.D. | 5,705,000 | 100.00 | 5,705,000 |
| Grand Oaks M.U.D. | 1,805,000 | 100.00 | 1,805,000 |
| Kings Manor M.U.D. | 15,635,000 | 68.60 | 10,725,610 |
| Lazy River I.D. | 785,000 | 100.00 | 785,000 |
| Lone Star College System | 488,630,000 | 25.87 | 126,408,581 |
| Montgomery Co. D.D. #10 | 8,715,000 | 100.00 | 8,715,000 |
| Montgomery Co. M.U.D. #7 | 4,765,000 | 100.00 | 4,765,000 |
| Montgomery Co. M.U.D. #8 | 10,455,000 | 100.00 | 10,455,000 |
| Montgomery Co. M.U.D. #9 | 13,695,000 | 100.00 | 13,695,000 |
| Montgomery Co. M.U.D. #15 | 11,700,000 | 100.00 | 11,700,000 |
| Montgomery Co. M.U.D. #18 | 22,260,000 | 100.00 | 22,260,000 |
| Montgomery Co. M.U.D. #39 | 14,195,000 | 100.00 | 14,195,000 |
| Montgomery Co. M.U.D. #40 | 1,230,000 | 100.00 | 1,230,000 |
| Montgomery Co. M.U.D. #42 | 1,385,000 | 100.00 | 1,385,000 |
| Montgomery Co. M.U.D. #46 | 100,225,000 | 100.00 | 100,225,000 |
| Montgomery Co. M.U.D. #47 | 28,560,000 | 100.00 | 28,560,000 |
| Montgomery Co. M.U.D. #56 | 2,125,320 | 100.00 | 2,125,320 |
| Montgomery Co. M.U.D. #60 | 18,865,000 | 100.00 | 18,865,000 |
| Montgomery Co. M.U.D. #67 | 15,835,000 | 100.00 | 15,835,000 |
| Montgomery Co. M.U.D. #83 | 16,610,000 | 100.00 | 16,610,000 |
| Montgomery Co. M.U.D. #84 | 22,215,000 | 100.00 | 22,215,000 |
| Montgomery Co. M.U.D. #88 | 2,585,000 | 100.00 | 2,585,000 |
| Montgomery Co. M.U.D. #89 | 24,450,000 | 100.00 | 24,450,000 |
| Montgomery Co. M.U.D. #90 | 5,025,000 | 100.00 | 5,025,000 |
| Montgomery Co. M.U.D. #92 | 1,785,000 | 100.00 | 1,785,000 |
| Montgomery Co. M.U.D. #94 | 37,400,000 | 100.00 | 37,400,000 |
| Montgomery Co. M.U.D. #95 | 3,300,000 | 100.00 | 3,300,000 |

MONTGOMERY COUNTY, TEXAS**Direct and Overlapping Debt****September 30, 2013****TABLE XII**

| | Debt | Percentage | Amount Applicable |
|--------------------------------|----------------------|----------------------------------|--------------------------|
| | Outstanding | Applicable to | to Montgomery |
| | | Montgomery County ⁽¹⁾ | County |
| Special Districts:(Continued) | | | |
| Montgomery Co. M.U.D. #98 | 6,415,000 | 100.00 | 6,415,000 |
| Montgomery Co. M.U.D. #99 | 4,335,000 | 100.00 | 4,335,000 |
| Montgomery Co. M.U.D. #107 | 12,355,000 | 100.00 | 12,355,000 |
| Montgomery Co. M.U.D. #112 | 11,425,000 | 100.00 | 11,425,000 |
| Montgomery Co. M.U.D. #113 | 24,150,000 | 100.00 | 24,150,000 |
| Montgomery Co. M.U.D. #115 | 12,975,000 | 100.00 | 12,975,000 |
| Montgomery Co. M.U.D. #119 | 5,570,000 | 100.00 | 5,570,000 |
| Montgomery Co. U.D. #2 | 7,750,000 | 100.00 | 7,750,000 |
| Montgomery Co. U.D. #3 | 295,000 | 100.00 | 295,000 |
| Montgomery Co. U.D. #4 | 5,555,000 | 100.00 | 5,555,000 |
| Montgomery Co. W.C.I.D. #1 | 14,200,000 | 100.00 | 14,200,000 |
| New Caney M.U.D. | 18,375,000 | 100.00 | 18,375,000 |
| Point Aquarius M.U.D. | 13,250,000 | 100.00 | 13,250,000 |
| Porter M.U.D. | 11,025,000 | 100.00 | 11,025,000 |
| Rayford Road M.U.D. | 27,455,000 | 100.00 | 27,455,000 |
| Roman Forest Con. M.U.D. | 1,305,000 | 100.00 | 1,305,000 |
| Harris-Montgomery Co MUD #386 | 91,170,000 | 14.77 | 13,465,809 |
| Spring Creek U.D. | 38,565,000 | 100.00 | 38,565,000 |
| Stanley Lake M.U.D. | 9,680,000 | 100.00 | 9,680,000 |
| Southern Montgomery County MUD | 9,450,000 | 100.00 | 9,450,000 |
| Texas National M.U.D. | 915,000 | 100.00 | 915,000 |
| Valley Ranch M.U.D. #1 | 7,765,000 | 100.00 | 7,765,000 |
| Woodlands Metro-Center I.D. | 13,180,000 | 100.00 | 13,180,000 |
| Woodlands M.U.D. #2 | 285,000 | 100.00 | 285,000 |
| Woodlands R.U.D. #1 | 72,675,000 | 100.00 | 72,675,000 |
| The Woodlands Township | 44,820,000 | 96.08 | 43,063,056 |
| Emergency Service District #3 | 381,625 | 100.00 | 381,625 ⁽²⁾ |
| Emergency Service District #4 | 1,920,717 | 100.00 | 1,920,717 ⁽²⁾ |
| Emergency Service District #7 | 211,807 | 100.00 | 211,807 ⁽²⁾ |
| Emergency Service District #9 | 293,662 | 100.00 | 293,662 ⁽²⁾ |
| Emergency Service District #11 | 65,765 | 100.00 | 65,765 ⁽²⁾ |
| Emergency Service District #12 | 126,753 | 100.00 | 126,753 ⁽²⁾ |
| Total Special Districts | <u>1,362,625,649</u> | | <u>916,033,705</u> |

MONTGOMERY COUNTY, TEXAS**Direct and Overlapping Debt****September 30, 2013****TABLE XII**

| | Debt | Percentage | Amount Applicable |
|--------------------------------------|-------------------------|----------------------------------|-------------------------|
| | Outstanding | Applicable to | to Montgomery |
| | | Montgomery County ⁽¹⁾ | County |
| Cities: | | | |
| Cleveland | 16,460,000 | 0.15 | 24,690 |
| Conroe | 98,475,000 | 100.00 | 98,475,000 |
| Magnolia | 1,845,000 | 100.00 | 1,845,000 |
| Montgomery | 7,420,000 | 100.00 | 7,420,000 |
| Oak Ridge North | 8,815,000 | 100.00 | 8,815,000 |
| Panorama Village | 3,435,000 | 100.00 | 3,435,000 |
| Shenandoah | 26,820,000 | 100.00 | 26,820,000 |
| Splendora | 4,430,000 | 100.00 | 4,430,000 |
| Willis | 13,394,080 | 100.00 | 13,394,080 |
| Woodbranch Village | 362,000 | 100.00 | 362,000 |
| Houston | 3,181,160,000 | 0.24 | 7,634,784 |
| Total Cities | <u>3,362,616,080</u> | | <u>172,655,554</u> |
| School Districts | | | |
| Cleveland I.S.D. | 36,710,801 | 1.79 | 657,123 |
| Conroe I.S.D. | 972,885,000 | 100.00 | 972,885,000 |
| Magnolia I.S.D. | 146,510,000 | 100.00 | 146,510,000 |
| Montgomery I.S.D. | 127,239,690 | 100.00 | 127,239,690 |
| New Caney I.S.D. | 276,909,358 | 97.79 | 270,789,661 |
| Richards I.S.D. | 50,000 | 28.84 | 14,420 |
| Splendora I.S.D. | 53,880,000 | 100.00 | 53,880,000 |
| Tomball I.S.D. | 292,665,000 | 8.19 | 23,969,264 |
| Willis I.S.D. | 71,423,956 | 97.53 | 69,659,784 |
| Total School Districts | <u>1,978,273,805</u> | | <u>1,665,604,942</u> |
| TOTAL OVERLAPPING DEBT | <u>6,703,515,534</u> | | <u>2,754,294,201</u> |
| TOTAL DIRECT AND OVERLAPPING DEBT | <u>\$ 7,161,320,258</u> | | <u>\$ 3,212,098,925</u> |

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

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

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

| Year | Lease Revenue Bonds ⁽¹⁾ | | | Debt Service | | Coverage |
|------|------------------------------------|-----------------------|----------------------|--------------|-----------|----------|
| | Lease Payments | Less: | Net: | Principal | Interest | |
| | | Operating Expenses | Available Revenue | | | |
| 2004 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2005 | - | - | - | - | - | - |
| 2006 | - | - | - | - | - | - |
| 2007 | - | - | - | - | - | - |
| 2008 | 2,396,229 | 2,027,434 | 368,795 | - | 1,883,754 | 0.20 |
| 2009 | 23,189,192 | 19,902,963 | 3,286,229 | 1,076,389 | 1,998,534 | 1.07 |
| 2010 | 19,587,421 | 17,633,106 | 1,954,315 | 1,501,900 | 1,941,581 | 0.57 |
| 2011 | 18,334,041 | 15,808,119 | 2,525,922 | 1,569,861 | 1,873,619 | 0.73 |
| 2012 | 20,997,947 | 18,372,582 | 2,625,365 | 1,640,899 | 1,802,582 | 0.76 |
| 2013 | 19,053,761 | 17,818,794 | 1,234,967 | 1,715,150 | 1,728,330 | 0.36 |

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

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

(1)

The revenue bonds were issued in 2007 to finance the construction of an 1,100 bed facility.

The County began lease purchasing the facility from the Jail Financing Corporation in fiscal year 2010.

The bonds will be backed from the lease payments that the County will make to the Jail Financing Corporation. During fiscal year 2013, the detention facility was sold to the operator, GEO Corrections and utilized the proceeds of the sale to defease the debt.

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

TABLE XIV

| <u>Year</u> | <u>Population ⁽¹⁾</u> | <u>Personal Income ⁽²⁾⁽³⁾</u> | <u>Per Capita Personal Income ⁽³⁾</u> | <u>School Enrollment ⁽⁴⁾</u> | <u>School Average Daily Attendance ⁽⁴⁾</u> | <u>Unemployment Rate ⁽⁵⁾</u> |
|-------------|----------------------------------|--|--|---|---|---|
| 2004 | \$ 360,419 | \$ 12,055,024 | \$ 33,284 | 80,364 | 74,120 | 4.7 % |
| 2005 | 375,519 | 13,257,593 | 35,305 | 84,924 | 78,259 | 4.5 % |
| 2006 | 376,104 | 15,417,279 | 40,992 | 87,881 | 80,143 | 3.8 % |
| 2007 | 394,517 | 17,562,064 | 42,704 | 91,192 | 84,323 | 3.9 % |
| 2008 | 430,763 | 20,259,024 | 47,030 | 95,156 | 88,627 | 4.7 % |
| 2009 | 435,403 | 19,737,310 | 45,331 | 98,137 | 89,328 | 7.9 % |
| 2010 | 458,171 | 21,298,765 | 46,486 | 92,490 | 86,689 | 7.4 % |
| 2011 | 462,144 | 22,882,899 | 49,514 | 95,250 | 90,554 | 7.9 % |
| 2012 | 481,298 | 24,638,680 | 51,192 | 96,912 | 91,276 | 5.7 % |
| 2013 | 491,636 | N/A | N/A | 95,815 | 91,235 | 5.3 % |

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

(2) Amounts expressed in thousands.

(3) Source: Texas Workforce Commission website

Information for fiscal years 2008 through 2012 from The Bureau of Economic Analysis website

Personal income information for 2013 is not available.

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

(5) Source: The Work Source website

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

Information for fiscal years 2004 through 2008 was obtained from the financial reports of the appropriate year.

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

TABLE XV

| 2013 Employer ⁽¹⁾ | Employees | Percentage of Total County Employment ⁽²⁾ |
|--|-----------|--|
| Conroe Independent School District | 6,110 | 2.49 % |
| Anadarko Petroleum | 3,481 | 1.42 |
| Montgomery County, Texas | 2,089 | 0.85 |
| Aon Hewitt | 1,800 | 0.73 |
| New Caney Independent School District | 1,552 | 0.63 |
| Magnolia Independent School District | 1,501 | 0.61 |
| Memorial Hermann - The Woodlands | 1,400 | 0.57 |
| St. Luke's The Woodlands Hospital | 1,348 | 0.55 |
| Willis Independent School District | 848 | 0.35 |
| Montgomery Independent School District | 816 | 0.33 |
| | 20,945 | 8.52 % |
| 2004 Employer ⁽³⁾ | Employees | Percentage of Total County Employment ⁽²⁾ |
| Conroe Independent School District | 4,954 | 2.72 % |
| Anadarko Petroleum | 2,500 | 1.37 |
| Montgomery County, Texas | 1,726 | 0.95 |
| Hewitt Associates | 1,250 | 0.69 |
| Magnolia Independent School District | 1,163 | 0.64 |
| Woodforest National Bank | 1,000 | 0.55 |
| New Caney Independent School District | 1,011 | 0.55 |
| Memorial Herman - The Woodlands | 900 | 0.49 |
| Woodlands Resort & Conference Center | 760 | 0.42 |
| Hughes Christensen | 655 | 0.36 |
| | 15,919 | 8.73 % |

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

Information has been derived from the South Montgomery County Economic Development Partnership and the SOCRATES database listed above since county-wide information is not available for 2013.

⁽²⁾ Total County Employment for 2013 and 2004:

245,570 and 182,310 respectively

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

⁽³⁾ <http://ritter.tea.state.tx.us>

<http://www.edpartnership.net>



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

| <u>Function</u> | <u>2004</u> | <u>2005 ⁽²⁾⁽³⁾</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--------------------------|--------------------|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Administration | 100 | 101 | 104 | 111 | 111 | 116 | 118 | 135 | 127 | 132 |
| Judicial | 190 | 201 | 205 | 213 | 213 | 231 | 265 | 269 | 278 | 289 |
| Legal Services | 25 | 26 | 25 | 29 | 28 | 30 | 29 | 30 | 32 | 32 |
| Elections | 6 | 6 | 8 | 9 | 9 | 10 | 10 | 11 | 11 | 11 |
| Financial Administration | 85 | 87 | 88 | 89 | 90 | 93 | 93 | 95 | 101 | 103 |
| Public Facilities | 69 | 238 | 261 | 334 | 348 | 357 | 372 | 388 | 405 | 404 |
| Public Safety | 670 | 498 | 502 | 529 | 565 | 612 | 611 | 628 | 655 | 662 |
| Health and Welfare | 48 | 49 | 52 | 55 | 57 | 57 | 71 | 77 | 77 | 48 |
| Culture and Recreation | 87 | 89 | 124 | 136 | 148 | 148 | 153 | 161 | 161 | 161 |
| Conservation | 12 | 14 | 13 | 15 | 13 | 17 | 18 | 20 | 21 | 21 |
| Public Transportation | 162 | 162 | 164 | 163 | 161 | 165 | 174 | 205 | 213 | 226 |
| | <u>1,454</u> | <u>1,471</u> | <u>1,546</u> | <u>1,683</u> | <u>1,743</u> | <u>1,836</u> | <u>1,914</u> | <u>2,019</u> | <u>2,081</u> | <u>2,089</u> |

⁽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

| <u>Function</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| General Government | | | | |
| Construction permits issued ⁽¹⁾ | 6,569 | 5,565 | 6,592 | 5,304 |
| Estimated value of construction ^{(1) (2)} | 1,145,750 | 1,088,171 | 1,276,959 | 1,203,248 |
| Health inspections performed ⁽³⁾ | 7,616 | 7,882 | 11,077 | 11,338 |
| Birth certificates filed ⁽⁴⁾ | 5,544 | 4,453 | 4,809 | 5,233 |
| Death certificates filed ⁽⁴⁾ | 1,859 | 1,520 | 1,849 | 1,766 |
| Marriage license applications ⁽⁴⁾ | 2,892 | 2,122 | 2,282 | 2,417 |
| Registered voters ⁽⁵⁾ | 214,098 | 213,414 | 225,184 | 223,157 |
| Number of voting precincts ⁽⁵⁾ | 85 | 85 | 85 | 85 |
| Public Safety - Sheriff | | | | |
| Total arrests ⁽⁶⁾ | 18,960 | 19,036 | 19,222 | 21,098 |
| Average number of inmates ⁽⁶⁾ | 726 | 815 | 977 | 1,093 |
| Calls for service ⁽⁶⁾ | 212,919 | 240,844 | 292,929 | 239,492 |
| Number of accidents investigated ⁽⁶⁾ | 1,898 | 6,438 | 12,242 | 2,838 |
| Miles patrolled ⁽⁶⁾ | 2,812,515 | 2,795,393 | 2,619,133 | 2,752,276 |
| Gallons of gas used ⁽⁶⁾ | 263,816 | 229,864 | 201,058 | 296,675 |
| Culture and Recreation - Libraries (tentative) | | | | |
| Number of items checked out ⁽⁷⁾ | 1,196,770 | 1,210,339 | 1,451,208 | 1,628,139 |
| Number of libraries ⁽⁷⁾ | 6 | 6 | 7 | 7 |
| Volumes in collection ⁽⁷⁾ | 478,205 | 586,668 | 477,681 | 523,000 |
| Number of library visits ⁽⁷⁾ | 1,011,056 | 1,026,802 | 1,089,855 | 1,099,870 |
| Library programs attendance ⁽⁷⁾ | 85,220 | 84,228 | 99,788 | 127,971 |

⁽¹⁾ Source: Montgomery County Engineer. Years 2002 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. In Fiscal Year 2005, the Sheriff's Department system tracked the of calls for service and number of accidents investigated for all law number enforcement agencies in the County. Beginning in Fiscal Year 2007, the responsibility for investigating most traffic accidents in the County has been taken over by the Texas Department of Public Safety.

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

TABLE XVII

| Fiscal Year | | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|
| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| 3,699 | 2,455 | 2,598 | 2,440 | 2,905 | 4,336 |
| 1,206,874 | 1,085,532 | 719,797 | 575,758 | 1,054,912 | 1,344,371 |
| 11,194 | 11,234 | 11,281 | 11,638 | 14,214 | 14,968 |
| 5,343 | 5,674 | 5,419 | 5,283 | 5,213 | 5,325 |
| 1,994 | 2,017 | 2,087 | 2,214 | 2,235 | 2,384 |
| 2,324 | 2,432 | 2,160 | 2,351 | 2,399 | 2,630 |
| 237,299 | 239,246 | 249,620 | 244,080 | 260,253 | 265,424 |
| 85 | 85 | 85 | 85 | 86 | 86 |
| 19,676 | 18,229 | 19,402 | 20,802 | 22,057 | 22,758 |
| 1,025 | 881 | 964 | 1,026 | 965 | 1,033 |
| 265,255 | 285,098 | 259,486 | 286,719 | 312,405 | 333,548 |
| 3,588 | 1,621 | 1,485 | 1,122 | 951 | 1,356 |
| 2,582,405 | 3,224,282 | 2,615,320 | 2,717,733 | 3,867,763 | 5,906,651 |
| 364,159 | 362,958 | 281,746 | 409,337 | 444,854 | 465,391 |
| 1,697,999 | 1,924,198 | 2,035,605 | 2,008,110 | 1,963,074 | 1,996,503 |
| 7 | 7 | 7 | 7 | 7 | 7 |
| 580,378 | 655,756 | 652,426 | 670,068 | 683,803 | 691,892 |
| 1,202,297 | 1,402,326 | 1,386,130 | 1,296,899 | 1,286,333 | 1,184,833 |
| 100,655 | 141,744 | 132,916 | 127,694 | 101,789 | 118,959 |

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

| <u>Function</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| General Government | | | | |
| Office Buildings/Courthouses ⁽¹⁾ | 24 | 25 | 25 | 31 |
| Public Safety - Sheriff | | | | |
| Sheriff's Vehicles ⁽²⁾ | 256 | 269 | 273 | 278 |
| Academy Square Footage ⁽¹⁾ | 13,800 | 13,800 | 13,800 | 13,800 |
| Public Transportation | | | | |
| County Roads (miles) ⁽³⁾ | 2,319 | 2,342 | 2,391 | 2,475 |
| Bridges ⁽³⁾ | 144 | 140 | 157 | 157 |
| Public Facilities | | | | |
| Park Acreage ⁽⁴⁾ | 228 | 228 | 228 | 1,657 |
| Convention Center Square Footage ⁽⁵⁾ | 56,000 | 56,000 | 56,000 | 56,000 |
| Community Centers ⁽²⁾ | 17 | 17 | 17 | 17 |
| Culture and Recreation | | | | |
| Total Library Square Footage ⁽⁶⁾ | 108,400 | 138,516 | 145,395 | 169,776 |

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

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

³⁾ Montgomery County Engineer.

⁴⁾ Montgomery County Parks Department. The County began work on the Spring Creek Greenway Project in 2007.

⁵⁾ Montgomery County Civic Center Complex;

⁶⁾ Montgomery County Memorial Library System Annual Report.

TABLE XVIII

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------|---------|---------|---------|---------|---------|
| 34 | 35 | 39 | 42 | 43 | 43 |
| 382 | 351 | 374 | 427 | 460 | 463 |
| 13,800 | 13,800 | 13,800 | 13,800 | 13,800 | 13,800 |
| 2,525 | 2,589 | 2,636 | 2,640 | 2,656 | 2,685 |
| 157 | 157 | 158 | 158 | 158 | 159 |
| 1,748 | 1,974 | 1,870 | 2,072 | 2,956 | 2,061 |
| 56,000 | 56,000 | 56,000 | 56,000 | 56,000 | 56,000 |
| 17 | 18 | 17 | 18 | 17 | 17 |
| 169,776 | 169,776 | 169,776 | 171,400 | 171,400 | 171,400 |

