

MONTGOMERY COUNTY, TEXAS

Monthly Unaudited Financial Report



**For the 12 Months Ended
September 30, 2011**

MONTGOMERY COUNTY, TEXAS
MONTHLY UNAUDITED FINANCIAL REPORT

Prepared by

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

MONTGOMERY COUNTY, TEXAS
Unaudited Monthly Financial Report
As of September 30, 2011

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Montgomery County, Texas
Office of the County Auditor
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Phyllis L. Martin
County Auditor

Peggie Rushing
1st Assistant County Auditor

November 18, 2011

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

Honorable Judges and Commissioners:

The unaudited and unadjusted Monthly Financial Report of Montgomery County, Texas is submitted herewith for the period from September 1, 2011 through September 30, 2011. This report was prepared by the County Auditor in compliance with Chapter 114 Section 023 of the Local Government Code (Vernon's Texas Codes Annotated).

The Monthly Financial Report is presented in three sections: **Financial Statements, Budget Status, and Schedules**. Included in the Financial Statements are a Consolidated Balance Sheet and a Statement of Changes in Fund Balance. These statements report on all funds of the County. The Budget Status section is comprised of a Schedule of Expenditures for all departments showing the adjusted budget, the current month's actual activity, the activity for the year to date, current encumbrances and the remainder in the budget. The Schedules section includes a Schedule of Bonded Debt and a Schedule of Transfers to and from each fund.

This report is designed to provide a general overview of Montgomery County's finances for all those with an interest in the County's finances at a specific point during the fiscal year. However, the reader should note that the report does not include those disclosures associated with, and usually made a part of, audited financial statements. 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.

Respectfully submitted,

Phyllis L. Martin
Montgomery County Auditor

PLM/ab

FINANCIAL STATEMENTS

(unaudited)

MONTGOMERY COUNTY, TEXAS
Consolidated Balance Sheet
Governmental Funds
For the 12 Months Ended September 30, 2011

| | <u>Total Governmental Funds</u> |
|---|-------------------------------------|
| Assets: | |
| Cash | \$ 61,506,189 |
| Investments, at Fair Value | \$ 119,390,581 |
| Restricted Cash | \$ 562,663 |
| Receivables: | |
| Taxes (net) | \$ 6,115,258 |
| Accounts (net) | \$ 36,283 |
| Due From Other Funds | \$ 239,864,652 |
| Inventory, at Cost | \$ 91,503 |
| Prepaid Items | \$ 71,921 |
| <u>Total Assets</u> | <u>\$ 427,639,050</u> |
| <u>LIABILITIES AND FUND BALANCES:</u> | |
| Current Liabilities: | |
| Accounts Payable | \$ 6,386,323 |
| Other Payables | \$ 1,246,956 |
| Due to Other Funds | \$ 276,935,256 |
| Due to Other Governments | \$ 6,664,068 |
| Deferred Revenue | \$ 8,808,748 |
| Total liabilities | \$ 300,041,351 |
| Fund Balances: | |
| Reserved | \$ 59,786,379 |
| Unreserved | \$ 67,811,320 |
| Total Fund Balances | \$ 127,597,699 |
| <u>TOTAL LIABILITIES AND FUND BALANCES</u> | <u>\$ 427,639,050</u> |

MONTGOMERY COUNTY, TEXAS
Statement of Changes in Fund Balance - Governmental Funds
For the 12 Months Ended September 30, 2011

| | <u>General Fund</u> | <u>Special Revenue Funds</u> | <u>Debt Service Funds</u> | <u>Capital Project Funds</u> | <u>Total All Funds</u> |
|--------------------------------------|----------------------|--------------------------------------|-----------------------------------|--------------------------------------|----------------------------|
| Fund Balance, 09/01/2011 | \$ 65,476,623 | \$ 19,080,189 | \$ 13,957,440 | \$ 45,631,305 | \$ 144,145,557 |
| Revenues/Other Financing Sources | \$ 4,954,918 | \$ 4,534,102 | \$ - | \$ 377 | \$ 9,489,397 |
| Expenditures/Other Financing Uses | \$ (20,767,667) | \$ (5,466,845) | \$ 212,409 | \$ (15,152) | \$ (26,037,255) |
| Fund Balance, 09/30/2011 | <u>\$ 49,663,874</u> | <u>\$ 18,147,446</u> | <u>\$ 14,169,849</u> | <u>\$ 45,616,530</u> | <u>\$ 127,597,699</u> |

MONTGOMERY COUNTY, TEXAS
Statement of Net Assets
Internal Service Funds
For the 12 Months Ended September 30, 2011

| | <u>Total Internal Service Funds</u> |
|---|---|
| Assets: | |
| Cash | \$ 1,000,000 |
| Receivables: | |
| Accounts (net) | \$ 677,127 |
| <hr/> | |
| Due From Other Funds | \$ 8,542,588 |
| Prepaid Items | \$ 614,103 |
| Capital Assets (net of accumulated depreciation): | |
| Buildings | \$ 905,720 |
| Improvements | \$ 2,155 |
| Equipment | \$ 198,993 |
| Total assets | <u>\$ 11,940,686</u> |
| | |
| Liabilities: | |
| Current Liabilities: | |
| Accounts Payable | \$ 350 |
| Other Payables | \$ 4,117,590 |
| Due to General Fund | \$ 1,008,480 |
| Total liabilities | <u>\$ 5,126,420</u> |
| | |
| Net assets: | |
| Net assets, invested in capital assets | \$ 1,106,868 |
| Unreserved | \$ 5,707,398 |
| Total net assets | <u><u>\$ 6,814,266</u></u> |

MONTGOMERY COUNTY, TEXAS
Statement of Changes in Net Assets
Internal Service Funds
For the 12 Months Ended September 30, 2011

| | <u>Total Internal Service Funds</u> |
|--|---|
| Current Operating Revenues: | |
| Fees | \$ 7,420,574 |
| Miscellaneous | \$ 12,919 |
| Total Operating Revenues | <u>\$ 7,433,493</u> |
| | |
| Current Operating Expenses: | |
| Supplies | \$ 8,163 |
| Services | \$ 2,111,535 |
| Utilities | \$ 79 |
| Miscellaneous | \$ - |
| Total Operating Expenses | <u>\$ 2,119,777</u> |
| | |
| Nonoperating revenues (expenses) | |
| Interest Income | |
| Total nonoperating revenues (expenses) | |
| Change in net assets | \$ 5,313,716 |
| Total net assets - beginning | \$ 1,500,550 |
| Total net assets - ending | <u><u>\$ 6,814,266</u></u> |

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BUDGET STATUS

(unaudited)

MONTGOMERY COUNTY, TEXAS
Schedule of Expenditures - All Departments
Budget and Year-to-Date Actual for the 12 Months Ended September 30, 2011

Page 1 of 3

| | Adjusted Budget | Current Month Actual | Year- to-Date Actual | Encumbrances | Unexpended Budget |
|---------------------------------------|--------------------------|----------------------------|----------------------------|-------------------------|-------------------------|
| <u>GENERAL ADMINISTRATION:</u> | | | | | |
| County Judge: | 508,830 | 41,629 | 470,481 | 2,872 | 35,477 |
| Human Resources: | 554,432 | 42,832 | 494,582 | 2,608 | 57,242 |
| Risk Management: | 788,971 | 83,981 | 675,607 | 712 | 112,652 |
| County Clerk: | 2,237,101 | 175,751 | 2,044,255 | 5,449 | 187,397 |
| Collections: | 833,194 | 38,570 | 751,494 | 3,566 | 78,134 |
| Environmental Health/Alarm: | 52,558 | 8,797 | 31,718 | 457 | 20,383 |
| Veterans' Service | 195,096 | 15,223 | 188,197 | 394 | 6,505 |
| Information Technology Services | 5,101,871 | 468,738 | 4,661,849 | 347,452 | 92,570 |
| Purchasing Agent | 4,791,511 | 520,245 | 3,194,809 | 1,078,026 | 518,676 |
| Records Management & Preservation | 557,588 | 37,099 | 504,092 | 16,387 | 37,109 |
| Worthless Checks Division | 85,530 | 4,888 | 66,421 | - | 19,109 |
| County-Wide | 12,120,011 | 7,502,650 | 12,081,654 | 404 | 37,953 |
| <u>TOTAL GENERAL ADM</u> | <u>27,826,694</u> | <u>8,940,403</u> | <u>25,165,159</u> | <u>1,458,327</u> | <u>1,203,208</u> |
| <u>JUDICIAL:</u> | | | | | |
| County Court No1 | 303,432 | 11,321 | 281,505 | - | 21,927 |
| County Court No2 | 559,545 | 28,952 | 518,747 | 384 | 40,414 |
| County Court No3 | 351,082 | 14,171 | 319,855 | 3,219 | 28,008 |
| County Court No4 | 358,346 | 17,350 | 331,840 | 1,045 | 25,461 |
| County Court No5 | 346,742 | 12,374 | 312,434 | 277 | 34,031 |
| 9 th District Court | 437,285 | 30,237 | 373,395 | 593 | 63,297 |
| 410 th District Court | 353,050 | 27,748 | 336,256 | 1,118 | 15,676 |
| 221 st District Court | 341,980 | 22,941 | 283,997 | 441 | 57,542 |
| 284 th District Court | 588,510 | 38,636 | 458,591 | 3,973 | 125,946 |
| 359 th District Court | 312,057 | 24,489 | 288,275 | 64 | 23,718 |
| 418 th District Court | 451,415 | 38,277 | 414,194 | 266 | 36,955 |
| 435 th District Court | 217,456 | 18,795 | 200,789 | 2,014 | 14,653 |
| Court Operations | 6,462,727 | 691,627 | 5,785,293 | 14,885 | 662,549 |
| Indigent Defense | 833,650 | 15,248 | 150,576 | 97,943 | 585,131 |
| Drug Court | 790,539 | 62,382 | 752,863 | 169 | 37,507 |
| Office of Court Admin | 279,947 | 21,681 | 144,767 | - | 135,180 |
| District Attorney | 8,102,987 | 595,614 | 7,623,467 | 4,947 | 474,573 |
| District Clerk | 3,191,257 | 243,178 | 3,005,165 | 4,680 | 181,412 |
| Justice of Peace Pct 1 | 596,462 | 45,052 | 571,837 | 934 | 23,691 |
| Justice of Peace Pct 2 | 450,178 | 31,194 | 420,824 | 489 | 28,865 |
| Justice of Peace Pct 3 | 914,465 | 70,148 | 856,502 | 133 | 57,830 |
| Justice of Peace Pct 4 | 881,496 | 63,348 | 844,863 | 470 | 36,163 |
| Justice of Peace Pct 5 | 416,366 | 33,479 | 385,369 | 608 | 30,389 |
| <u>TOTAL JUDICIAL</u> | <u>27,540,975</u> | <u>2,158,242</u> | <u>24,661,404</u> | <u>138,652</u> | <u>2,740,919</u> |
| <u>LEGAL:</u> | | | | | |
| County Attorney | 2,402,543 | 176,849 | 2,292,126 | 1,446 | 108,971 |
| Law Library | 489,088 | 24,520 | 433,456 | 1,180 | 54,452 |
| Alternate Dispute Resolution | 189,285 | 11,604 | 136,109 | - | 53,176 |
| <u>TOTAL LEGAL</u> | <u>3,080,916</u> | <u>212,973</u> | <u>2,861,691</u> | <u>2,626</u> | <u>216,599</u> |

MONTGOMERY COUNTY, TEXAS
Schedule of Expenditures - All Departments
Budget and Year-to-Date Actual for the 12 Months Ended September 30, 2011

| | Adjusted Budget | Current Month Actual | Year- to-Date Actual | Encumbrances | Unexpended Budget |
|--|--------------------|----------------------------|----------------------------|--------------|----------------------|
| <u>ELECTIONS:</u> | | | | | |
| <u>TOTAL ELECTIONS</u> | 1,463,097 | 87,794 | 1,323,474 | 70,796 | 68,827 |
| <u>FINANCIAL ADMINISTRATION:</u> | | | | | |
| County Auditor | 1,632,895 | 119,499 | 1,465,615 | 6,869 | 160,411 |
| County Treasurer | 635,991 | 46,316 | 588,767 | 1,055 | 46,169 |
| Tax Assessor-Collector | 4,333,174 | 317,526 | 3,743,575 | 21,847 | 567,752 |
| <u>TOTAL FINANCIAL ADM</u> | 6,602,060 | 483,341 | 5,797,957 | 29,771 | 774,332 |
| <u>PUBLIC FACILITIES:</u> | | | | | |
| Custodial Services | 2,991,910 | 217,647 | 2,871,412 | 100 | 120,398 |
| Building Maintenance | 5,558,024 | 421,782 | 4,625,075 | 72,342 | 860,607 |
| Jail | 38,175,776 | 3,159,291 | 29,134,971 | 113,674 | 8,927,131 |
| Spring Creek Greenway Phase II | 2,250,000 | - | - | - | 2,250,000 |
| Civic Center | 1,090,101 | 89,588 | 1,011,527 | 28,118 | 50,456 |
| Parks | 88,292 | - | 88,292 | - | 0 |
| <u>TOTAL PUBLIC FACILITIES</u> | 50,154,103 | 3,888,308 | 37,731,277 | 214,234 | 12,208,593 |
| <u>PUBLIC SAFETY:</u> | | | | | |
| Fire Marshal | 961,375 | 89,194 | 956,815 | 1,232 | 3,328 |
| Constable Pct 1 | 2,866,581 | 227,318 | 2,796,282 | 712 | 69,587 |
| Constable Pct 2 | 1,473,260 | 106,995 | 1,327,467 | 3,151 | 142,642 |
| Constable Pct 3 | 2,591,853 | 201,861 | 2,486,186 | 45,766 | 59,901 |
| Constable Pct 4 | 2,045,495 | 171,951 | 2,005,872 | 27,269 | 12,354 |
| Constable Pct 5 | 2,097,289 | 186,045 | 1,991,075 | 8,452 | 97,762 |
| Sheriff | 36,770,606 | 2,750,305 | 34,374,960 | 539,200 | 1,856,446 |
| Sheriff Commissary | 119,400 | 4,428 | 369,857 | - | (250,457) |
| Juvenile Services | 10,405,657 | 593,286 | 7,075,478 | 27,457 | 3,302,722 |
| Adult Services | 31,103 | 298,914 | 4,740,655 | - | (4,709,552) |
| Emergency Management | 7,042,548 | 138,881 | 4,016,185 | 408,661 | 2,617,703 |
| Department of Public Safety | 100,565 | 8,220 | 97,066 | - | 3,499 |
| Forfeitures | 781,911 | - | 938,488 | - | (156,577) |
| <u>TOTAL PUBLIC SAFETY</u> | 67,287,643 | 4,777,398 | 63,176,386 | 1,061,900 | 3,049,357 |
| <u>HEALTH AND WELFARE:</u> | | | | | |
| Vehicle Emission Program | 1,859,721 | 45,751 | 1,805,121 | 54,600 | - |
| Forensic Services | 1,221,255 | 83,227 | 622,108 | 28,013 | 571,134 |
| Medical: Contract Services | 160,633 | 7,500 | 144,971 | - | 15,662 |
| Mental Health: Contract Services | 304,688 | 13,927 | 255,941 | 142 | 48,605 |
| Environmental Health | 2,165,713 | 174,592 | 2,067,225 | 6,513 | 91,975 |
| Mental Health Facility | 7,500,000 | 1,085,402 | 6,305,237 | - | 1,194,763 |
| <u>HEALTH AND WELFARE: (cont'd)</u> | | | | | |

MONTGOMERY COUNTY, TEXAS
Schedule of Expenditures - All Departments
Budget and Year-to-Date Actual for the 12 Months Ended September 30, 2011

| | Adjusted Budget | Current Month Actual | Year- to-Date Actual | Encumbrances | Unexpended Budget |
|--|--------------------|----------------------------|----------------------------|------------------|----------------------|
| <u>HEALTH AND WELFARE: (cont'd)</u> | | | | | |
| Community Development | 14,646,369 | 186,067 | 6,510,520 | 1,519,696 | 6,616,153 |
| Animal Control | 876,415 | 59,609 | 810,503 | 9,237 | 56,675 |
| Animal Shelter | 2,125,420 | 173,324 | 2,035,688 | 38,767 | 50,965 |
| Child Welfare | 125,005 | 9,283 | 65,309 | 5,336 | 54,360 |
| Welfare: | | | | | |
| Contract Services | 1,029,031 | - | 1,029,031 | - | - |
| TOTAL HEALTH/WELFARE | 32,014,249 | 1,838,682 | 21,651,654 | 1,662,304 | 8,700,291 |
| <u>CONSERVATION:</u> | | | | | |
| Extension Agent | 581,677 | 52,782 | 522,891 | - | 58,786 |
| Precinct 3 Recycling Center | 528,017 | 24,296 | 408,380 | - | 119,637 |
| TOTAL CONSERVATION | 1,109,695 | 77,078 | 931,271 | - | 178,424 |
| <u>CULTURE & RECREATION:</u> | | | | | |
| Memorial Library | 9,220,494 | 713,846 | 8,202,032 | 90,960 | 927,502 |
| Historical Commissions | 40,000 | 5,000 | 28,600 | - | 11,400 |
| TOTAL CULTURE & RECREATION | 9,260,494 | 718,846 | 8,230,632 | 90,960 | 938,902 |
| <u>PUBLIC TRANSPORTATION:</u> | | | | | |
| Airport | 692,213 | 43,093 | 615,413 | 17,003 | 59,797 |
| County Engineer | 4,408,848 | 110,746 | 4,062,465 | 14,691 | 331,692 |
| Commissioner Pct 1 | 6,859,758 | 531,757 | 5,721,923 | 229,821 | 908,014 |
| Commissioner Pct 2 | 6,586,021 | 1,079,942 | 5,844,577 | 22,331 | 719,113 |
| Commissioner Pct 3 | 10,928,539 | 761,320 | 9,131,478 | 748,401 | 1,048,660 |
| Commissioner Pct 4 | 7,062,275 | 347,881 | 6,505,116 | 50,542 | 506,617 |
| TOTAL PUBLIC TRANSPORTATION | 36,537,654 | 2,874,739 | 31,880,972 | 1,082,789 | 3,573,893 |
| <u>DEBT SERVICE:</u> | | | | | |
| Issuance Costs | - | - | 250 | - | (250) |
| Principal | 11,316,548 | - | 11,304,862 | - | 11,687 |
| Interest | 20,977,764 | (212,409) | 23,355,552 | - | (2,377,788) |
| TOTAL DEBT SERVICE | 32,294,312 | (212,409) | 34,660,663 | - | (2,366,351) |
| <u>MISCELLANEOUS:</u> | | | | | |
| TOTAL MISCELLANEOUS | 410,332 | 76,708 | 639,655 | 10,343 | (239,666) |
| TOTAL EXPENDITURES - GOVERNMENTAL FUNDS | 295,582,224 | 25,922,103 | 258,712,194 | 5,822,702 | 31,047,327 |
| <u>INTERNAL SERVICE FUNDS</u> | | | | | |
| <u>GENERAL ADMINISTRATION:</u> | | | | | |
| Employee Health | 18,569,940 | 1,754,399 | 21,846,019 | - | (3,276,079) |
| Retiree Health | 1,224,000 | 194,884 | 1,807,452 | - | (583,452) |
| Pass through Health | 279,000 | 44,183 | 366,899 | - | (87,899) |
| Cobra Coverage | 150,000 | 3,700 | 48,269 | - | 101,731 |
| Employee Life | 260,000 | - | - | - | 260,000 |
| Risk Mgt - Workers Comp | 2,073,060 | - | 1,223,804 | - | 849,256 |
| Risk Mgt-Prop/Caslty/Liab | 1,351,000 | 27,463 | 1,085,109 | 8,316 | 257,575 |
| Wellness Clinic | 889,000 | 95,147 | 1,058,692 | - | (169,692) |
| TOTAL GENERAL ADMINISTRATIO | 24,796,000 | 2,119,776 | 27,436,244 | 8,316 | (2,648,560) |
| TOTAL INTERNAL SERVICE FUNDS | 24,796,000 | 2,119,776 | 27,436,244 | 8,316 | (2,648,560) |

SCHEDULES

(unaudited)

MONTGOMERY COUNTY, TEXAS
Schedule of Transfers In and Out by Fund
For the 12 Months Ended September 30, 2011

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------------|----------------------------|----------------------------|
| General Fund | \$ 731,277 | \$ 4,823,367 |
| Forfeitures | | 60,866 |
| Jury | 520,000 | - |
| Memorial Library | 189,475 | - |
| MC Jail Financing Corp (340) | 3,443,480 | - |
| TOTAL FINANCING USES | <u>\$ 4,884,233</u> | <u>\$ 4,884,233</u> |

MONTGOMERY COUNTY, TEXAS
Schedule of Bond Indebtedness
As of September 30, 2011

| | <u>Interest Rate (%)</u> | <u>Issue Date</u> | <u>Maturity Date</u> | <u>Balances Outstanding</u> |
|---|------------------------------|-----------------------|--------------------------|---------------------------------|
| GENERAL OBLIGATION BONDS: | | | | |
| Road Bonds, Series 2002A | 4.37-5.63 | 2002 | 2022 | 5,880,000 |
| Road Bonds, Series 2003A | 5.00 | 2003 | 2026 | 12,595,000 |
| Library Bonds, Series 2003B | 4.00-5.00 | 2003 | 2026 | 8,140,000 |
| Refunding Bonds, Series 2005 | 5.00 | 2005 | 2020 | 37,900,000 |
| Road Bonds Fixed Rate, Series 2006A | 4.00-5.00 | 2006 | 2027 | 46,395,000 |
| Road Bonds Adjustable Rate, Series 2006B | 4.75 | 2006 | 2030 | 20,195,000 |
| Refunding Bonds, Series 2007 | 4.00-5.50 | 2007 | 2026 | 40,960,000 |
| Lease Revenue Bonds, Series 2007 | 4.475 | 2007 | 2026 | 40,686,840 |
| Road Bonds, Series 2008A | 3.50-5.25 | 2008 | 2030 | 11,435,000 |
| Refunding Bonds, Series 2008 | 3.50-5.00 | 2008 | 2018 | 8,445,000 |
| Road Bonds Adjustable Rate, Series 2008B | 5.12-5.25 | 2008 | 2032 | 34,705,000 |
| Tax Bonds, Series 2009 | 3.00-5.00 | 2009 | 2032 | 56,190,000 |
| Refunding Bonds, Series 2010 | 4.00-5.00 | 2010 | 2030 | 43,380,000 |
| Total Principal | | | | <u>366,906,840</u> |
| TOTAL GENERAL OBLIGATION BONDS PAYABLE | | | | <u><u>366,906,840</u></u> |
| CERTIFICATES OF OBLIGATION: | | | | |
| Series 2003 | 2.00-4.75 | 2003 | 2022 | 9,135,000 |
| Series 2004 | 3.00-4.60 | 2004 | 2020 | 1,740,000 |
| Series 2006 | 3.75-5.00 | 2006 | 2027 | 24,355,000 |
| Series 2007 | 4.00-4.63 | 2008 | 2027 | 8,730,000 |
| Series 2008 | 3.50-5.25 | 2008 | 2027 | 22,780,000 |
| Series 2010 | 3.00-5.40 | 2010 | 2039 | 32,450,000 |
| TOTAL CERTIFICATES OF OBLIGATION | | | | <u>99,190,000</u> |
| TOTAL BONDED DEBT | | | | <u><u>\$ 466,096,840</u></u> |