

**NOTICE OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MONTGOMERY COUNTY PUBLIC HEALTH DISTRICT**

Notice is hereby given to all interested members of the public that the Board of Directors of Montgomery County Public Health District will hold a regular meeting as follows:

**Date:** Thursday, May 9, 2024

**Time:** 3:30 P.M.

**Place:** MONTGOMERY COUNTY HOSPITAL DISTRICT  
ADMINISTRATIVE BUILDING  
1400 SOUTH LOOP 336 WEST  
CONROE, MONTGOMERY COUNTY, TEXAS 77304

Open to Public: The meeting will be open to the public at all times during which such subjects are discussed, considered, or formally acted upon as required by Texas Open Meetings Act, Chapter 551 of the Government Code.

This Notice in detail was posted at least 72 hours prior to the beginning of said meeting with the County Clerk's Office and is on the Bulletin Board of the Courthouse and in the District's Administrative Office.

**Subject:** The agenda for such meeting shall include the consideration of, and if deemed advisable, the taking of action upon:

1. Call to Order
2. Roll Call
3. Invocation
4. Pledge of Allegiance
5. Public Comments
6. Acknowledgement of our appointed County and MCHD board member representatives to the Public Health District board.
7. Consider and act on election of annual chair positions.
8. Approval of Minutes from February 8, 2024 Public Health District Regular Board meeting and March 28, 2024 Public Health District Special Board meeting.
9. Report on activities related to Public Health, Epidemiology and Emergency Preparedness. (Alicia Williams, Public Health Director – MCPHD)
10. Review and approve financial report regarding District's operations. (Brett Allen, CFO – MCHD)

11. Present, the Weaver and Tidwell, L.L.P. Audit and Single Audit of Montgomery County Public Health District Fiscal Year Ended September 30, 2023. (Brett Allen, CFO – MCHD)
12. Consider and ratify property and casualty insurance coverage. (Brett Allen, CFO - MCHD)
13. Consider and act on ratification of payment of invoices related to expenditures. (Brett Allen, CFO – MCHD)
14. Consider and act on next board date and discussion of any items to be placed on the agenda of the next meeting of the Montgomery County Public Health District Board of Directors.
15. Adjourn.

**The Board of Directors of the Montgomery County Public Health District reserves the right to adjourn into closed executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by Texas Government Code, Sections 551.071 (Consultation with District’s Attorney); 551.072 (Deliberations about Real property); 551.073 (Deliberations about gifts and Donations); 551.074 (Personnel Matters); 551.076 (Deliberations about Security Devices); and 551.086 (Economic Development).**

# Agenda Item # 6

**To:** MCPHD Board of Directors  
**From:** Randy Johnson, Executive Director  
**Date:** May 9, 2024  
**Re: Board Member Representation**

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Acknowledgement of our appointed County and MCHD board member representatives to the Public Health District board.

- County – Judge Mark Keough
- MCHD – Brent Thor

# Agenda Item # 7

**To:** MCPHD Board of Directors  
**From:** Randy Johnson, Executive Director  
**Date:** May 9, 2024  
**Re: Public Health Chair Positions**

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Consider and act on election of annual chair positions.

- Chairman
- Vice-Chairman
- Secretary/Treasurer

**MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MONTGOMERY COUNTY PUBLIC HEALTH DISTRICT**

The regular meeting of the Board of Directors of Montgomery County Public Health District was duly convened at 3:30 p.m., February 8, 2024 in the Administrative offices of the Montgomery County Hospital District, 1400 South Loop 336 West, Conroe, Montgomery County, Texas.

**1. Call to Order**

Meeting called to order at 3:30 p.m.

**2. Roll Call**

**Board Members present**

Dr. Curtis Null, Conroe Independent School District, Vice Chairman  
Mrs. Sandy Wagner, MCHD, Secretary/Treasurer  
Judge Mark Keough, Montgomery County Judge, Chairman  
Mr. Steven U. Parker, City of Panorama Village  
Dr. Richard Calvin, City of Conroe

**Non-Voting members present:**

Randy Johnson, Montgomery County Public Health District, Executive Director

**Non-Voting members not present:**

Dr. Charles Sims, MD, Local Health Director for Public Health District

**3. Invocation**

Mr. Leonard Schneider

**4. Pledge of Allegiance**

Mr. Leonard Schneider

Mr. Leonard Schneider introduced Mr. Kenneth Lavergne who has recently joined his law firm to the Public Health District board.

**5. Public Comments**

No one from the public made a comment.

**6. Acknowledgement of our appointed County and Small Cities board member representatives to the Public Health District board.**

Judge Keough requested the County appointed position be deferred until a final decision has been made by the County.

Judge Keough acknowledged the appointment of Mayor Lynn Scott with the City of Panorama Village (Small Cities) with Mr. Steven Parker serving as Interim.

**7. Consider and act on election of annual chair positions.**

Judge Keough requested that the chair positions remain the same for Judge Keough as Chairman, Dr. Curtis Null as Vice Chairman and Mrs. Sandy Wagner as the Secretary/Treasurer until the next board meeting when the County position has been finalized. Dr. Calvin offered a second and motion passed unanimously.

**8. Approval of Minutes from September 14, 2023 Public Health District Regular Board meeting.**

Dr. Calvin made a motion to approve the Public Health District minutes from September 14, 2023. Dr. Null offered a second and motion passed unanimously.

**9. Consider, discuss and take appropriate action regarding audit. (Jason Millsaps, Montgomery County Chief of Staff)**

Mr. Jason Millsaps, Montgomery County Chief of Staff made a presentation to the board.

**10. Presentation of 2023 Clinic Statistics. (Christian Ford, Clinic Quality Coordinator - MCPHD)**

Mr. Christian Ford, Clinic Quality Coordinator presented the 2023 Clinic Statistics to the board and answered questions from board members.

**11. Report on activities related to Public Health, Epidemiology and Emergency Preparedness. (Alicia Williams, Public Health Director – MCPHD)**

Mrs. Alicia Williams, Public Health Director and Mrs. Meghna Bhatt, COVID Response Manager presented Public Health reports to the board.

**12. Review and approve financial report regarding District's operations. (Brett Allen, CFO – MCHD)**

Mr. Brett Allen, CFO presented the financial report to the board.

Dr. Calvin made a motion to approve the financial report presented to the board. Dr. Null offered a second and motion passed unanimously.

**13. Consider and act upon recommendation for amendment(s) to the budget for fiscal year ending September 30, 2024. (Brett Allen, CFO - MCHD)**

Dr. Calvin made a motion to consider and act upon recommendation for amendment(s) to the budget for fiscal year ending September 30, 2024. Mr. Parker offered a second and motion passed unanimously.

**14. Consider and act on ratification of payment of invoices related to expenditures. (Brett Allen, CFO – MCHD)**

Dr. Null made a motion to consider and act on ratification of payment of invoices related to expenditures. Dr. Calvin offered a second and motion passed unanimously.

**15. Consider and act on next board date and discussion of any items to be placed on the agenda of the next meeting of the Montgomery County Public Health District Board of Directors.**

- Next board meeting date, May 9, 2024
- Election Annual Chair positions
- Special meeting for the review and approval of the Public Health audit.

**16. Adjourn**

Meeting adjourned at 4:03 p.m.

**MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
MONTGOMERY COUNTY PUBLIC HEALTH DISTRICT**

The regular meeting of the Board of Directors of Montgomery County Public Health District was duly convened at 3:30 p.m., March 28, 2024 in the Administrative offices of the Montgomery County Hospital District, 1400 South Loop 336 West, Conroe, Montgomery County, Texas.

**1. Call to Order**

Meeting called to order at 3:30 p.m.

**2. Roll Call**

**Board Members present**

Mrs. Sandy Wagner, MCHD, Secretary/Treasurer  
Judge Mark Keough, Montgomery County Judge, Chairman  
Mayor Lynn Scott, City of Panorama Village  
Dr. Richard Calvin, City of Conroe

**Board Members not present**

Dr. Curtis Null, Conroe Independent School District, Vice Chairman

**Non-Voting members present:**

Randy Johnson, Montgomery County Public Health District, Executive Director

**Non-Voting members not present:**

Dr. Charles Sims, MD, Local Health Director for Public Health District

**3. Present, consider, discuss and act on the Patillo, Brown and Hill agreed upon Procedures Engagement Report of Montgomery County Public Health District. (Randy Johnson, MCHD CEO)**

Mr. Randy Johnson, CEO gave an opening statement to the board.

Mr. Chris Garner with Patillo, Brown and Hill, LLP presented the Agreed Upon Procedures Engagement Report to the board.

Mr. Brett Allen, CFO presented MCPHD's response to Patillo, Brown and Hill's findings.

Dr. Calvin made a motion to accept Patillo, Brown and Hill agreed upon Procedures Engagement Report of Montgomery County Public Health District. Mrs. Wagner offered a second and motion passed unanimously.

**4. Adjourn**

Meeting adjourned at 3:44 p.m.



# Agenda Item # 9

To: MCPHD Board of Directors

From: Alicia Williams, MPH

Date: May 9, 2024

Re: Public Health Clinic, Epidemiology, Outreach, Emergency Preparedness

**Note:** Data for this board report was pulled 26<sup>th</sup> of April and may not include all data through April 2024.

## Public Health Clinic:

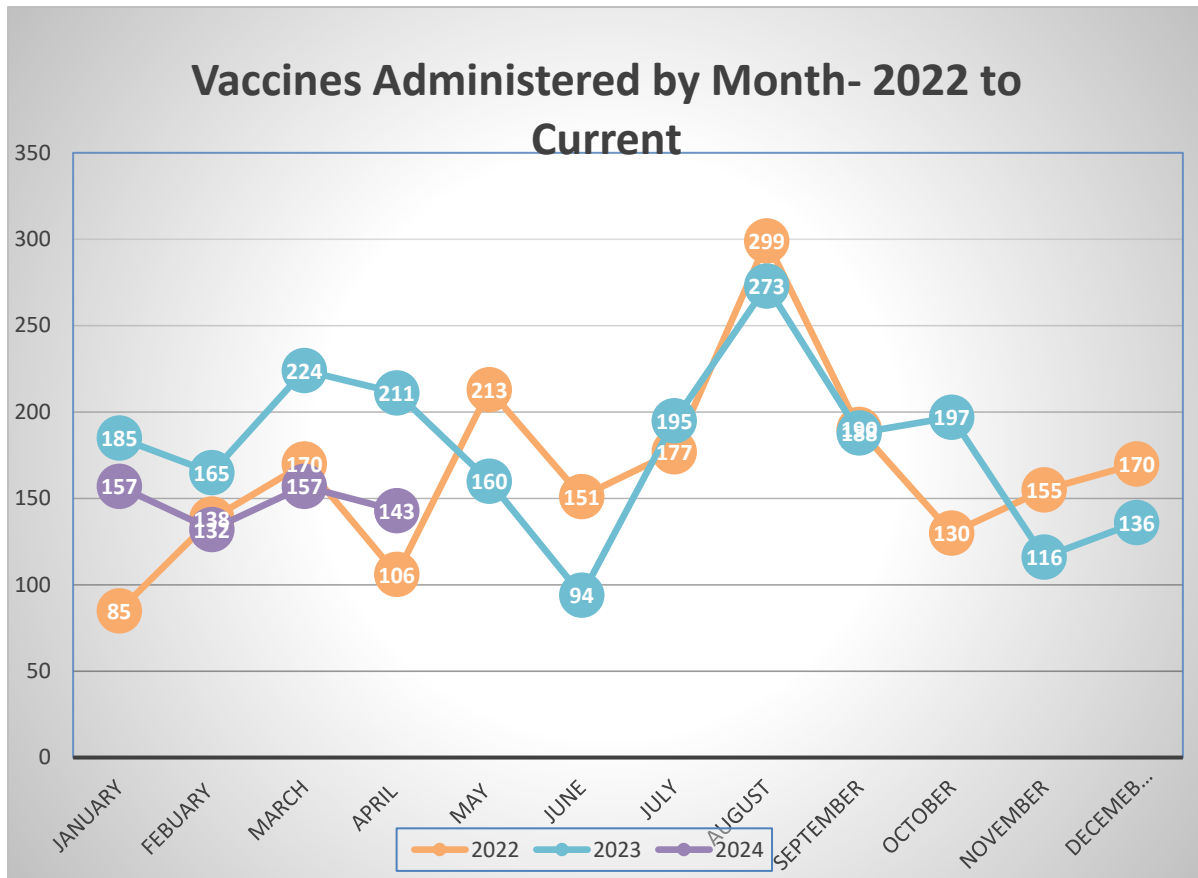
DSHS Immunization Branch conducted a site visit on February 27, 2024. All findings were in compliance with program requirements related to storage, handling, and eligibility.

340B OPAIS recertification is due by June 3.

MCPHD CLINIC PROGRAMS				
	JAN	FEB	MAR	APR
Administrative				
Working Days in the Month	20	20	20	22
Number of Appointment Cancellations	7	15	8	6
Number of Cancellations due to vaccine availability	0	0	0	0
Number of No Show Appointments	53	39	31	43
Number of Kept Appointments	134	129	139	144
Number of New Clients Seen	73	66	72	66
Percentage of New Clients	54.48%	51.16%	51.80%	45.83%
Average # of Seen Patients Per Day	6.7	6.45	6.95	6.54545
Number of Waived Appointments	0	1	1	1
Amount of Waived Fees	\$ -	\$ 15.00	\$ 15.00	\$ 15.00

## Immunizations Program:

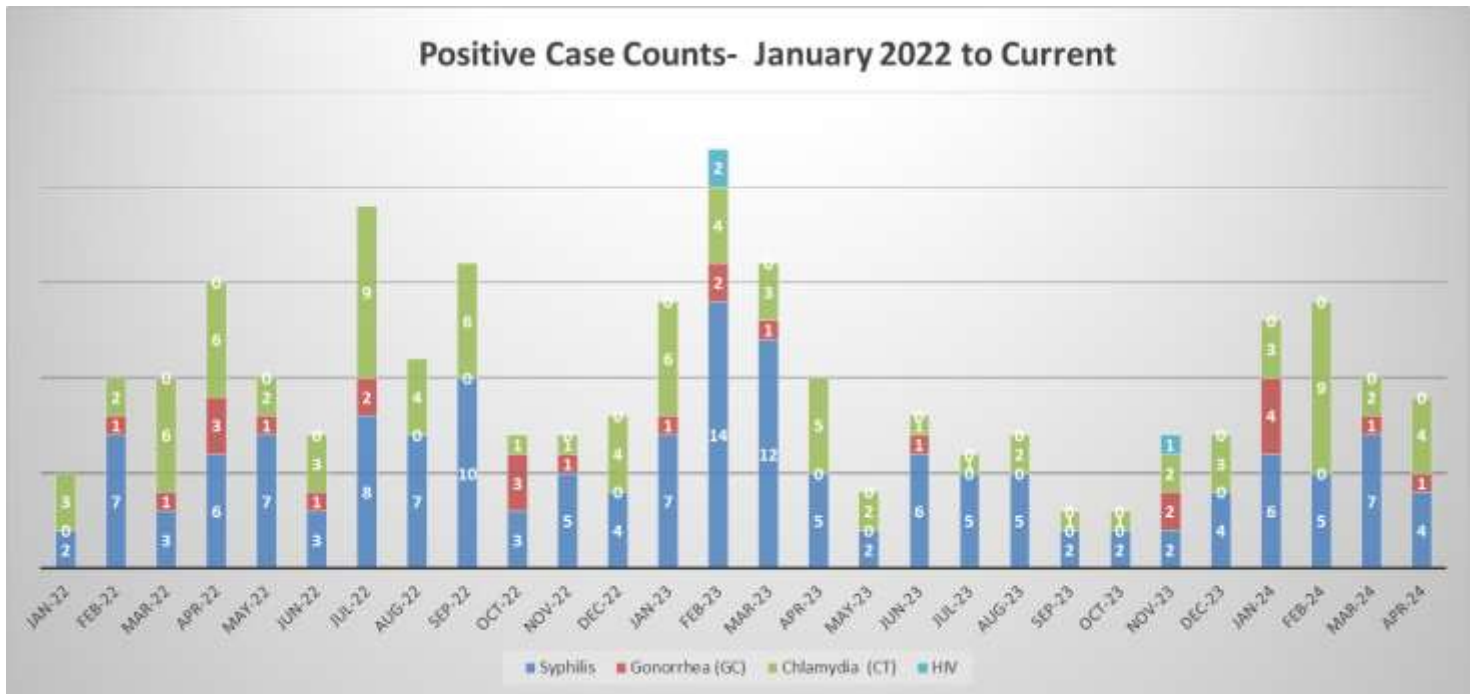
For 2024, we are below the total vaccines administered when compared to 2023.



## Sexually Transmitted Infection/Disease Program:

MCPHD provides screenings for Chlamydia, Gonorrhea, Syphilis, and HIV. Treatment follows our signed standing delegation orders based on CDC treatment guidelines. The following graph displays the number of cases treated by month for each condition at MCPHD. Treatment medications are provided by the DSHS pharmacy program at no cost to MCPHD. Screening and administration fees are charged to the patient. Waivers can be requested. HIV cases are referred out for treatment.

Syphilis is historically the greatest in number, but in February, we had an increase in Chlamydia.



## Tuberculosis

TB patients generally require active treatment for TB for 9-12 months. They will have a directly observed therapy (DOT) worker go to their homes for the duration of their treatment 5 days a week to watch them take their medication. They come in to the public health department at least once a month for evaluation including labs and x-rays. The RN Case Manager orders all their medications from the state and prepares it for the DOT workers. These medicines can be very toxic and require close monitoring. Most all of our active TB cases also have other complex issues including cancer, autoimmune disease, uninsured, no transportation and lack of social support network.

LTBI is a state of persistent immune response to stimulation by Mycobacterium tuberculosis antigens without evidence of clinically manifested active TB. These patients have been infected with the Tuberculosis germ but do not have active TB. They generally require 3-4 months of medications; some which are required to be given by DOT. They also require monthly assessments. It is much more cost effective to treat people who have been exposed vs. treating active TB.

Electronic Disease Notifications (EDN) are referrals from immigration. MCPHD is notified, by immigration, that someone from another country has arrived in our county, and there are concerns about TB symptoms or TB exposure. It is our responsibility to locate and assess these immigrants. Some are cleared and released. Others are treated. When the process is completed, we fill out a form that goes back to immigration and the state public health department describing what was done and status of immigrant related to TB.

For referrals, reports are received from various local providers and hospitals. These are in various stages of being ruled out or being processed for treatment.

As a reminder, all TB services are provided at no costs to the patient. DSHS has contracted Dr. Brawner to provide medical chart reviews. Radiological services are covered by an outside provider which is contracted by DSHS as well.

<b>MCPHD CLINIC PROGRAMS</b>				
	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>
<b>TB Cases</b>				
# of suspected exposures	5	0	0	1
# of confirmed exposures	0	5	5	4
# of suspected TB	1	0	1	0
# of confirmed TB cases	9	15	13	14
TOTAL #	15	20	19	19
Total # of TB cases and TB suspects	10	15	16	14
# of LTBI cases	5	7	14	19
# of immigrant/ refugee TB cases	8	17	17	21
# of Pediatric TB cases	5	13	9	9
# Of Pending Referrals on last day of the month	1	1	20	6
TB Case Rate = TB cases per 100,000 people	3.73	5.64	5.64	5.32
Referrals Received Throughout Month	36	43	32	45
Number of Kept TB Appointments	17	29	29	28
<b>Clinical</b>				
# patients with positive sputum smear	2	3	2	1
# LTBI cases on medications	3	2	6	12
# of TB cases on medications	8	13	14	13
# Of cases with Signed Control Order	6	8	8	7
# of Initial Evaluation's Completed	16	13	12	33
# of Cases with Baseline Labs Completed	16	27	13	33
# of episodes of drug toxicity	1	0	0	0
# of Medication Reactions	0	0	0	0

## Epidemiology Program

### February 2024

On February 1<sup>st</sup>, MCPHD received notification of a confirmed case of malaria in a 74-year-old male, who acquired the disease out of country while in Nigeria. The individual has unfortunately expired due to complications.

On February 2<sup>nd</sup>, MCPHD received notification of a confirmed case of Dengue in a 49-year old female, who acquired the disease while vacationing with family in Peru. Father and sister reported similar symptoms. The father was treated for Dengue out of jurisdiction, while other family members tested positive for COVID-19. All parties returned home and recovered.

On February 6<sup>th</sup>, MCPHD staff gave a presentation to the medical residents of Lone Star Family Health Center on our public health, epidemiology, preparedness and clinic services and epidemiology program.

On February 8<sup>th</sup>, DSHS HAI epidemiologist notified MCPHD of a yeast susceptibility panel where a *Candida auris* specimen was resistant to echinocandin for treatment. Echinocandin resistant (ech-R) *C. auris* is rare accounting for less than 5% of all *C. auris* cases, and is difficult to treat. The patient was a 29 year old male. MCPHD epidemiologist had already conducted the initial investigation and reported the case in March 2023. Epidemiologist conducted further follow-up investigation, reviewing the individual's medical history six months prior to specimen collection to date of follow-up investigation. Investigation findings were shared with DSHS epidemiologist and the Centers for Disease Control and Prevention (CDC). The investigation found appropriate precautions were made, and no need for further screening. Additional guidance was provided to the relevant infection preventionist.

Two MCPHD epidemiologists attended the Epidemiology and Laboratory Capacity (ELC) Workshop on February 15<sup>th</sup> and 16<sup>th</sup>, an annual epidemiology conference hosted by the Texas Department of State Health Services (DSHS).

On February 13<sup>th</sup> and 14<sup>th</sup>, all public health epidemiology staff attended the EOC O&P All-Hazards Events / FP-MGT346-515, part of the National Emergency Response and Recovery Training Center offered by TEEEX. This course provided staff an opportunity to work in a simulated Emergency Operations Center (EOC) responding to an incident. Staff learned the skills necessary to effectively plan for and manage large-scale incidents by applying and implementing an all-hazards, multi-disciplinary, management team approach, with a specific emphasis on the planning, resource, and information management processes. The course focused on the key decision-making requirements within the Emergency Operations Center.

On February 27<sup>th</sup>, Texas Children's Hospital-Main Campus (TCH) notified MCPHD of a suspected measles case in a child and a resident of Montgomery County. Upon further investigation and review of laboratory results conducted by TCH, the suspected case did not fit the epidemiological case criteria to be a confirmed case of measles, and it was determined not a case. Given the highly infectious nature of measles and the importance of the immediate public health response required, TCH Infection Control was educated about sending a sample for PCR test. The DSHS Houston Regional Office was also involved.

Six (6) COVID-19 outbreaks were reported to MCPHD from skilled nursing and assisted living facilities, with one (1) facility reporting twenty-five (25) residents and three (3) staff in one day. All outbreaks were monitored, with the epidemiology team providing management and infection control guidance until cleared of outbreak status. COVID-19 cases, hospitalizations, outbreaks and deaths continue to be reported, with the COVID-19 epidemiology team continuing to monitor cases, data clean up and investigations of priority case investigations as required by Texas Department of State Health Services (DSHS). Death reviews are ongoing, however primary death data shows decreased number of COVID-related deaths compared to previous years. Epidemiology Specialists and Epidemiology Analyst actively monitor and complete investigations of 2023 high priority cases, in preparation of the 2023 DSHS data close out. The Omicron variant and its sub-lineages remain dominant and continue to circulate, with sub-variant JN the most frequently detected SARS-COV-2 lineage in the county.

Community Outreach Specialist (COS) Lisa Garman began the Community Health Worker (CHW) certification course, a 160-hour course consisting of weekly instruction, hands-on experience and homework assignments centered on the eight core competencies defined by the Texas Department of State Health Services. Lisa was recruited by MCPHD's partner organization, Houston Methodist Hospital Neal Cancer Center, to be a representative and CHW-certified from Montgomery County. Additionally, COS continued to attend and participate in outreach events and monthly community coalition and taskforce meetings with partner organizations in Montgomery County, of which all have a focus on health disparities and community resources. MCPHD hosted two community education classes, United Against Human Trafficking Training 101 and Autism Society of Texas Accessible Vaccination Training.

## **March 2024**

In the first week of March, CDC removed the COVID-19 isolation guidelines for the general population and updated the CDC's Respiratory Virus Guidance to reflect guidance for influenza, RSV and COVID-19, all respiratory viruses that cause significant disease. The isolation guidelines were created during the public health emergency, at a time where there was low population immunity, higher rates of hospitalizations and deaths, and fewer therapeutic options available for prevention and treatment. To align with the CDC and reflect changes in the disease's effect on public health, as of March 8, 2024 COVID-19 is no longer a notifiable disease in Texas. DSHS made two updates to the state's COVID-19 policies and formally notified local health departments on March 11. Texas laboratories and health care providers are no longer required to report positive or negative COVID-19 test results. They may continue reporting electronically, but will be voluntary. This updated guidance does not apply to healthcare settings, where outbreaks will still be required to report. DSHS is working on a guidance for outbreaks. Meanwhile, MCPHD informed facilities in Montgomery County of these updates.

MCPHD epidemiologists and analyst continue to complete 2023 COVID-19 investigations, de-duplication and data cleanup in preparation for the 2023 data close out. MCPHD will continue COVID-19 death reviews and ongoing surveillance in Texas National Electronic Disease Surveillance System (NEDSS). Additional data analysis is ongoing, will allow for risk assessment, case classification, visualization, and allow for longitudinal studies.

On March 5<sup>th</sup>, MCPHD received notification of a confirmed case of malaria in a 45-year-old male, who acquired the disease in Ecuador while traveling to the United States. The individual was sent from the Immigration and Customs Enforcement (ICE) facility to HCA Houston Healthcare Conroe Hospital for treatment. Symptoms included sore throat, body aches, fever, chills, and headache.

On March 7<sup>th</sup>, Texas Children's Hospital The Woodlands again notified MCPHD of a suspected measles case in a child, with symptoms of a rash. After a detailed review of the medical records by MCPHD Epidemiologists, the rash was found to be a drug reaction to Amoxicillin. It was determined not a case.

On March 7<sup>th</sup>, DSHS HAI epidemiologist notified MCPHD of a yeast susceptibility panel where a *Candida auris* specimen was resistant to echinocandin for treatment. The patient was a 75-year-old male. MCPHD epidemiologist had already conducted initial investigation and reported the case in January 2024. Epidemiologist conducted further follow-up investigation, reviewing the individual's medical history six months prior to specimen collection to date of follow-up investigation. Findings were shared with DSHS epidemiologist and the CDC. The investigation found appropriate precautions were made, and no need for further screening. Additional guidance was provided to the relevant infection preventionist.

On March 9<sup>th</sup>, MCPHD and partner Compassion United hosted their second Health Summit in West Montgomery County, which is a target population, with the goal of bringing the resources of need to the community. Through capacity building, MCPHD had the opportunity to bring together thirteen (13) of our existing partners for this event. Partners included Conroe Fire Department, Lion's Club, MET (motivation, education and training), Children's Books on Wheels, Tri-County Behavioral Health, Lone Star Family Health Center, Montgomery County Constable Precinct 3, Mosaics of Mercy, Community Assistance Center, Lupus Foundation of America, and Ambetter. Compassion United was able to obtain a bounce house, games and prizes for the children in attendance, creating a fun and attractive event catered to families. Families in attendance received, mental health resources, health clinic services, hearing and vision screenings, free reading glasses, veteran resources, rent, utility, food and clothing assistance; COS provided community resource packets which included information on influenza, COVID-19, RSV, MCPHD clinic services, MCPHD Community Resource Guide and Emergency Preparedness, flu coloring books, crayons and vaccines record books for children's education. All material provided in English and Spanish. This event reached 125 families.

On March 26<sup>th</sup>, the MCPHD Quarterly Infection Control Practitioner's meeting at Houston Methodist The Woodlands Hospital. The purpose of this meeting is to coordinate all disease surveillance and reporting efforts with Montgomery County hospital Infection Control Practitioner's and nearby hospitals that participate in disease reporting. The agenda included topics presented by epidemiology staff and infection prevention in healthcare settings, encouraging nursing homes and hospitals to attend. This also presented an opportunity to educate those in attendance reporting requirements. Ten total nurses attended this meeting, along with the public health staff.

March 25-28<sup>th</sup> the Preparedness Coordinator and Epidemiology Specialist from the Hazards Grant went to the annual Preparedness Summit in Cleveland, Ohio. This conference provides the knowledge, resources, and relationships necessary to prepare for and respond to public health emergencies.

Community Outreach Specialist continued participation in numerous outreach events. Additionally, an updated MCPHD Community Resource Guide was published this month. The new version includes a QR code survey to assess the impact of the Montgomery County Public Health District Community Resource Guide and if it has improved access to services in our target communities and the Montgomery County community at large. MCPHD hopes to obtain metrics regarding the use of the guide and feedback from the community.

## **April 2024**

April 1<sup>st</sup> – 7<sup>th</sup> was National Public Health Week. Each day focused on a particular public health topic. This year, the themes were Civic Engagement, Healthy Neighborhoods, Climate Change, New Tools and Innovations, Reproductive and Sexual Health, Emergency Preparedness, and Future of Public Health. This week is an important reminder to recognize the contributions of public health. It is also an opportunity to recognize our MCPHD public health staff, whose daily work and dedication, often behind the scenes, improves the health of our community.

On April 2<sup>nd</sup>, MCPHD was notified of one (1) Typhoid Fever case in a 48 year-old female. The case traveled to Southeast Asia for business. The individual is now home and recovering.

On April 4<sup>th</sup>, MCPHD investigated a confirmed case of *Haemophilus influenzae* in an 83 year-old male. The person under investigation was seen HCA Houston Healthcare Conroe Hospital, where he expired on April 12.

On April 2<sup>nd</sup>, the Conroe ISD Lead Nurse notified MCPHD of a case of suspected measles at a school. The individual had been seen by a pediatrician at a local clinic in Conroe. After thorough review of medical records, MCPHD consulted the pediatrician and discussed with the Lead Nurse. With detailed investigation, MCPHD determined this individual did not meet the clinical case definition and was determined not a case.

On April 6<sup>th</sup>, Community Outreach Specialist hosted the Moorhead Jr. High Health Fair, in partnership with Communities in Schools of East Texas. This was an event in planning for many months hosted in a target community. Thirty partner organizations were involved, bringing free vaccines, mental health resources, health clinic services, hearing, vision, and dental screenings, rent and utilities assistance, clothing and food assistance and fire prevention, as well as activities for children.

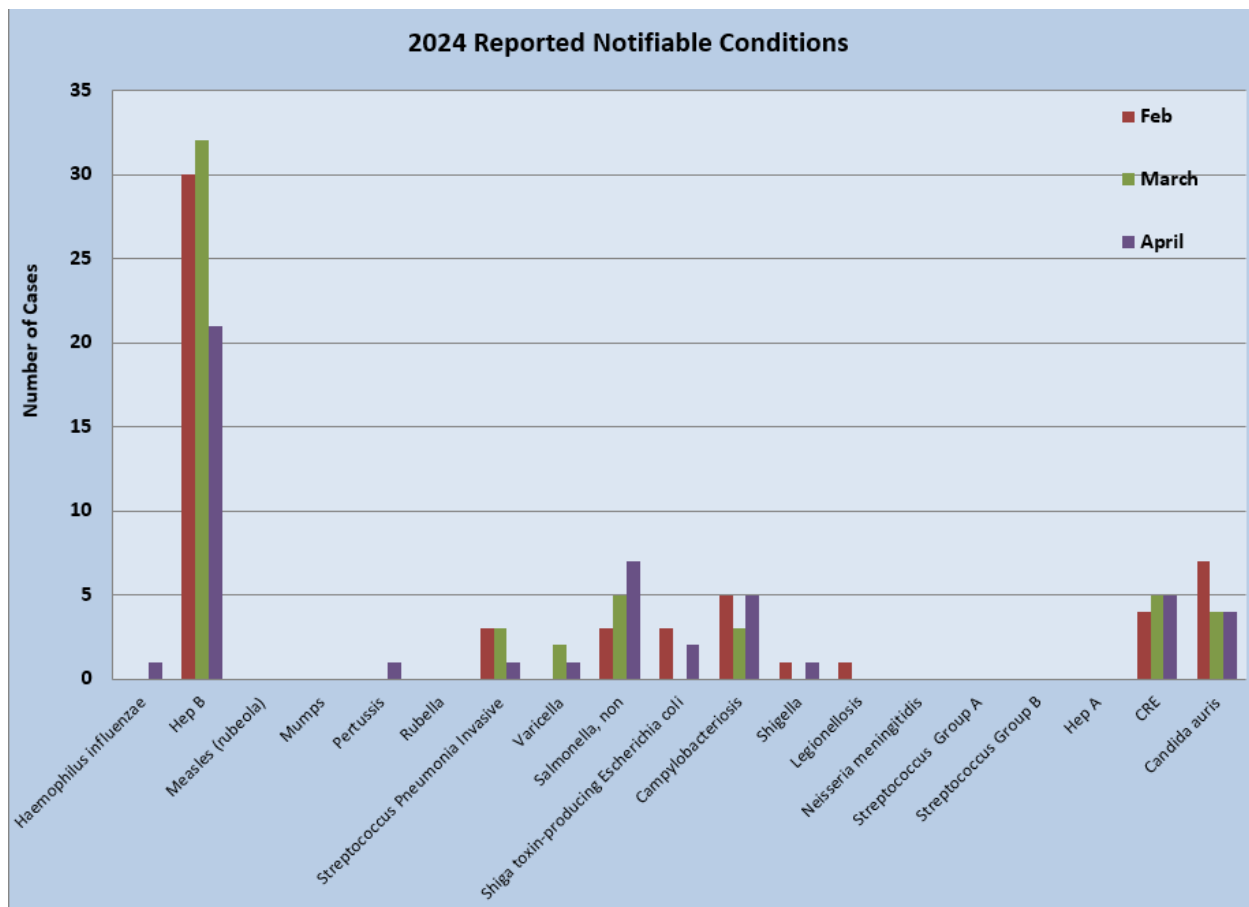
On April 26<sup>th</sup>, MCPHD Epidemiologist will be attending a proactive Infection Control Assessment and Response (ICAR) for a memory care facility in Montgomery County with the DSHS Nursing Home STRIKE Team. The strike team is a part of the CDC's federal program to assist both state, local, and territorial health departments and long-term care facilities with their infection prevention infrastructure. An ICAR assesses a healthcare facility's infection prevention and control (IPC) practices and guides quality improvement activities by addressing identified gaps. An ICAR can be proactive (as a prevention strategy) or reactive to an infectious disease outbreak in long-term care facilities. This assessment will be held remotely.

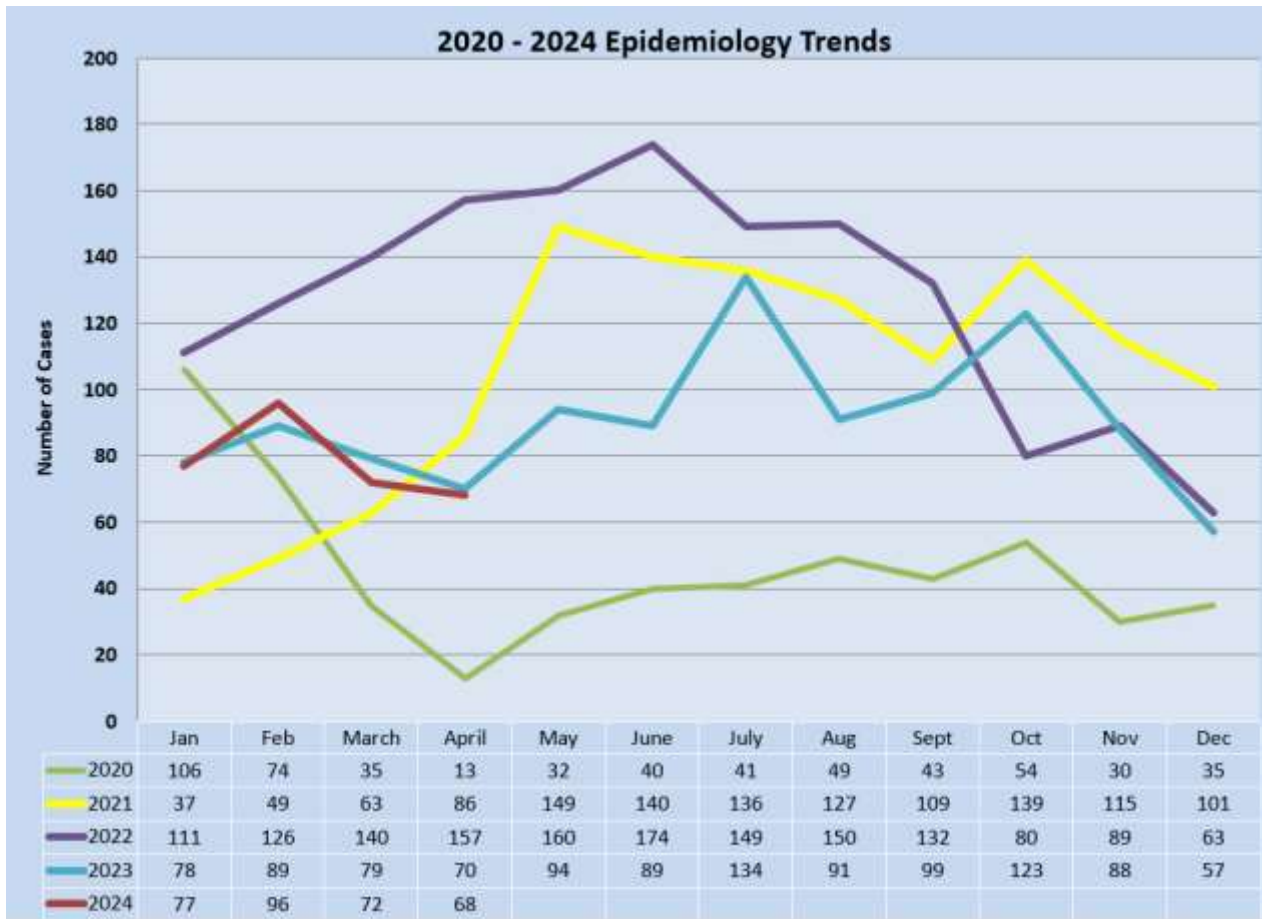
General epidemiological investigation and surveillance of reported notifiable diseases is continued. COVID-19 case investigation completion of high priority cases and data clean up continues and will be due to DSHS on

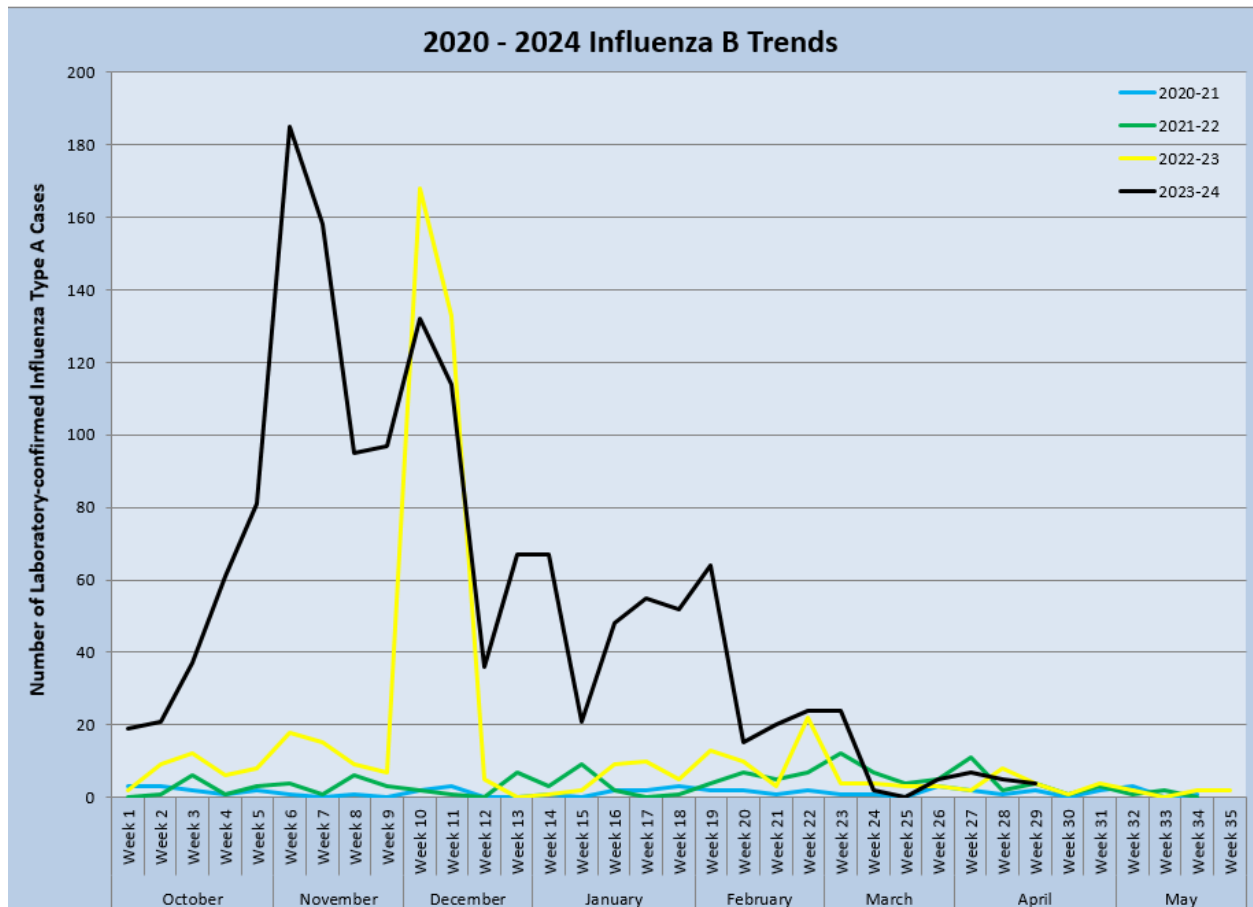
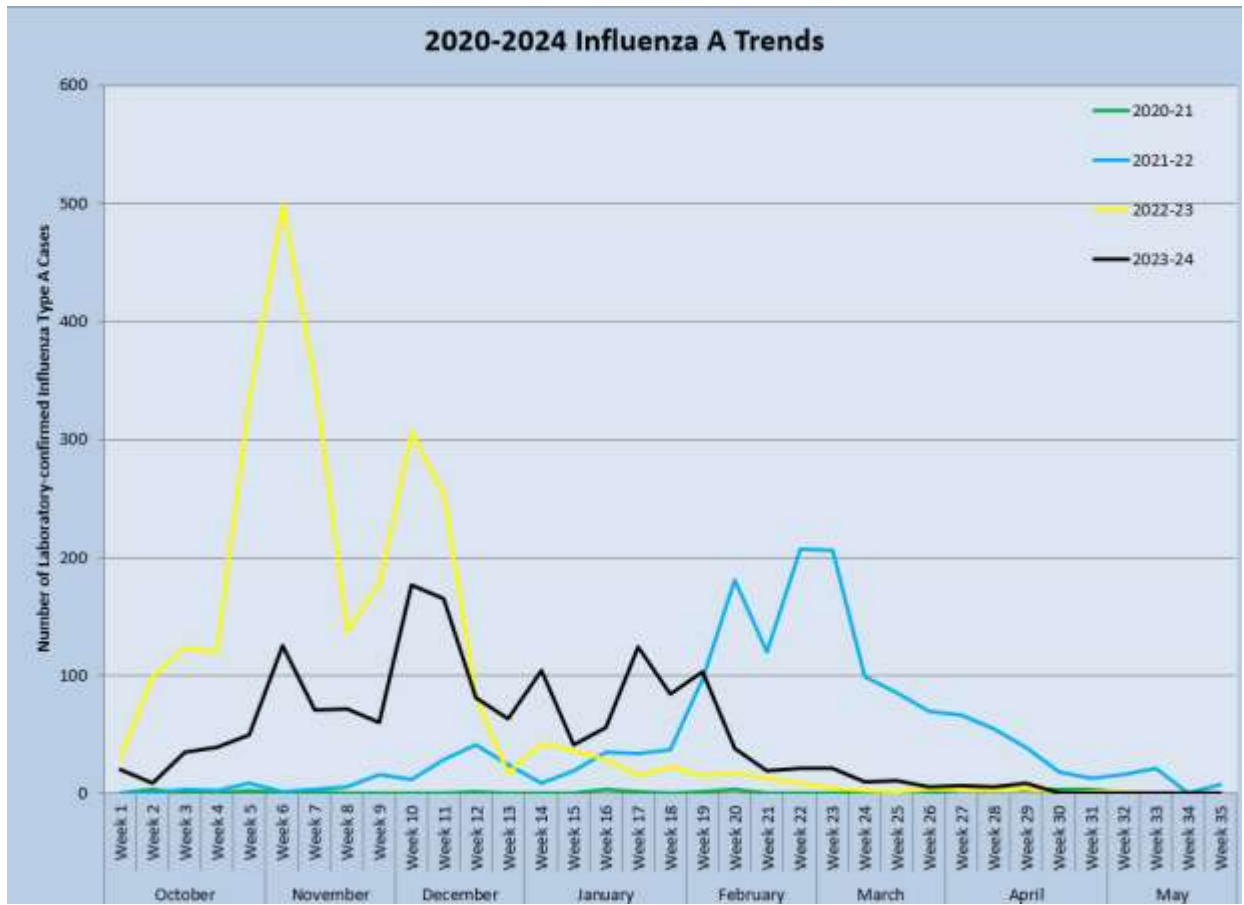


May 10, 2024. Preparation for the 2023 data close and submission has been a focus, while awaiting notification from DSHS regarding outbreak monitoring. Although COVID-19 is no longer a notifiable condition, given the astronomically high volume of cases, it is anticipated data cleanup will remain ongoing for many months. Epidemiology staff continue to attend weekly DSHS Epidemiology Conference Calls, share info calls, monthly CDC STLT calls, COCA calls and continuing education webinars and trainings on infectious diseases and investigation.

COS continued to attend and participate in outreach events and monthly community coalition and taskforce meetings with partner organizations in Montgomery County. The last Tuesday of each month, COS attends partner organization Compassion United /Terry's Table Food Pantry food distribution at Tall Timbers Apartment Complex. Families receive grocery boxes with food delivery provided by Compassion United/Terry's Tables. COS provides educational packets in these boxes. These outreach events are targeted towards those with health disparities: elderly, low-income, lack of resources.

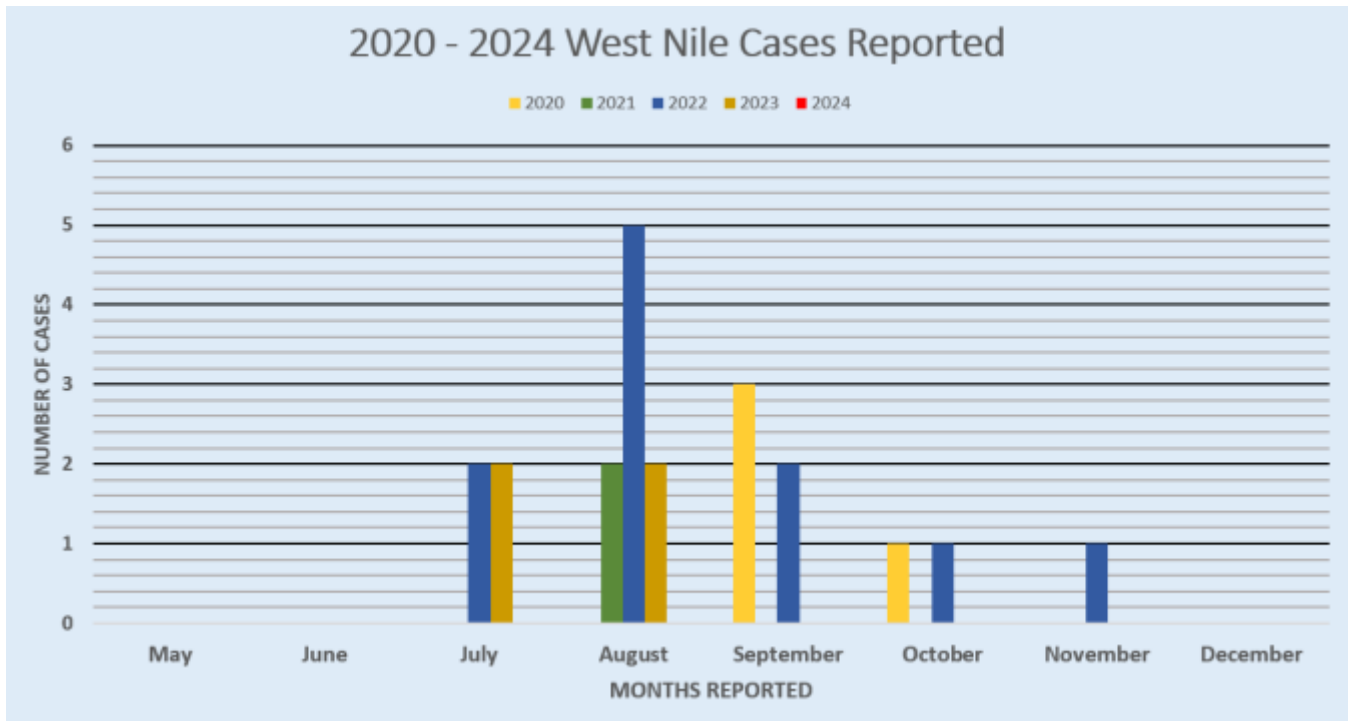




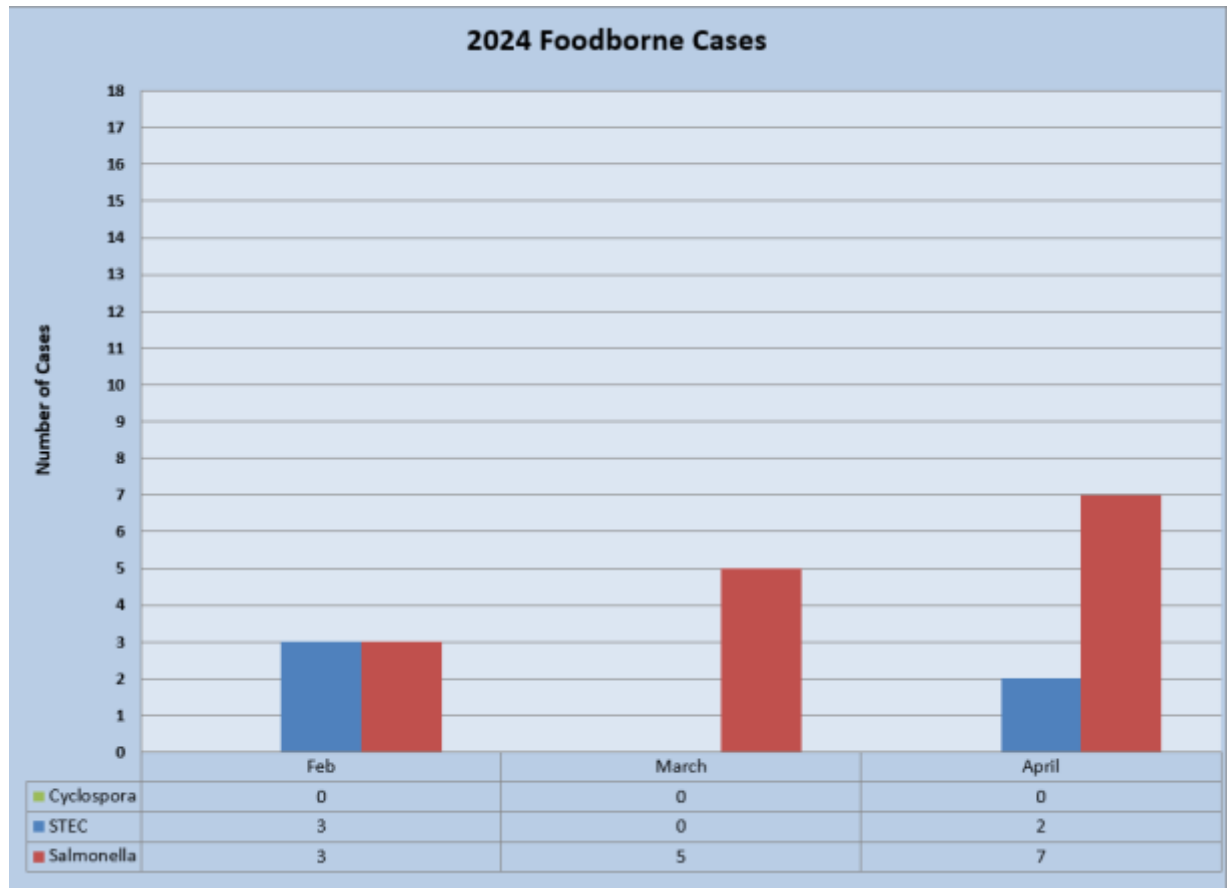
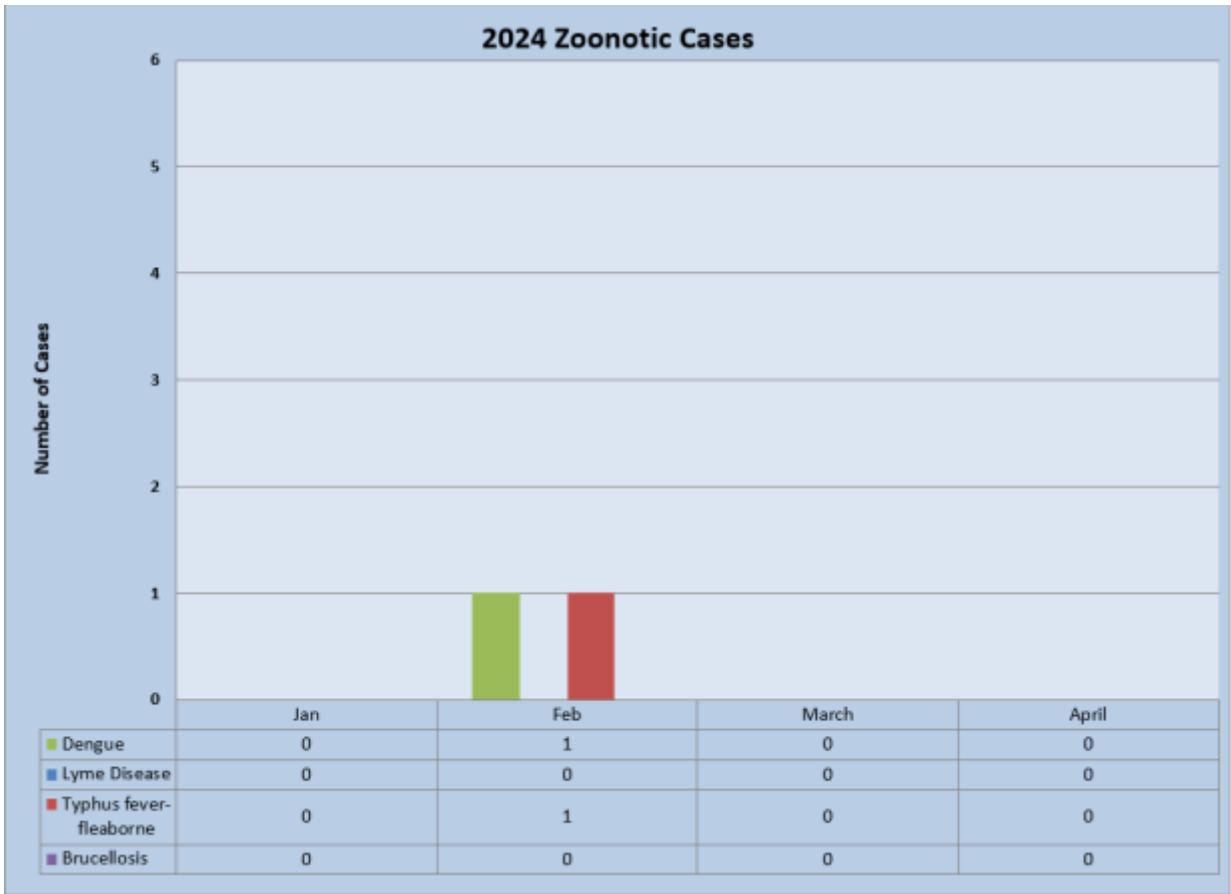




*\*\* It is not currently West Nile Season. No cases reported during the off-season.*



*\*\* It is not currently West Nile Season. No cases reported during the off-season.*



## February 2024

**Salmonella:** Age range: 11-64; no relation between cases; one (1) case traveled to Mexico, other exposures unknown.

**Shiga toxin-producing E. coli (STEC):** Age Range: 2-75; no relation between cases; one (1) case worked offshore; other exposures unknown.

## March 2024

**Salmonella:** Age range: <1-76; no relation between cases; one (1) possible exposure to farm animals at home; other exposures unknown.

## April 2024

**Shiga toxin-producing E. coli (STEC):** Age range: 18-35; no relation between cases; exposures unknown.

**Salmonella:** Age range: <1-75; no relation between cases; exposures unknown.

## COVID-19 Report

As of March 8, 2024 COVID-19 is no longer a notifiable disease in Texas. The Texas Department of State Health Services (DSHS) made two updates to the state's COVID-19 policies to reflect changes in the disease's effect on public health and to align with the Centers for Disease Control and Prevention (CDC). Texas laboratories and health care providers are no longer required to report positive or negative COVID-19 test results. They may continue reporting electronically, but will be voluntary. Due to these changes, there will no longer be enough data to complete an accurate COVID-19 report. Therefore, this will be the last COVID-19 quarterly update. COVID-19 death review will remain ongoing and additional data analysis may be presented in the future.

The information provided includes data from February 2024 – April 2024. The case counts below are as of April 12, 2024.

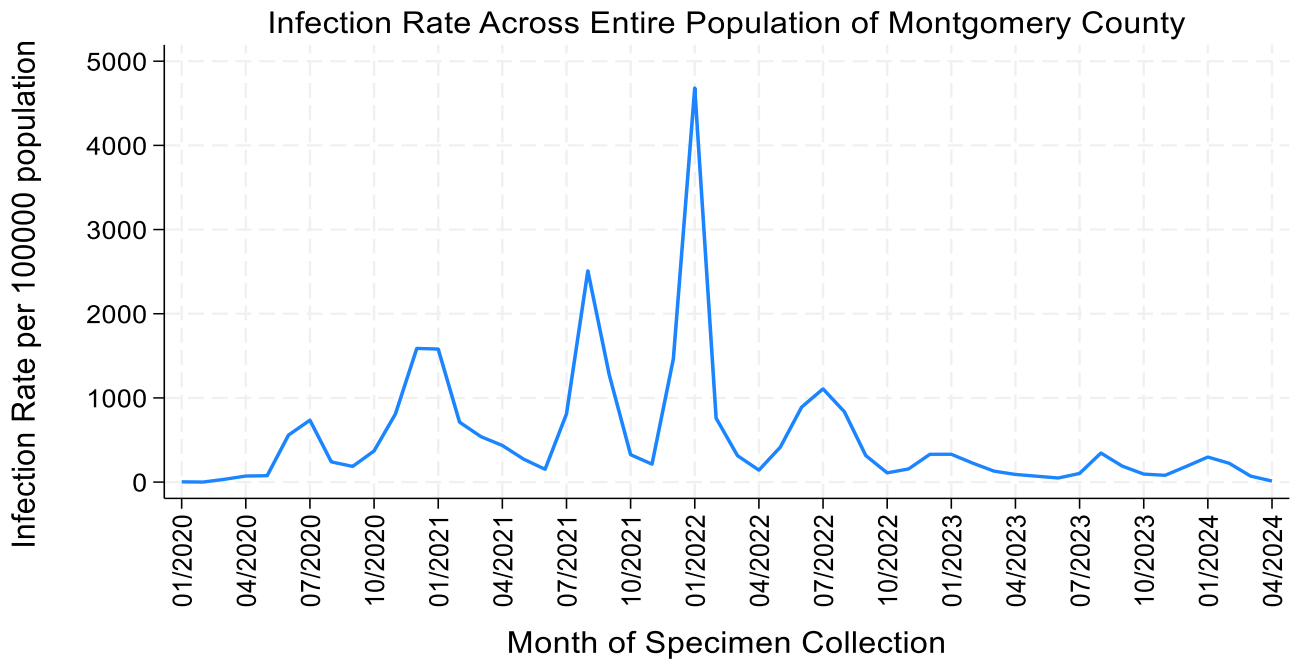
- Case count to date: 178,678
- Total confirmed\* deaths due to COVID-19: 1,402

*\*Confirmed deaths based on thorough review process and remains ongoing.*

Detention Center (Federal Facilities)	Case Count
Joe Corley Processing Center	494
Montgomery Processing Center	1,261*
Total	1,755

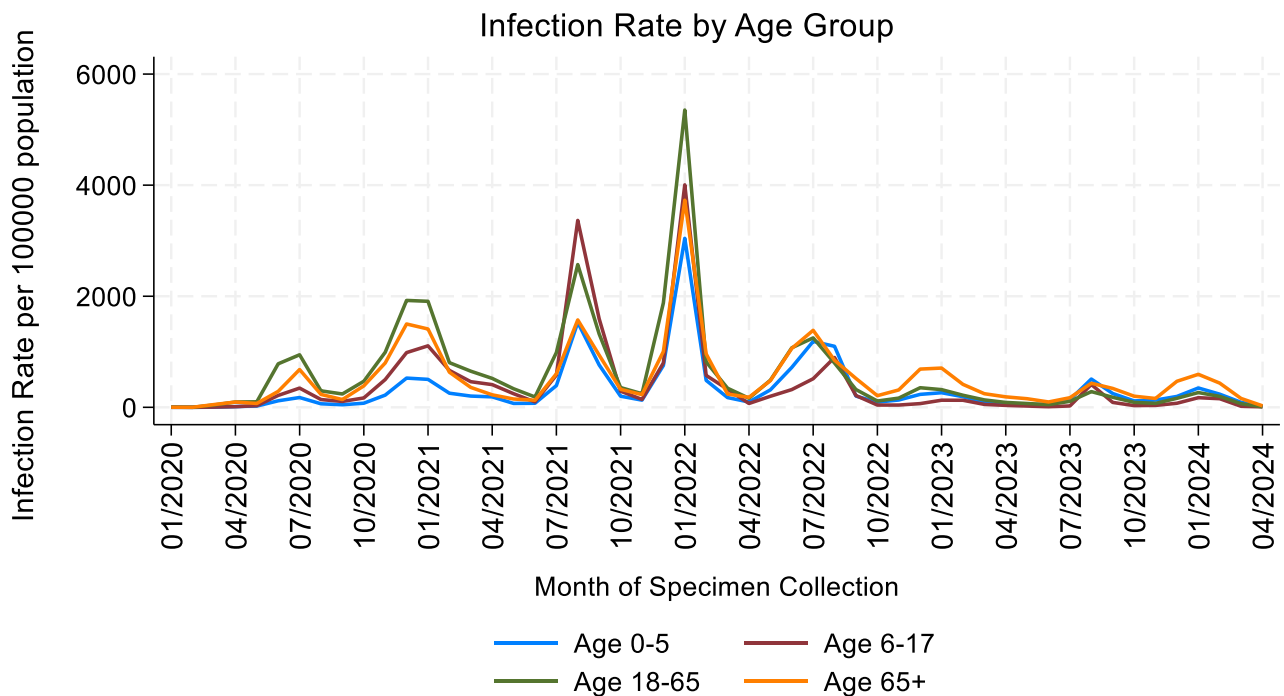
*\*The last reported positive COVID-19 case from Montgomery Processing Center was January 19, 2024 and reflected on the last board report. Thus, this number remains unchanged.*

Incarcerated	Case Count
Montgomery County Jail	781



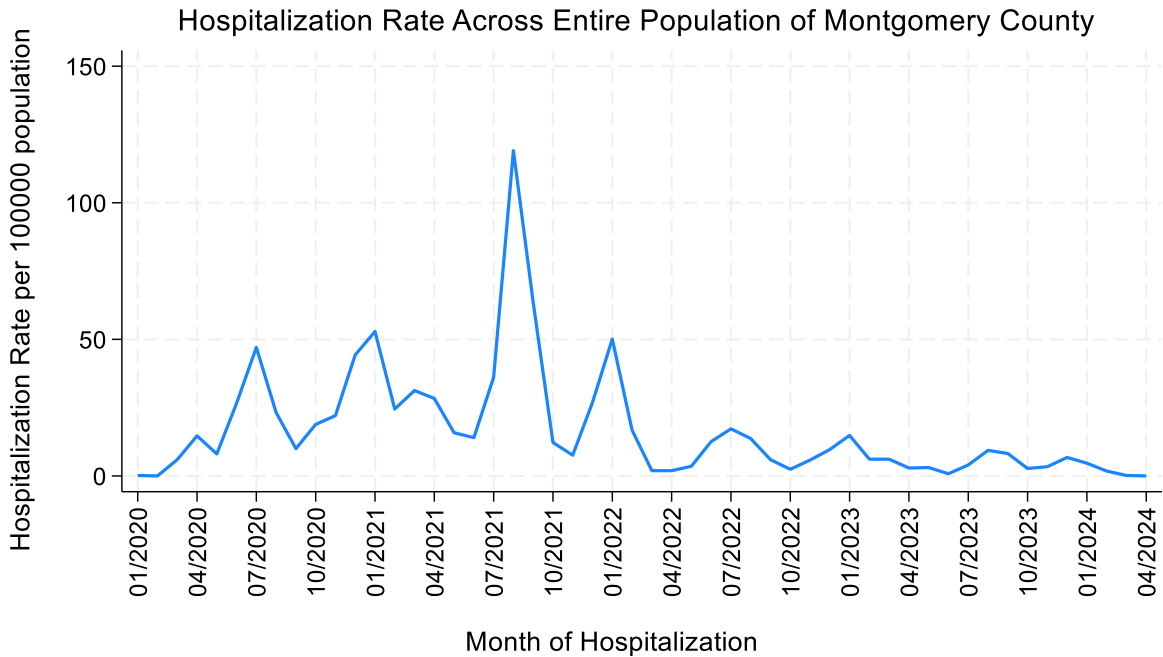
Data Source: NEDSS 4.11.2024

Figure 1. COVID-19 infection rate per 100,000 people in Montgomery County. For cases where exact date of specimen collection is not available, next closest estimate is used. These rates reflect lab confirmed cases (PCR and antigen) and do not include self-test/at home tests, as they are not reportable.



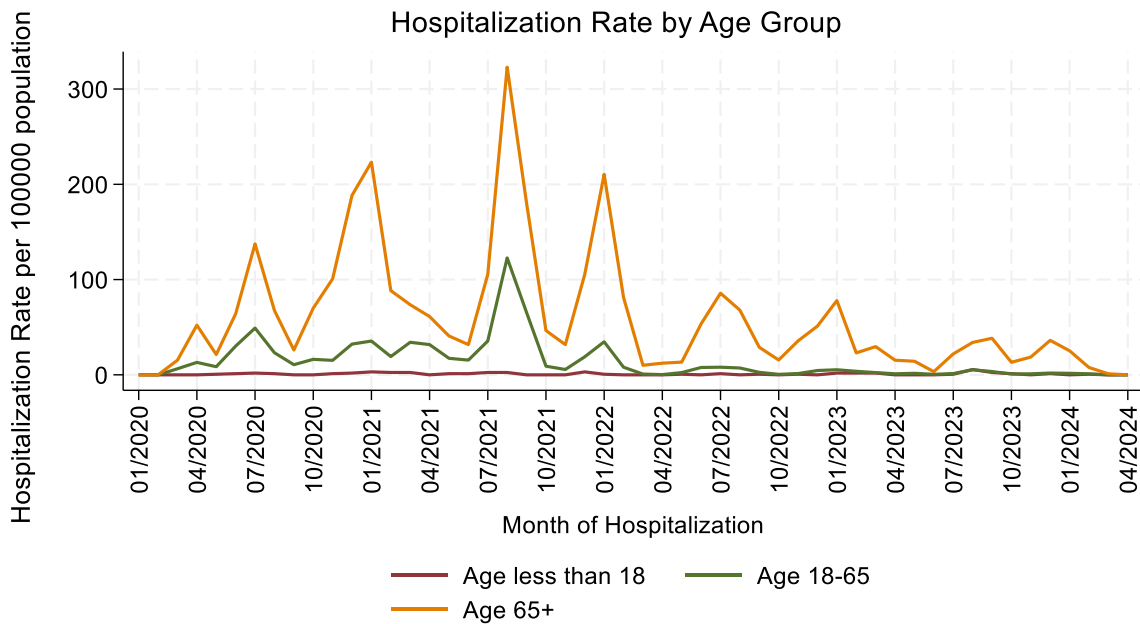
Data Source: NEDSS 4.11.2024

Figure 2. COVID-19 infection rate per 100,000 people separated by age groups. Highest rates of infection are reported in the 65+ age group.



Data Source: NEDSS 4.11.2024

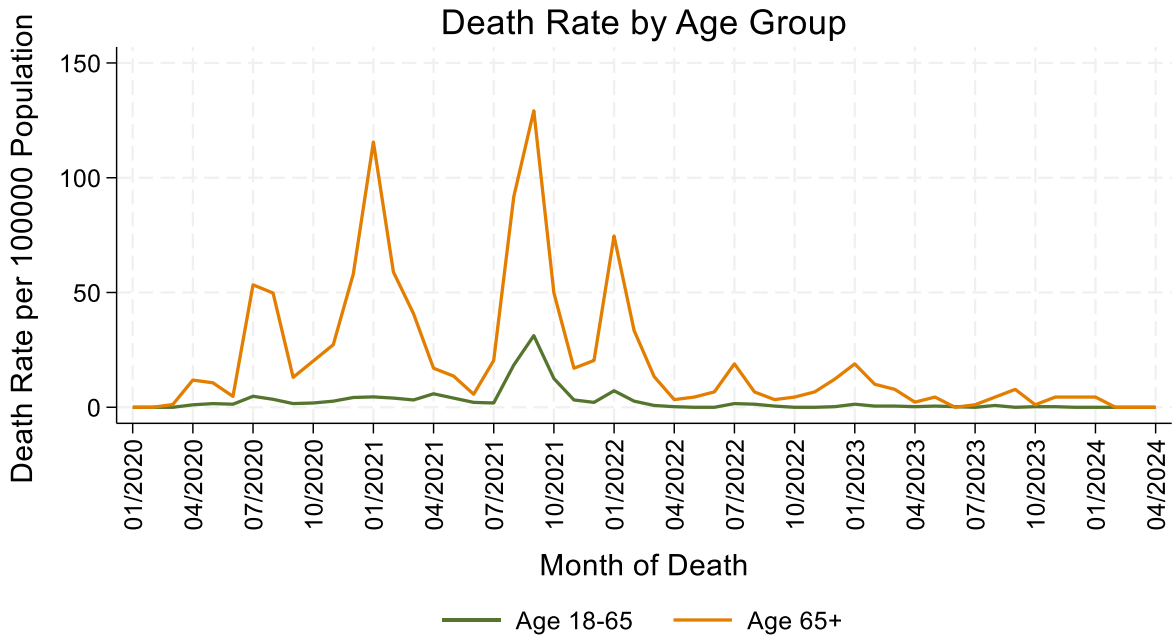
Figure 3. Hospitalization rate per 100,000 people. Investigations of hospitalizations through March 8, 2024 are ongoing and in the process of being entered into NEDSS.



Data Source: NEDSS 4.11.2024

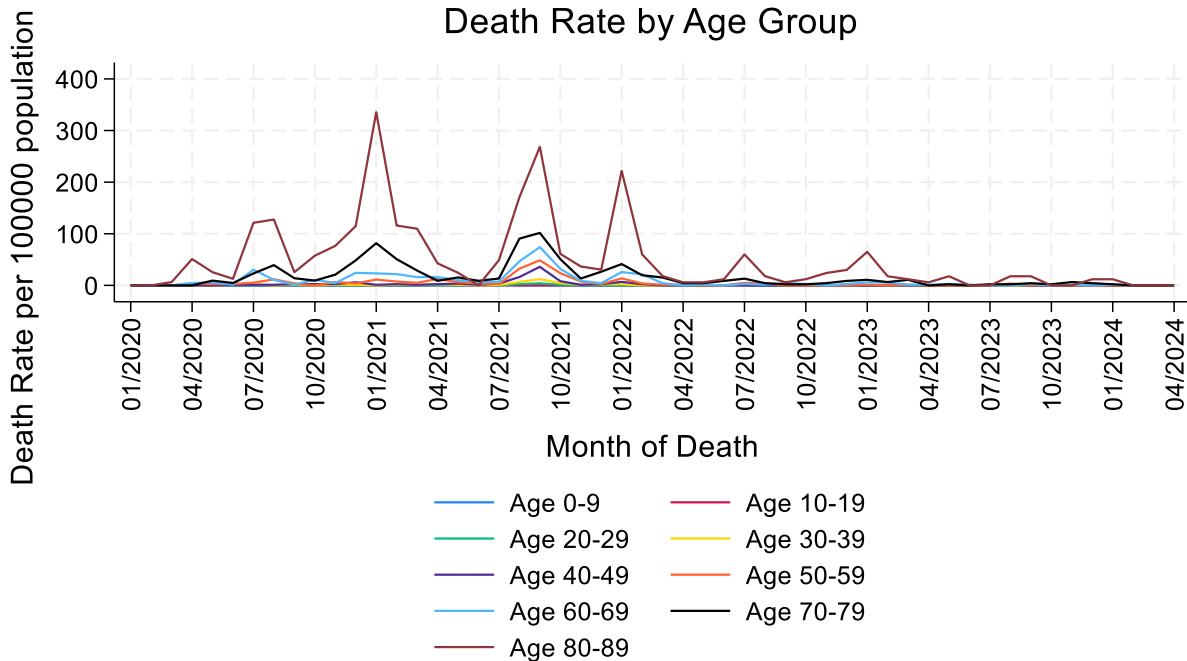
Figure 4. Hospitalization rate per 100,000 people separated by age. 2023 epidemiological investigations for hospitalizations are in the process of completion for DSHS 2023 data close out. Given the minimal number of hospitalizations in the 0-5 age range, we would not gain any additional information by separating out that age group.





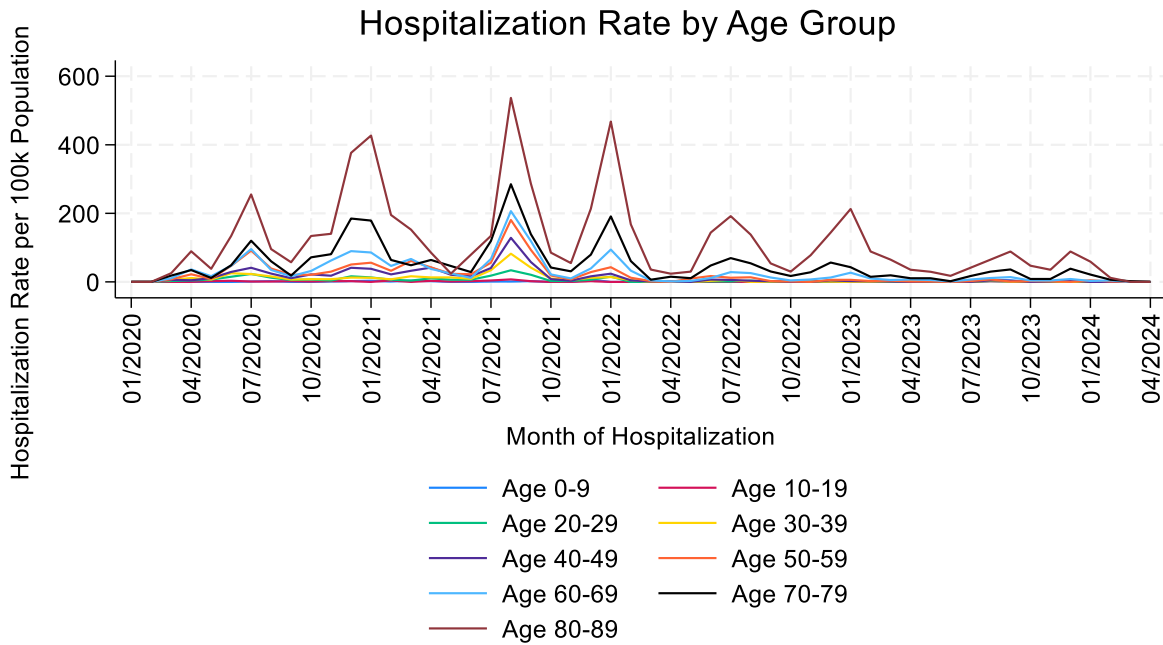
Data Source: NEDSS 4.11.2024

Figure 5. Death Rates per 100,000 population separated by age. 2024 deaths are currently under review; therefore, death rates represented in this graph are not up to date for beginning of 2024 and may continue to increase as review and investigations are completed.



Data Source: NEDSS 9.21.2024

Figure 6. This graph shows death rates by 10- year age gaps. We see a distinct increase in rates of death for every decade of age during peak infection times.



Data Source: NEDSS 9.21.2024

Figure 7. This graph shows the rates of hospitalization by 10-year age gaps. We see a distinct increase in hospitalization rates with every decade of age. Currently we are seeing the most COVID-19 related hospitalizations for the 70+ age range.

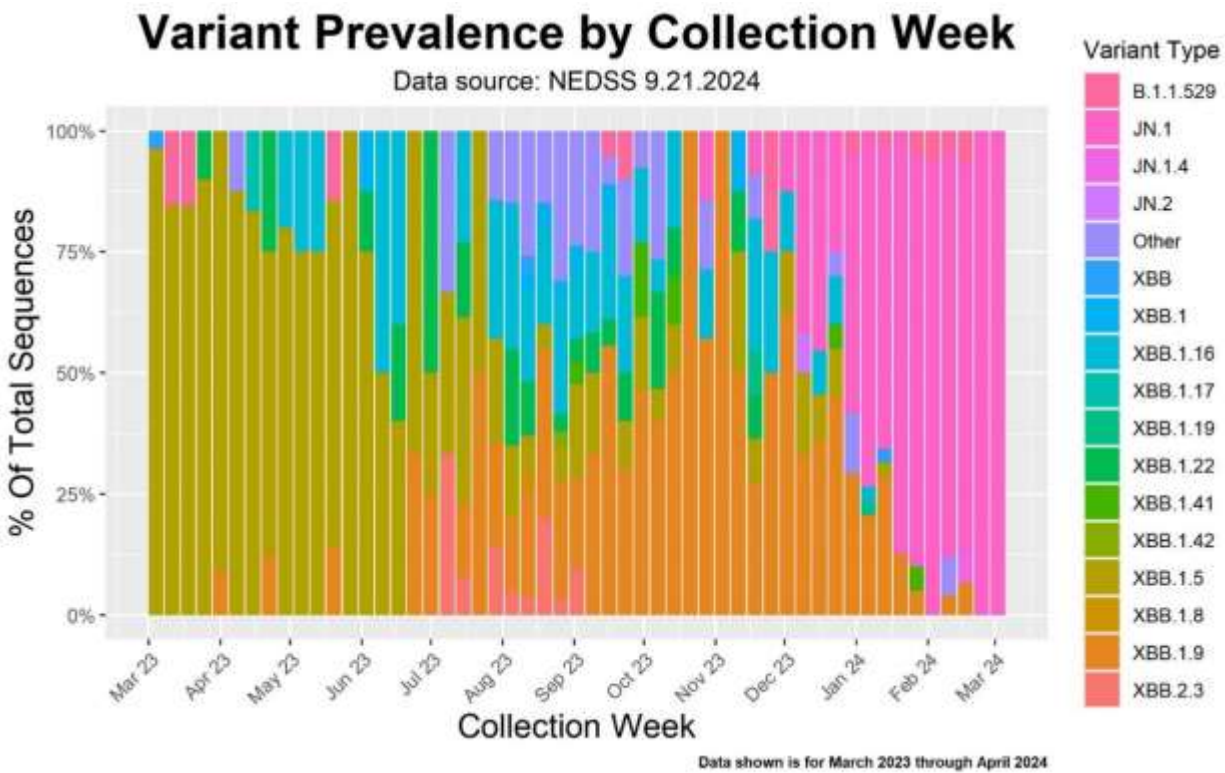


Figure 8: Types of COVID-19 variants by collection week. JN is the newly emerging Omicron sub-variant and is currently the most frequently detected SARS-COV-2 lineage in Texas and Montgomery County. JN is from the lineage of B.1.1.529.

## Results of Logistic Regression Model Analysis for COVID-19 Data in Montgomery County

### Data Used

As a local health department in public health, all epidemiological investigations completed by MCPHD are entered into the Texas National Electronic Disease Surveillance System (NEDSS), the primary statewide integrated infectious disease surveillance system utilized by public health epidemiologists and surveillance staff across Texas to monitor and respond to most notifiable infectious disease conditions. NEDSS plays a critical role in preventing the further transmission of infectious diseases in Texas. It serves as the primary system for processing and distributing electronic laboratory reports (ELRs) which trigger public health investigations of notifiable disease conditions. NEDSS facilitates the electronic exchange of public health surveillance data from healthcare systems to public health departments. NEDSS helps connect the healthcare system to public health departments and those health departments to CDC.

Additionally, any non-electronic reports received by MCPHD via fax or email notification are manually entered into NEDSS by MCPHD staff to ensure reportable conditions not electronically submitted are captured. In accordance with the Texas Administrative Code Chapter 97, the Texas Health and Safety Code Chapter 81, CARES Act and Governor Greg Abbott's mandate and issued order on March 24, 2020, lab results for COVID-19 from reference labs and facilities were required to be reported to the Texas Department of State Health Services (DSHS) and local health departments. These facilities included, but not limited to laboratories, hospitals, clinics, pharmacies, long-term care facilities, schools, workforce settings, and other entities conducting in-house/on-site testing. DSHS required these results to be reported electronically with ELR, however it was the facility's responsibility to complete the onboarding process. Many facilities in Montgomery County (and throughout Texas) did not complete onboarding, thus submission of COVID-19 lab results were directly to the health department, requiring manual entry into NEDSS. Since the CARES Act and Governor's mandate was lifted, facilities were no longer required to report their COVID results to DSHS electronically. However, while COVID-19 remained a notifiable condition in Texas, results were still required to be reported to DSHS and the local health department.

Given the high volume of COVID-19 cases and limited workforce capacity of our public health department, much of the data is incomplete. For our logistic regression analysis, our goal is to have a sample that is as complete as possible, representative of the population, and eliminates as much bias as possible.

The data was downloaded from NEDSS on May 2, 2023. This data consisted of 167,017 confirmed (PCR tests) and probable cases (antigen tests). From these cases 500 deaths, 1,000 hospitalizations, and 1200 mild cases were appropriately selected based on investigations entirely completed. Mild cases are defined as cases that were not noted to be hospitalized.

### Binary Logistic Regression

Binary Logistic Regression<sup>1</sup> uses the following model:  $\log\left(\frac{p}{1-p}\right) = b_0 + b_1X_1 + \dots + b_kX_k$ . Regression methods are an integral component of any data analysis concerned with describing the relationship between a

response variable and one or more explanatory variables. A distinguishing factor of the logistic regression model is that it allows for a binary outcome variable, which has made it a staple in medical research.

Once confirmed all appropriate assumptions of the model were met, a model was then considered for both hospitalizations and deaths as the outcome of interest. The goal was to identify which factors affected the severity of illness. First, we assessed whether the symptoms experienced by patients could predict how severe the case will be. Immediately we saw that shortness of breath was the single, most important risk factor for hospitalizations and deaths. This is not surprising as shortness of breath is often a symptomatic indicator pneumonia has developed, leading to the main complications associated with COVID-19. Given pneumonia is often diagnosed through diagnostic imaging via chest x-ray, we chose to keep only abnormal chest x-ray results as a variable of interest.

## Hospitalizations

The results of the logistic regression model are shown in *Table 1* below:

Variable		Odds Ratio	z	P-value	95% CI		
Number of Diagnoses		1.52	7.01	0.000	1.35	1.70	
Age Group	0 (0-18)	0.47	-2.17	0.03	0.23	0.93	
	1 (19-35)-reference						
	2 (36-64)	2.54	5.35	0.000	1.81	3.58	
	3 (65+)	5.54	8.83	0.000	3.79	8.09	
Symptom	Shortness of Breath	6.02	16.18	0.000	4.85	7.49	
Days Since Last Dose	0 (no vaccine) – reference group						
		1 (0-90)	0.55	-2.38	0.017	0.33	0.90
		2 (90-180)	0.43	-3.80	0.00	0.28	0.66
		3 (180-270)	0.50	-3.19	0.001	0.33	0.77
		4 (270+)	0.537	-2.94	0.003	0.36	0.81
+Gender		1.23	1.93	0.054	0.99	1.52	
Race	African American	1.43	1.84	0.07	0.97	2.09	
	Hispanic	1.55	2.92	0.003	1.15	2.08	
	Unknown	0.55	-2.36	0.018	0.34	0.91	
Abnormal Chest XR		2.78	5.86	0.000	6.42	11.53	
Reinfection		0.40	-3.54	0.000	0.24	0.66	
Constant		0.08	-13.94	0.000	0.05	0.11	

*Table 1*

Vaccine Breakthrough	0.74	-1.48	0.139	0.50	1.10
Lung	1.48	2.14	0.032	1.03	2.11
Renal	1.80	3.02	0.002	1.23	2.63
Diabetes Mellitus	1.42	2.56	0.011	1.09	1.86
Hypertension	1.49	3.10	0.002	1.16	1.92
Morbid Obesity	1.57	2.11	0.035	1.03	2.39
Age	1.03	10.33	0.000	1.03	1.04

Table 2

Of the variables measured, those which significantly contributed to hospitalizations were shortness of breath, number of preexisting conditions or diagnoses, Age (divided by groups), Days since last vaccine dose or vaccination status, Gender, Race, Abnormal chest x-ray, and Reinfection status. Not all preexisting conditions had an impact on hospitalizations. Of the conditions tracked (conditions listed in NEDSS), the five (5) noted to be significant were chronic pulmonary disease (typically COPD), chronic kidney disease (CKD), diabetes mellitus (DM), hypertension (HTN), and obesity. As an individual may have multiple diagnoses, we first considered the variable as a tally of the number of underlying diagnoses. *Table 1* shows that with each additional diagnosis, a person is 1.5 times or 50% more likely to be hospitalized. *Table 2* shows the odds ratio (OR) for each individual comorbidity. A person with lung disease is 1.5 times more likely to be hospitalized than a person without. A person with renal disease is 1.8 times more likely to be hospitalized for COVID-19. A person with Diabetes is 1.4 times more likely to be hospitalized than without. A person with Hypertension is 1.5 times more likely to be hospitalized than someone without. A person who is morbidly obese is 1.57 times more likely to be hospitalized than a person who is not.

We can see in *Table 2* if Age is used as a continuous variable, then Age is certainly significant: with every one-year increase in age, a person's odds of being hospitalized are 1.03 times or 3% higher. Since risk increases as we age, it is more appropriate to break the ages up into relevant age groups as seen in *Table 1*. This is the most often-used group comparison of ages because it allows us to see the risks for pediatrics, young working adults, older working adults, and retired community. Using the age range of 19-35 as our reference group, a person who is 0-18 years old was 2 times less likely to be hospitalized. A person who is 36-64 years old is 2.5 times more likely to be hospitalized. A person who is 65+ is 5.5 times more likely to be hospitalized than a 19-35 year old.

It is logical to note that as a person ages, they will accrue more underlying health conditions. As this model is taking into account both variables, we can see when we adjust by the number of underlying health conditions, age itself is a greater risk factor than underlying health.

Shortness of breath was the only symptom that increased risk for hospitalization. A patient who experienced shortness of breath as a symptom was 6 times more likely to be hospitalized than someone who did not.

Our biggest variable of interest was whether vaccines helped prevent hospitalizations and whether immunity wanes over time. *Table 2* shows a person with at least two doses of the COVID-19 vaccine was 35% less likely to be hospitalized. *Table 1* shows if we instead compare days since last dose of vaccine to a baseline of not having a vaccine at all, a person who tested positive 0-90 days since receiving the first complete vaccine series is 1.81 times less likely to be hospitalized for COVID. A person who tests positive 90-180 days after receiving the first complete series had the best protection, reducing their chances of being hospitalized by 2.32 times. A person who tested positive 180-270 days after receiving the first complete series had a 2 times lower chance of being hospitalized. Finally, a person who received the first complete series more than 270 days before testing positive, had a 1.88 times reduction in odds of being hospitalized. Although our results are as expected, with 90-180 days offering the greatest protection statistically speaking, there is not necessarily a biological difference in time since last vaccine dose and date that a person tests positive. The vaccine makes a significant reduction in the chances of someone being hospitalized for COVID-19 regardless of days since

completing the first series. Most importantly, adjusting for age and underlying health conditions we are still left with a significant reduction in risk.

Gender had a slight impact with odds for males being hospitalized 1.23 times higher than females. This risk factor has previously been noted in literature<sup>2</sup>. We can hypothesize that this increased risk is the result of men having a higher likelihood of being diagnosed with pneumonia, which is a catalyst for increasing severity of COVID-19.

For race, white (non-Hispanic) was used as the reference group. A person of African American descent was 1.4 times more likely to be hospitalized. Hispanics were 1.55 times more likely to be hospitalized versus Whites. This is similar to results that were published based on hospital data in the greater Houston area<sup>3</sup> where the authors concluded that there were no racial and ethnic differences in care provision and hospital outcome. Higher susceptibility of racial and ethnic minorities to SARS-CoV-2 and subsequent hospitalization may be driven primarily by social determinants.

Our results demonstrated that an abnormal chest x-ray resulted in 2.7 times higher odds of being hospitalized. This is, of course, not surprising since an abnormal chest x-ray is indicative that the illness has progressed to pneumonia and will require closer monitoring.

Finally, we noted a 2.5 times reduction in odds of hospitalization if a person has previously had COVID-19. This could be due to two factors. One being that a previous infection with COVID-19 may provide some immunity and protection for future infections. The second being that severity of COVID-19 itself does decrease over time.

## Deaths

The results of the logistic regression model are shown in *Table 3* below:

Variable		Odds Ratio	z	P-value	95% CI	
Hospitalization	Not hospitalized	0.50	-3.11	0.002	0.33	0.77
	Admitted to ICU	8.91	10.01	0.000	5.81	13.68
	Intubated	92.02	17.98	0.000	56.20	150.67
Age Group	2 (36-64)	5.66	4.14	0.000	2.49	12.85
	3 (65+)	39.67	8.65	0.000	17.08	92.17
Gender		1.40	2.35	0.019	1.06	1.85
Days Since Last Dose	2 (90-180)	0.55	-1.87	0.062	0.29	1.03
	3 (180-270)	0.63	-1.64	0.100	0.37	1.1
	4 (270+)	0.52	-2.25	0.025	0.29	0.92
Chest X-Ray		2.34	5.56	0.000	1.74	3.17
Constant		0.0045	-12.01	0.000	0.002	0.01

*Table 3*

Vaccine Breakthrough	0.4572	-4.20	0.000	0.317	0.659
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*Table 4*

For deaths we considered the same variables as for hospitalizations with the addition of hospitalization status. Interestingly enough, pre-existing conditions did not significantly contribute to a person's risk of dying. Disease progression and age (65+ age group) were the greatest risk factors of death, and vaccination appeared to reduce the risk of dying. As disease severity progressed, we note an increase in risk. A person who was not hospitalized was half as likely to die as a person who was hospitalized. It is important to note here that this is not evidence of causality. If the illness progresses to the point of needing hospitalization, then it is understandable for that person to accrue more risk toward dying. Upon an individual's admission to the ICU, their risk increases nine (9) fold and if they require intubation, the risk of death is a whopping 92 times higher. This, again, does not imply that hospitalizations-ICU admission-intubation are causative of death, it is only indicative of mitigation strategies becoming less effective as severity increased. We again saw that men are 1.4 times more likely to die from COVID-19 than women. This result has been noted in other studies as well<sup>2</sup>. For vaccines, we considered both days since last dose and vaccination status. We can draw the same conclusion as we did for hospitalizations: regardless of when the vaccine was administered, the risk of dying is reduced by about half. A difference to note here is that our available data for vaccinated breakthrough deaths is rather low, which could be the cause of lower statistical significance than we would prefer. The way to remedy this is by considering overall vaccination status at time of death, which does appear to have a significant reduction in death. An abnormal chest x-ray would be an indicator if the disease had progressed to pneumonia and this progression increases the risk of dying by 2.3 times. We also noted that race was no longer statistically significant. This leads us to conclude that any differences in hospitalization may be due to social determinants and there is no difference in care provision and outcomes. This same result was confirmed by a study published in Houston<sup>3</sup>.

## **Conclusion**

Men have a slightly higher risk than women of having COVID-19 related complications such as pneumonia. While symptoms do not have a strong association with the severity of the disease, shortness of breath is the only one that stands out, which makes sense, since it is associated with pneumonia. For hospitalizations, we saw preexisting conditions, especially pulmonary disease, renal disease, diabetes mellitus, hypertension, and obesity increased a person's chance of requiring hospitalization. We also saw that Age is one of the greatest risk factors, especially for the 65+ age group. An abnormal chest x-ray, which is indicative of pneumonia, drastically increased the risk of requiring hospitalization. We also saw the Hispanic community being at higher risk of requiring hospitalization, which was concluded to be led by social determinants and not difference in care provision. We noted that having received the vaccine, regardless of how long it was before the person tested positive, reduced a person's chances of being hospitalized. In contrast to this, when looking at deaths we noted that Age was the single greatest risk factor for having a severe infection leading to death. Given race and pre-existing conditions were not determined to be significant risk factors leading to death, we can conclude that patients with these risk factors received treatments during hospitalization that resulted in reducing chances of death. Ideally, we wish our data had included tracking of treatments received by patients in the hospital setting so that we could further investigate what strategies were most effective at preventing death.

## References:

1. Hosmer, David and Lemeshow, Stanley. *Applied Logistic Regression*. Second Edition. New York, Wiley Series in Probability and Statistics. 2000.
2. <https://pubmed.ncbi.nlm.nih.gov/34242273/#:~:text=Compared%20to%20females%2C%20males%20with,9.5%20%C2%B1%2012.5%20days%20vs.>  
Nguyen NT, Chinn J, De Ferrante M, Kirby KA, Hohmann SF, Amin A. Male gender is a predictor of higher mortality in hospitalized adults with COVID-19. *PLoS One*. 2021 Jul 9;16(7):e0254066. doi: 10.1371/journal.pone.0254066. PMID: 34242273; PMCID: PMC8270145
3. <https://bmcpublichealth.biomedcentral.com/articles/10.1186/s12889-021-11431-2#citeas>  
Pan, A.P., Khan, O., Meeks, J.R. *et al.* Disparities in COVID-19 hospitalizations and mortality among black and Hispanic patients: cross-sectional analysis from the greater Houston metropolitan area. *BMC Public Health* **21**, 1330 (2021). <https://doi.org/10.1186/s12889-021-11431-2>

## Community Outreach

### February 2024

- Community Outreach Specialist began the approved DSHS-certified Community Health Worker certification course through Texas A&M University School of Public Health. Graduation is April 29, 2024.
- Attended and participated in MCPHD presentation to Dr. Ferry and Lone Star Family Health Center's first and second year medical residents. Outreach Specialist spoke about her role at MCPHD and introduced them to the MCPHD Community Resource Guide.
- Attended and participated in the monthly Behavioral Health and Suicide Prevention Resources and Implementation Workgroup.
- Attended and participated in the monthly Behavioral Health and Suicide Prevention meeting lead by Judge Wayne Mack. The twelve (12) workgroups provided updates and status reports. Fifty-three (53) community partners attended this event.
- Attended Family and Community Coalition of East Texas Health and Wellness Event for the community of East Montgomery County. Distributed educational packets in English and Spanish which included MCPHD public health clinic and immunization services, MCPHD Community Resource Guide, influenza, COVID-19, RSV material and emergency preparedness. This event reached 130 families and 496 individuals.
- MCPHD hosted community education, United Against Human Trafficking Training 101. Twelve (12) community members learned to identify and advocate for victims of human trafficking.
- Attended United Way of Montgomery County MCCARES Community Assistance Recovery Efforts and Services with fifteen (15) community partners. Learned about the three-year plan, objectives, and key results of the Greater Houston Disaster Alliance.
- Attended Hope Rising Conference with three hundred (300) individuals from non-profits, mental health organizations and coalitions.
- Attended United Way Interagency Quarterly Meeting. Learned about remarkable messaging and provided an overview of MCPHD services to thirty (30) community partner organizations. Distributed



the MCPHD Community Resource Guide in English and Spanish and upcoming MCPHD Health Summit flyer to organizations in attendance for them to share with their clients.

- MCPHD hosted community education, the Autism Society of Texas Accessible Vaccination Training by the Autism Society Texas. Fourteen (14) MCPHD staff and community members attended this training.

### **March 2024**

- Attended Conroe ISD YOUniversity and staffed the MCPHD health education table. Distributed English and Spanish educational material on influenza, COVID-19, RSV, MCPHD clinic services and MCPHD Community Resource Guide. Provided flu coloring books, crayons and vaccine record books. Reached two hundred and fifty (250) families, seven hundred and fifty (750) individuals, and sixty (60) Conroe ISD staff.
- Attended and participated in quarterly meeting with partner Houston Methodist Neal Cancer Center Community Advisory Council (HMNC-CAC). MCPHD is collaborating with HMNC-CAC to promote Project 80%, prostate awareness and screening, and the Susan G. Komen H.E.R., Health Equity Revolution, breast cancer screening initiative.
- Attended Montgomery ISD Employee Health and Wellness Fair. Setup and staffed the MCPHD table. Provided educational material to three hundred and fifty (350) teachers and networked with thirty-three (33) community partners.
- Hosted MCPHD Health Summit at Compassion United. In collaboration with thirteen (13) community organizations, which provided health clinic services, mental health resources, hearing and vision screenings, free reading glasses, veteran resources, rent, utility, food and clothing assistance; children's books, bounce house, games and prizes for children. This event reached one hundred and twenty-five (125) individuals.
- Attended Family and Community Coalition of East Texas monthly meeting. Distributed health education material and the updated MCPHD Community Resource Guide that includes QR codes to our website and survey to twenty-nine (29) community partners and organizations.
- Attended and participated in monthly Behavioral Health and Suicide Prevention Implementation and Resources workgroup.
- Attended Behavioral Health and Suicide Prevention meeting lead by Judge Wayne Mack. The twelve (12) workgroups provide progress and status reports. Thirty four (34) community partners were in attendance.
- Attended and participated in monthly food distribution at Tall Timbers Apartment Complex in partnership with Compassion United-Terry's Table Food Pantry. Placed MCPHD educational material packets in grocery boxes. Went door to door to deliver the boxes to forty-five (45) families reaching one hundred and thirty-five (135) people.
- Attended MCPHD Quarterly Infection Control Practitioners Meeting. Provided health educational material and MCPHD Community Resource Guide to those in attendance, which can be distributed to health care providers, social workers and others, allowing a wide distribution to reach the local community.

### **April 2024**

- In partnership with Communities in Schools of East Texas hosted Moorhead Jr. High Health Fair. Staff MCPHD table top with health education material, clinic services, vaccine record books, list of mobile

food markets, poison control literature, mammogram and colon cancer screening information.

Reached sixty (60) families one hundred and eighty (180) individuals.

- Attended Family and Community Coalition of East Texas monthly meeting. Gave an overview of the services MCPHD provides. Distributed clinic services and health education material, mammogram and colon cancer screening information to fifty (50) community organizations.
- Attended Healthy Kids Festival at Travis Intermediate School hosted by Interfaith Community Clinic. Staff MCPHD table top. Distributed English and Spanish material on Flu, RSV, Measles, hand washing, clinic services and community resource guide, vaccine record books and Flu coloring books. Reached one hundred and twenty five (125) families, six hundred and twenty five (625) people.
- Attended DSHS Community Conversations on Health Disparities grant Partner Sharing Session. Hays County Health Department provided an overview of the staff and program development they have accomplished with the Health Disparities Grant.
- Attend and participate in Family and Community Coalition of East Texas (FCCET) Child Abuse Prevention Event. Staff MCPHD table top event. Distributed English and Spanish educational material on influenza, RSV, measles, hand washing, MCPHD clinic services, MCPHD Community Resource Guide; vaccine record books, poison control coloring books and crayons for children.
- Attend and participate in monthly food distribution at Tall Timbers Apartment Complex in partnership with Compassion United-Terry's Table Food Pantry. MCPHD health educational material packets placed in in grocery boxes and go door to door for delivery.

#### **Public Health Emergency Preparedness Program:**

Feb 2024 – April 2024

- **Preparedness Coordinator participated:**
  - **Monthly Public Health Emergency Preparedness Collaborative (PHEP-C) meeting**
    - Monthly Regional PHEP-C meetings
    - Public Health Emergency Preparedness Connects Webinar
    - DSHS PHEP Monthly Office Hour
  - **Monthly Strategic National Stockpile (SNS) Group meetings**
    - Medical Countermeasures (MCM) Planning Workgroup Meetings
    - Medical Countermeasure Dispensing
      - New POD model update
    - SNS Stockpile Monthly Office Hours Session
  - **Regional Training, Exercises, Meetings and Conferences**
    - Attended Preparedness Summit
      - Theme: Public Health, Healthcare, and Emergency Management
    - MGT 346 Emergency Operation Center O&P All-Hazards Event Training

- CPR-BLS Heart Saver Training
  - Health & Safety Defensive Driving Course
  - Autism Society of Texas Accessible Healthcare Training
  - MOCO Forensics information Tour
  - Memorial Hermann Trauma Prevention Activity
  - SETRAC West Corridor HPP PHEP Hurricane Tabletop Exercise
  - Neurodiversity Mental Health Training
  - CDC's Preparedness & Response regarding highly pathogenic avian influenza
- **Texas Division of Emergency Management / MC Office of Emergency Management**
    - Participated in Situational Awareness Weather Call/Webinar for Potential Severe Weather Affecting the State of Texas
- **Grant Deliverables**
    - Monthly Regional CMOC Radio Checks
    - Monthly Regional Public Health Radio Checks
    - Submitted Integrated Preparedness Plan (IPP)
    - Submitted PHEP FY 23 Mid-Year Report

**Montgomery County Public Health District**  
**Financial Dashboard for**  
 (dollars expressed in 000's)

**March 2024**

	Mar 2024	Mar 2023	Var	Var %
Cash and Investments	3,048	3,505	(457)	-13.0%

Legend	
Green	Favorable Variance
Red	Unfavorable Variance

Income Statement	March 2024				Year to Date			
	Act	Bud	Var	Var %	Act	Bud	Var	Var %
Revenue								
Grant Revenue	103	110	(7)	-6.2%	604	672	(68)	-10.1%
Other Revenue	14	15	(1)	-4.8%	85	89	(4)	-4.5%
Total Revenue	117	125	(8)	-6.0%	689	761	(72)	-9.4%
Expenses								
Payroll	125	131	(7)	-5.2%	720	810	(89)	-11.0%
Operating	28	33	(5)	-14.6%	159	250	(92)	-36.6%
Total Operating Expenses	153	164	(12)	-7.1%	879	1,060	(181)	-17.1%
Capital	0	0	0	0.0%	0	0	0	0.0%
Total Expenditures	153	164	(12)	-7.1%	879	1,060	(181)	-17.1%
Revenue Over / (Under) Expenses	(35)	(39)	4	10.4%	(190)	(299)	109	36.6%

Cash and Investments as of March 2024 are \$457k or 13.0% less than one year ago. The decrease is primarily due to expenses exceeding revenues after the termination of the 1115 Waiver.

Revenue: Year-to-date, Grant revenue is less than expected mainly due to grant expenses being less than budgeted.

Payroll: Year-to-date, overall payroll expenses are \$89k less than budgeted. This is primarily due to open positions, expenses being less than expected, and timing differences.

Operating Expense: Year-to-date, Operating Expenses are \$92k less than budget. In some cases, expenses have been less than expected, while in other cases, there have been timing differences between the actual expenses and when they were budgeted.

# Montgomery County Public Health District Balance Sheet

As of 03/31/2024

		<u>Fund 22 03/31/2024</u>
<b>ASSETS</b>		
Cash and Equivalents		
22-000-10400	Petty Cash-PHP-BS	\$100.00
22-000-11510	MCPHD Operating Account - WF-BS	\$3,047,770.96
Total Cash and Equivalents		<u>\$3,047,870.96</u>
Receivables		
22-000-14300	A/R-Other-BS	\$7,500.00
22-000-14400	A/R-Grant Revenue-BS	\$151,344.66
22-000-14550	Receivable from Primary Government-BS	(\$142,566.25)
Total Receivables		<u>\$16,278.41</u>
Other Assets		
22-000-14900	Prepaid Expenses-BS	\$395.00
Total Other Assets		<u>\$395.00</u>
<b>TOTAL ASSETS</b>		<b><u>\$3,064,544.37</u></b>
<b>LIABILITIES</b>		
Current Liabilities		
22-000-20500	Accounts Payable-BS	\$781.49
22-000-21400	Accrued Payroll-BS	\$19,364.45
Total Current Liabilities		<u>\$20,145.94</u>
Deferred Liabilities		
22-000-23200	Deferred Revenue-BS	\$1,504.42
Total Deferred Liabilities		<u>\$1,504.42</u>
TOTAL LIABILITIES		<u>\$21,650.36</u>
<b>CAPITAL</b>		
22-000-30225	Assigned - Open Purchase Orders-BS	\$48,390.48
22-000-30700	Nonspendable - Prepaids-BS	\$395.00
22-000-30802	Restricted - NACCHO Grant Funds Remaining-BS	\$1,504.42
22-000-39050	Unassigned Fund Balance-MCPHD-BS	\$2,992,604.11
TOTAL CAPITAL		<u>\$3,042,894.01</u>
<b>TOTAL LIABILITIES AND CAPITAL</b>		<b><u>\$3,064,544.37</u></b>

# Montgomery County Public Health District - Income Statement

For the Period Ended 03/31/2024

	Current Month Actual	Current Month Budget	Current Month Variance	YTD Actual	YTD Budget	YTD Variance	Total Annual Budget	%YTD Annual Budget	Annual Budget Remaining
<b>Revenue</b>									
Other Revenue									
Miscellaneous Income	\$7,500.00	\$7,518.00	(\$18.00)	\$45,000.00	\$45,108.00	(\$108.00)	\$90,216.00	49.88%	\$45,216.00
Proceeds from Grant Funding	\$103,357.66	\$110,165.00	(\$6,807.34)	\$604,210.48	\$671,974.00	(\$67,763.52)	\$1,357,595.00	44.51%	\$753,384.52
Immunization Fees	\$2,040.10	\$2,500.00	(\$459.90)	\$13,735.81	\$15,000.00	(\$1,264.19)	\$30,000.00	45.79%	\$16,264.19
Employee Medical Premiums	\$4,318.90	\$4,494.00	(\$175.10)	\$26,548.67	\$29,183.00	(\$2,634.33)	\$53,718.00	49.42%	\$27,169.33
Total Other Revenue	<u>\$117,216.66</u>	<u>\$124,677.00</u>	<u>(\$7,460.34)</u>	<u>\$689,494.96</u>	<u>\$761,265.00</u>	<u>(\$71,770.04)</u>	<u>\$1,531,529.00</u>	<u>45.02%</u>	<u>\$842,034.04</u>
<b>Total Revenues</b>	<b><u>\$117,216.66</u></b>	<b><u>\$124,677.00</u></b>	<b><u>(\$7,460.34)</u></b>	<b><u>\$689,494.96</u></b>	<b><u>\$761,265.00</u></b>	<b><u>(\$71,770.04)</u></b>	<b><u>\$1,531,529.00</u></b>	<b><u>45.02%</u></b>	<b><u>\$842,034.04</u></b>
<b>Expenses</b>									
Payroll Expenses									
Regular Pay	\$78,419.60	\$78,490.00	(\$70.40)	\$416,851.38	\$467,074.00	(\$50,222.62)	\$892,752.00	46.69%	\$475,900.62
Overtime Pay	\$187.33	\$790.00	(\$602.67)	\$848.99	\$3,444.00	(\$2,595.01)	\$5,516.00	15.39%	\$4,667.01
Paid Time Off	\$5,353.71	\$9,517.00	(\$4,163.29)	\$68,440.18	\$65,333.00	\$3,107.18	\$118,870.00	57.58%	\$50,429.82
Stipend Pay	\$0.00	\$0.00	\$0.00	\$12,000.00	\$10,000.00	\$2,000.00	\$30,000.00	40.00%	\$18,000.00
Payroll Taxes	\$5,994.31	\$6,520.00	(\$525.69)	\$35,600.69	\$39,464.00	(\$3,863.31)	\$74,798.00	47.60%	\$39,197.31
TCDRS Plan	\$7,976.27	\$8,370.00	(\$393.73)	\$47,782.34	\$51,016.00	(\$3,233.66)	\$96,384.00	49.58%	\$48,601.66
Health & Dental	\$2,297.28	\$2,440.00	(\$142.72)	\$17,366.38	\$23,029.00	(\$5,662.62)	\$35,392.00	49.07%	\$18,025.62
Health Insurance Claims	\$22,179.10	\$21,846.00	\$333.10	\$114,620.52	\$131,364.00	(\$16,743.48)	\$241,987.00	47.37%	\$127,366.48
Health Insurance Admin Fees	\$2,091.45	\$3,277.00	(\$1,185.55)	\$6,885.08	\$19,110.00	(\$12,224.92)	\$34,651.00	19.87%	\$27,765.92
Total Payroll Expenses	<u>\$124,499.05</u>	<u>\$131,250.00</u>	<u>(\$6,750.95)</u>	<u>\$720,395.56</u>	<u>\$809,834.00</u>	<u>(\$89,438.44)</u>	<u>\$1,530,350.00</u>	<u>47.07%</u>	<u>\$809,954.44</u>
Operating Expenses									
Unemployment Expense	\$0.00	\$180.00	(\$180.00)	\$0.00	\$1,080.00	(\$1,080.00)	\$2,160.00	0.00%	\$2,160.00
Accounting/Auditing Fees	\$0.00	\$0.00	\$0.00	\$3,000.00	\$54,500.00	(\$51,500.00)	\$54,500.00	5.50%	\$51,500.00
Credit Card Processing Fee	\$58.76	\$69.00	(\$10.24)	\$310.91	\$414.00	(\$103.09)	\$828.00	37.55%	\$517.09
Community Preparedness Supplies	\$0.00	\$0.00	\$0.00	\$1,779.92	\$2,550.00	(\$770.08)	\$105,354.00	1.69%	\$103,574.08
Computer Software	\$763.62	\$800.00	(\$36.38)	\$5,898.19	\$6,260.00	(\$361.81)	\$11,495.00	51.31%	\$5,596.81
Computer Supplies/Non-Cap.	\$0.00	\$0.00	\$0.00	\$3,193.35	\$8,766.00	(\$5,572.65)	\$23,466.00	13.61%	\$20,272.65
Conferences - Fees, Travel, & Meals	\$3,421.10	\$0.00	\$3,421.10	\$7,379.42	\$8,825.00	(\$1,445.58)	\$15,475.00	47.69%	\$8,095.58

# Montgomery County Public Health District - Income Statement

For the Period Ended 03/31/2024

	Current Month Actual	Current Month Budget	Current Month Variance	YTD Actual	YTD Budget	YTD Variance	Total Annual Budget	%YTD Annual Budget	Annual Budget Remaining
Contractual Obligations- Other	\$2,000.00	\$2,002.00	(\$2.00)	\$12,002.00	\$12,012.00	(\$10.00)	\$18,519.00	64.81%	\$6,517.00
Disposable Medical Supplies	\$0.00	\$375.00	(\$375.00)	\$1,655.09	\$2,324.00	(\$668.91)	\$9,649.00	17.15%	\$7,993.91
Dues/Subscriptions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,925.00	0.00%	\$2,925.00
Durable Medical Equipment	\$0.00	\$0.00	\$0.00	\$375.00	\$400.00	(\$25.00)	\$970.00	38.66%	\$595.00
Employee Recognition	\$0.00	\$0.00	\$0.00	\$0.00	\$1,275.00	(\$1,275.00)	\$1,275.00	0.00%	\$1,275.00
Fuel - Auto	\$0.00	\$0.00	\$0.00	\$52.69	\$160.00	(\$107.31)	\$320.00	16.47%	\$267.31
Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,736.00	0.00%	\$8,736.00
Legal Fees	\$922.50	\$1,250.00	(\$327.50)	\$2,362.50	\$7,500.00	(\$5,137.50)	\$15,000.00	15.75%	\$12,637.50
Management Fees	\$8,333.33	\$9,361.00	(\$1,027.67)	\$49,999.98	\$54,702.00	(\$4,702.02)	\$99,603.00	50.20%	\$49,603.02
Meeting Expenses	\$0.00	\$40.00	(\$40.00)	\$42.86	\$80.00	(\$37.14)	\$160.00	26.79%	\$117.14
Mileage Reimbursements	\$109.20	\$865.00	(\$755.80)	\$781.94	\$2,460.00	(\$1,678.06)	\$4,912.00	15.92%	\$4,130.06
Office Supplies	\$0.00	\$1,980.00	(\$1,980.00)	\$2,358.31	\$6,487.00	(\$4,128.69)	\$13,637.00	17.29%	\$11,278.69
Printing Services	\$819.47	\$250.00	\$569.47	\$2,047.33	\$5,550.00	(\$3,502.67)	\$11,600.00	17.65%	\$9,552.67
Rent	\$9,298.42	\$9,298.00	\$0.42	\$55,790.52	\$55,788.00	\$2.52	\$101,566.00	54.93%	\$45,775.48
Small Equipment & Furniture	\$1,354.36	\$4,500.00	(\$3,145.64)	\$2,649.92	\$8,325.00	(\$5,675.08)	\$40,041.00	6.62%	\$37,391.08
Telephones-Cellular	\$824.55	\$873.00	(\$48.45)	\$4,827.06	\$5,446.00	(\$618.94)	\$9,743.00	49.54%	\$4,915.94
Training/Related Expenses-CE	\$0.00	\$769.00	(\$769.00)	\$637.54	\$3,938.00	(\$3,300.46)	\$15,945.00	4.00%	\$15,307.46
Travel Expenses	\$0.00	\$0.00	\$0.00	\$470.37	\$0.00	\$470.37	\$5,000.00	9.41%	\$4,529.63
Uniforms	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,999.00	0.00%	\$2,999.00
Worker's Compensation Insurance	\$107.69	\$173.00	(\$65.31)	\$1,006.20	\$1,405.00	(\$398.80)	\$2,265.00	44.42%	\$1,258.80
Total Operating Expenses	<u>\$28,013.00</u>	<u>\$32,785.00</u>	<u>(\$4,772.00)</u>	<u>\$158,621.10</u>	<u>\$250,247.00</u>	<u>(\$91,625.90)</u>	<u>\$578,143.00</u>	<u>27.44%</u>	<u>\$419,521.90</u>
Capital Expenditures									
Capital Purchase - Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,500.00	0.00%	\$6,500.00
Total Capital Expenditures	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$6,500.00</u>	<u>0.00%</u>	<u>\$6,500.00</u>
<b>Total Expenses</b>	<b><u>\$152,512.05</u></b>	<b><u>\$164,035.00</u></b>	<b><u>(\$11,522.95)</u></b>	<b><u>\$879,016.66</u></b>	<b><u>\$1,060,081.00</u></b>	<b><u>(\$181,064.34)</u></b>	<b><u>\$2,114,993.00</u></b>	<b><u>41.56%</u></b>	<b><u>\$1,235,976.34</u></b>
Revenue over Expeditures	<u>(\$35,295.39)</u>	<u>(\$39,358.00)</u>	<u>\$4,062.61</u>	<u>(\$189,521.70)</u>	<u>(\$298,816.00)</u>	<u>\$109,294.30</u>	<u>(\$583,464.00)</u>	<u>32.48%</u>	<u>(\$393,942.30)</u>

# Montgomery County Hospital District

Annual Financial Report

Year Ended September 30, 2023



**Montgomery County Hospital District**  
 Annual Financial Report  
 For the Fiscal Year Ended September 30, 2023  
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# **Financial Section**

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## Independent Auditor's Report

To the Board of Directors of  
Montgomery County Hospital District  
1400 South Loop 336 West  
Conroe, Texas 77304

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the discretely presented component unit, and the major fund of Montgomery County Hospital District (the District), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and the major fund of the District, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

The Board of Directors of  
Montgomery County Hospital District

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

The Board of Directors of  
Montgomery County Hospital District

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 District's internal control over financial reporting and compliance.

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

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas  
March 7, 2024

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## Management's Discussion and Analysis (Unaudited)

This discussion and analysis provides readers of the financial statements of Montgomery County Hospital District, (the District), with a narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2023. This discussion should be read in conjunction with the basic financial statements and the notes to the financial statements. This discussion and analysis includes comparative data for the prior year.

### Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at September 30, 2023 by \$97,668,912 (net position).
- The revenues for the District's government-wide activities were \$72,285,975, while expenses were \$65,684,221, resulting in an increase in total net position of \$6,601,754 from current year operations.
- The District's governmental fund reported an ending fund balance at September 30, 2023 of \$55,795,219, an increase of \$6,061,270 from the prior year. Approximately 60% of the ending balance, \$33,133,939, is unassigned.
- At year-end, the unassigned General Fund balance was 49% of total General Fund expenditures.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements 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 required supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements*, which include the Statement of Net Position and the Statement of Activities, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. 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 or services are received, regardless of the timing of cash being received or paid.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. The Governmental Accounting Standards Board (GASB) believes that, over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the fiscal year. 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 tenant rent, fees and program charges for services) 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 activities of the District include administration, healthcare assistance, emergency medical services, radio, facilities, and information technology, public health and emergency preparedness, and interest and fiscal charges.

The government-wide financial operations (*governmental activities*) of the District are principally supported by taxes and net emergency medical services.

The government-wide financial statements can be found in the basic financial statements section.

**Fund Financial Statements.** 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. The District, 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 District are presented in its governmental fund.

**Governmental Fund.** A *governmental fund* is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government-wide financial statements are reported using full accrual accounting while governmental fund financial statements report only inflows and outflows of expendable resources, as well as balances of available resources at the end of the fiscal year. Governmental fund financial statements report revenue when earned, provided it is collectible within the reporting period or soon enough afterward to pay liabilities of the current period. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, 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 may better understand the long-term impact of the government's near-term financing decisions. To assist the reader, a comparison between the two bases of accounting is provided. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The District maintained one governmental fund, the General Fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund which is considered to be the major fund.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the General fund. The budgetary comparison can be used to demonstrate compliance with the budget in its original and final forms.

**Notes to Financial Statements.** The Notes to 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.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information comprised of a comparison between the District's General Fund final budget and actual results, schedule of changes in the net pension liability (assets) and related ratios and schedule of District contributions to Texas County and District Retirement System (TCDRS), which are in the section titled "Required Supplementary Information".

## Government-wide Financial Analysis

As noted earlier, the GASB believes net position may, over time, serve as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$97,668,912 at September 30, 2023, as shown in the table that follows.

### Montgomery County Hospital District's Net Position

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 64,181,452	64	\$ 64,854,661	64	\$ (673,209)	(1)
Capital assets	35,766,890	36	36,208,909	36	(442,019)	(1)
Total assets	99,948,342	100	101,063,570	100	(1,115,228)	
Total deferred outflows of resources	8,723,717	100	9,539,084	100	(815,367)	(9)
Other liabilities	3,203,335	38	5,540,125	54	(2,336,790)	(42)
Long-term liabilities	5,323,192	62	4,714,195	46	608,997	13
Total liabilities	8,526,527	100	10,254,320	100	(1,727,793)	
Total deferred inflows of resources	2,476,620	100	9,281,176	100	(6,804,556)	(73)
Net position:						
Net investment in capital assets	34,799,000	36	33,396,388	37	1,402,612	4
Unrestricted	62,869,912	64	57,670,770	63	5,199,142	9
<b>Total net position</b>	<b>\$ 97,668,912</b>	<b>100</b>	<b>\$ 91,067,158</b>	<b>100</b>	<b>\$ 6,601,754</b>	

The District's total assets of \$99,948,342 are largely comprised of capital assets net of accumulated depreciation and amortization of \$35,766,890, or 36% of total assets. Capital assets are non-liquid assets and cannot be used to satisfy the District's obligations.

Long-term liabilities of \$5,323,192 or 62% of total liabilities, largely increased from prior fiscal year due to lease additions during the year. A more in-depth description of long-term liabilities can be found in Note 8 in the notes to the financial statements.

The District's net investment in capital assets, \$34,799,000 or 36% of total net position, represents capital assets net of related debt. It should be noted that the resources needed to repay this debt, if any, must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The \$62,869,912, or 64%, of unrestricted net position represents resources available to fund the programs of the District's next fiscal year.

The District's governmental activities increased net position by \$6,601,754. Key components of this increase are as follows:

**Montgomery County Hospital District's Changes in Net Position**

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues:						
Program revenues:						
Charges for services:						
Administration	\$ 249,872	-	\$ 247,210	-	\$ 2,662	1
Healthcare assistance	-	-	338	-	(338)	(100)
Emergency medical services, net	24,410,375	34	20,011,783	32	4,398,592	22
Radio, facilities, and information technology	837,787	1	862,306	1	(24,519)	(3)
Operating grants and contributions:						
Emergency medical services, net	1,257,582	2	1,605,023	3	(347,441)	(22)
Public health emergency preparedness	-	-	13,960	-	(13,960)	(100)
General revenues:						
Property taxes	41,931,470	58	38,497,203	61	3,434,267	9
Grants and contributions not restricted to a specific program	826,826	1	780,843	1	45,983	6
Investment earnings	2,343,897	3	366,703	1	1,977,194	539
Miscellaneous	428,166	1	358,045	1	70,121	20
<b>Total revenues</b>	<b>72,285,975</b>	<b>100</b>	<b>62,743,414</b>	<b>100</b>	<b>9,542,561</b>	
Expenses						
Administration	11,447,628	17	9,768,843	16	1,678,785	17
Healthcare assistance	5,419,969	8	5,465,108	9	(45,139)	(1)
Emergency medical services	40,188,526	62	36,619,546	61	3,568,980	10
Radio, facilities, and information technology	8,393,067	13	8,276,295	14	116,772	1
Public health and emergency preparedness	157,752	-	183,981	-	(26,229)	(14)
Interest and fiscal charges	77,279	-	45,185	-	32,094	71
<b>Total expenses</b>	<b>65,684,221</b>	<b>100</b>	<b>60,358,958</b>	<b>100</b>	<b>5,325,263</b>	
Change in net position	6,601,754		2,384,456		4,217,298	
Net position - beginning	91,067,158		88,682,702		2,384,456	
<b>Net position - ending</b>	<b>\$ 97,668,912</b>		<b>\$ 91,067,158</b>		<b>\$ 6,601,754</b>	

The District's total revenues of \$72,285,975 were all from governmental activities. Property tax revenue accounts for \$41,931,470, or 58%, and net emergency medical services revenue accounts for \$25,667,957, or 36% of total government-wide revenues. Total revenues increased \$9,542,561 over the prior year, primarily due to a increase in EMS charges and property tax revenues.

Total expenses for the year ended September 30, 2023 totaled \$65,684,221. Administration accounted for \$11,447,628 or 17%, healthcare assistance accounted for \$5,419,969 or 8%, emergency medical services accounted for \$40,188,526, or 62%, and radio, facilities, and information technology accounted for \$8,393,067, or 13% of total government-wide expenses.

### **Governmental Fund Financial Analysis**

The District uses fund accounting to ensure and demonstrate compliance with legal requirements.

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the District's operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$33,133,939 and total fund balance was \$55,795,219. As a measure of the general fund's liquidity, it may be useful to compare unassigned and total fund balance to total fund expenditures. Unassigned and total fund balance represents 49% and 83% of total general fund expenditures, respectively. The fund balance of the District's general fund increased by \$6,061,270 during the current fiscal year. Increase in property tax base and EMS charges were the primary reason for the increase in fund balance.

### **General Fund Budgetary Highlights**

The District's budget is prepared on a modified accrual basis.

Capital outlay decreased \$1.6 million from the original budget. This due to moving budgeted purchases to the next fiscal year.

Instances in which actual expenditures exceeded the final budget are disclosed in the notes to the required supplementary information.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

The District's investment in capital assets for its governmental activities as of September 30, 2023 amounts to \$35,766,890 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, construction in progress, buildings and site improvements, equipment, vehicles, communication systems, and right-to-use assets.

Major capital asset additions during the year included the following:

- Construction in progress additions in the amount of \$1,358,134
- Vehicle additions in the amount of \$934,854

**Montgomery County Hospital District's Capital Assets**  
(net of depreciation and amortization)

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land and improvements	\$ 3,438,459	10	\$ 2,899,759	8	\$ 538,700	19
Construction in progress	1,830,490	5	1,171,842	3	658,648	56
Buildings and site improvements	20,007,383	56	20,603,131	58	(595,748)	(3)
Equipment	1,424,410	4	1,870,349	5	(445,939)	(24)
Vehicles	2,248,890	6	2,158,758	6	90,132	4
Communication system	3,736,161	10	4,789,760	13	(1,053,599)	(22)
Right-to-use lease assets	2,771,786	8	2,715,310	7	56,476	2
Right-to-use subscription assets*	309,311	1	-	-	309,311	100
<b>Totals</b>	<b>\$ 35,766,890</b>	<b>100</b>	<b>\$ 36,208,909</b>	<b>100</b>	<b>\$ (442,019)</b>	

\*Right-to-use subscription assets were restated as of October 1, 2022. See Note 7.

Additional information on the District's capital assets can be found in Note 7 of this report.

**Long-term Liabilities**

At September 30, 2023, the District had total outstanding long-term liabilities in the amount of \$5,323,192, which was related to leases payable, subscription liability, compensated absences, and healthcare claims. The following table summarizes the District's long-term liabilities.

**Montgomery County Hospital District's Outstanding Long-term Liabilities**

	Governmental Activities					
	2023		2022		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Leases payable	\$ 2,916,942	55	\$ 2,812,521	60	\$ 104,421	4
Subscription liability*	318,684	6	-	-	318,684	100
Compensated absences	1,652,553	31	1,660,054	35	(7,501)	-
Healthcare claims	435,013	8	241,620	5	193,393	80
<b>Total</b>	<b>\$ 5,323,192</b>	<b>100</b>	<b>\$ 4,714,195</b>	<b>100</b>	<b>\$ 608,997</b>	

\*Subscription liability was restated as of October 1, 2022. See Note 8.

The District's total long-term liabilities increased by \$608,997 during the 2023 fiscal year, due to increases in lease payables and healthcare claims and the addition of subscription liability to conform to GASB 96. Additional information on the District's long-term liabilities can be found in Note 8 of this report.

### **Discretely Presented Component Unit**

The Montgomery County Public Health District (MCPHD) is legally separate from the District and is reported as a discretely presented component unit. The MCPHD has assigned or contracted with the District to administer all programs, services, and administrative needs of the MCPHD. The MCPHD is reported in a separate column in the government-wide financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

- District staff totals 409 employees, 260 of which are EMS first responders.
- The unemployment rate for Montgomery County is currently 4.1%, which is a decrease from the rate of 4.2%.
- The population of Montgomery County at September 30, 2023 is approximately 700,000.
- A maintenance and operations tax rate of \$.0498 was adopted for the 2023-2024 fiscal year.

The District's budgeted fund balance for the 2024 fiscal year is expected to decrease by approximately \$4,386,666.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those who are interested in the government's financial status. Questions concerning any of the information provided in this report or requests for addition financial information should be addressed to the Montgomery County Hospital District, P.O. Box 478, Conroe, Texas 77305.

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# **Basic Financial Statements**

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# Montgomery County Hospital District

## Statement of Net Position

September 30, 2023

## Exhibit A-1

	<b>Primary Governmental Activities</b>	<b>Component Unit MCPHD</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 13,903,933	\$ 3,198,948
Investments	34,553,981	-
Receivables, net	12,209,336	7,500
Intergovernmental receivables	-	209,870
Due from component unit	128,461	-
Inventories	1,177,341	-
Prepaid items	284,079	1,596
Net pension asset	1,924,321	-
Capital assets, non-depreciable:		
Land and improvements	3,438,459	-
Construction in progress	1,830,490	-
Capital assets, net of accumulated depreciation and amortization:		
Buildings and site improvements	20,007,383	-
Equipment	1,424,410	-
Vehicles	2,248,890	-
Communication system	3,736,161	-
Right-to-use lease assets	2,771,786	-
Right-to-use subscription asset	309,311	-
Total capital assets	<u>35,766,890</u>	<u>-</u>
Total assets	99,948,342	3,417,914
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources for pensions	8,723,717	-
Total deferred outflows of resources	<u>8,723,717</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	3,184,197	55,532
Accrued interest	19,138	-
Unearned revenues	-	1,504
Due to primary government	-	128,461
Noncurrent liabilities:		
Due within one year:		
Leases payable	649,206	-
Subscription liability	100,241	-
Compensated absences	1,652,553	-
Healthcare claims	435,013	18,329
Due in more than one year:		
Leases payable	2,267,736	-
Subscription liability	218,443	-
Total liabilities	<u>8,526,527</u>	<u>203,826</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources for pensions	392,191	-
Deferred inflows of resources for leases	2,084,429	-
Total deferred inflows of resources	<u>2,476,620</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	34,799,000	-
Unrestricted	<u>62,869,912</u>	<u>3,214,088</u>
<b>TOTAL NET POSITION</b>	<u>\$ 97,668,912</u>	<u>\$ 3,214,088</u>

The Notes to Financial Statements are an integral part of this statement.

# Montgomery County Hospital District

## Statement of Activities

Year Ended September 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>PRIMARY GOVERNMENT</b>			
Governmental activities:			
Administration	\$ 11,447,628	\$ 249,872	\$ -
Healthcare assistance	5,419,969	-	-
Emergency medical services	40,188,526	24,410,375	1,257,582
Radio, facilities, and information technology	8,393,067	837,787	-
Public health and emergency preparedness	157,752	-	-
Interest and fiscal charges	77,279	-	-
Total governmental activities	65,684,221	25,498,034	1,257,582
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 65,684,221</b>	<b>\$ 25,498,034</b>	<b>\$ 1,257,582</b>
<b>COMPONENT UNIT</b>			
Montgomery County Public Health District	\$ 1,707,948	\$ 28,277	\$ 1,139,124

### General revenues

Property taxes

Grants and contributions not restricted to a specific program

Investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position - beginning

**NET POSITION - ENDING**

The Notes to Financial Statements are an integral part of this statement.

<b>Net (Expense) Revenue and Changes in Net Position</b>		<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Total</b>	<b>MCPHD</b>
\$ (11,197,756)	\$ (11,197,756)	
(5,419,969)	(5,419,969)	
(14,520,569)	(14,520,569)	
(7,555,280)	(7,555,280)	
(157,752)	(157,752)	
(77,279)	(77,279)	
<u>(38,928,605)</u>	<u>(38,928,605)</u>	
(38,928,605)	(38,928,605)	
		\$ (540,547)
41,931,470	41,931,470	-
826,826	826,826	-
2,343,897	2,343,897	-
428,166	428,166	90,089
<u>45,530,359</u>	<u>45,530,359</u>	<u>90,089</u>
6,601,754	6,601,754	(450,458)
<u>91,067,158</u>	<u>91,067,158</u>	<u>3,664,546</u>
<u>\$ 97,668,912</u>	<u>\$ 97,668,912</u>	<u>\$ 3,214,088</u>

**Montgomery County Hospital District**

Balance Sheet - Governmental Fund

September 30, 2023

**Exhibit C-1**

	<b>General Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 13,903,933
Investments	34,553,981
Receivables:	
Taxes receivable, net	1,011,953
EMS receivable, net	7,311,523
Lease receivable	2,154,225
Lease interest receivable	6,698
Other receivables	1,724,937
Due from component unit	128,461
Inventories	1,177,341
Prepaid items	284,079
	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 62,257,131</b>
	<hr/>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 3,184,197
	<hr/>
Total liabilities	3,184,197
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	1,011,953
Unavailable revenue - long term receivable	181,333
Leases	2,084,429
	<hr/>
Total deferred inflows of resources	3,277,715
	<hr/>
<b>FUND BALANCE</b>	
Nonspendable - inventories	1,177,341
Nonspendable - prepaid items	284,079
Committed - capital replacement	1,900,000
Committed - capital maintenance	100,000
Committed - open purchase orders	6,079,962
Committed - uncompensated care	7,500,000
Committed - catastrophic events	5,000,000
Assigned - open purchase orders	619,898
Unassigned	33,133,939
	<hr/>
Total fund balance	55,795,219
	<hr/>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 62,257,131</b>
	<hr/>

The Notes to Financial Statements are an integral part of this statement.

**Montgomery County Hospital District**

**Exhibit C-2**

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
September 30, 2023

**TOTAL FUND BALANCE - GOVERNMENTAL FUND BALANCE SHEET** \$ 55,795,219

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund. The governmental capital assets at year-end consist of:

Capital assets costs	\$ 69,647,635	
Accumulated depreciation and amortization of capital assets	<u>(33,880,745)</u>	35,766,890

The net pension asset, resulting from contributions in excess of the annual required contribution, is not a financial resource and is not reported in the fund.		1,924,321
---	--	-----------

Property taxes receivable and long-term receivable will be collected subsequent to year-end, but are not available soon enough to pay expenditures; therefore, these are deferred in the governmental fund.		1,193,286
---	--	-----------

Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the fund. Liabilities at year-end related to such items consist of:

Leases payable	\$ (2,916,942)	
Subscription liability	(318,684)	
Accrued interest on leases	(19,138)	
Compensated absences	(1,652,553)	
Healthcare claims	<u>(435,013)</u>	(5,342,330)

Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		(392,191)
--	--	-----------

Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until that time.		<u>8,723,717</u>
--	--	------------------

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 97,668,912

**Montgomery County Hospital District**  
Statement of Revenues, Expenditures and Changes  
in Fund Balance – Governmental Fund  
Year Ended September 30, 2023

**Exhibit C-3**

	<u>General Fund</u>
<b>REVENUES</b>	
Property taxes	\$ 41,791,707
Charges for services, net	25,582,616
Intergovernmental	2,084,408
Investment earnings	2,343,897
Miscellaneous	397,790
	<hr/>
Total revenues	72,200,418
<b>EXPENDITURES</b>	
Current:	
Administration	10,802,867
Healthcare assistance	5,453,402
Emergency medical services	39,817,405
Radio, facilities, and information technology	5,948,800
Public health and emergency preparedness	163,039
Debt service:	
Principal retirement	692,242
Interest and fiscal charges	120,842
Capital outlay	3,985,756
	<hr/>
Total expenditures	66,984,353
	<hr/>
Excess of revenues over expenditures	5,216,065
<b>OTHER FINANCING SOURCES</b>	
Leases	735,095
Proceeds from sale of capital assets	110,110
	<hr/>
Total other financing sources	845,205
	<hr/>
Net change in fund balance	6,061,270
	<hr/>
Fund balance - beginning	49,733,949
	<hr/>
<b>FUND BALANCE - ENDING</b>	<u><u>\$ 55,795,219</u></u>

The Notes to Financial Statements are an integral part of this statement.



# Montgomery County Hospital District

Exhibit C-4

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund to the Statement of Activities Year Ended September 30, 2023

<b>TOTAL NET CHANGES IN FUND BALANCE - GOVERNMENTAL FUND</b>	<b>\$ 6,061,270</b>									
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>										
<p>Some property taxes and long-term receivables will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues and charges for services increased (decreased) by this amount this year.</p>	63,574									
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>										
<table border="0"> <tr> <td>Capital outlay</td> <td style="text-align: right;">\$ 3,985,756</td> <td></td> </tr> <tr> <td>Depreciation and amortization expense</td> <td style="text-align: right;"><u>(4,823,880)</u></td> <td style="text-align: right;">(838,124)</td> </tr> </table>	Capital outlay	\$ 3,985,756		Depreciation and amortization expense	<u>(4,823,880)</u>	(838,124)				
Capital outlay	\$ 3,985,756									
Depreciation and amortization expense	<u>(4,823,880)</u>	(838,124)								
<p>The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is a increase (decrease) to net position.</p>	(17,255)									
<p>Issuance of a lease provides current financial resources to governmental funds, but issuing a lease increases long-term liabilities in the statement of net position.</p>	(735,095)									
<p>Repayment of lease and subscriptions principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	692,242									
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental fund because interest is recognized as an expenditure in the fund when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The (increase) decrease in interest reported in the statement of activities consist of the following:</p>										
<table border="0"> <tr> <td>Accrued interest on leases and subscriptions</td> <td></td> <td style="text-align: right;">309</td> </tr> </table>	Accrued interest on leases and subscriptions		309							
Accrued interest on leases and subscriptions		309								
<p>The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental fund.</p>	7,501									
<p>Some transactions reported in the statement of activities but do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>										
<table border="0"> <tr> <td>Self-insured healthcare</td> <td style="text-align: right;">(193,393)</td> <td></td> </tr> <tr> <td>Remeasurement of leases payable</td> <td style="text-align: right;"><u>33,108</u></td> <td style="text-align: right;">(160,285)</td> </tr> </table>	Self-insured healthcare	(193,393)		Remeasurement of leases payable	<u>33,108</u>	(160,285)				
Self-insured healthcare	(193,393)									
Remeasurement of leases payable	<u>33,108</u>	(160,285)								
<p>The net change in net pension liability and related deferred inflows and outflows is reported in the statement of activities but does not require the use of, or provide current financial resources and, therefore, is not reported in the governmental fund. The net change consists of the following:</p>										
<table border="0"> <tr> <td>Deferred inflows (increased) decreased</td> <td style="text-align: right;">\$ 6,989,225</td> <td></td> </tr> <tr> <td>Deferred outflows increased (decreased)</td> <td style="text-align: right;">(815,367)</td> <td></td> </tr> <tr> <td>Net pension asset increased (decreased)</td> <td style="text-align: right;"><u>(4,646,241)</u></td> <td style="text-align: right;"><u>1,527,617</u></td> </tr> </table>	Deferred inflows (increased) decreased	\$ 6,989,225		Deferred outflows increased (decreased)	(815,367)		Net pension asset increased (decreased)	<u>(4,646,241)</u>	<u>1,527,617</u>	
Deferred inflows (increased) decreased	\$ 6,989,225									
Deferred outflows increased (decreased)	(815,367)									
Net pension asset increased (decreased)	<u>(4,646,241)</u>	<u>1,527,617</u>								
<b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>6,601,754</u></b>									

The Notes to Financial Statements are an integral part of this statement.

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# Montgomery County Hospital District

## Notes to the Financial Statements

### Note 1. Summary of Significant Accounting Policies

#### A. Reporting Entity

Montgomery County Hospital District (the District) is a political subdivision created in 1977 by an act of the Texas legislature and a vote of ratification by the residents of Montgomery County, Texas. Originally, the District operated the Medical Center Hospital in Conroe, Texas, which was sold on May 26, 1993 to Health Trust, Inc. (Health Trust). Since 1993, the District has partnered with the new owners of the hospital to provide indigent medical care to the residents of Montgomery County. The District also contracts with other healthcare providers in the county to provide indigent care for the county residents. In addition to indigent care, the District provides emergency medical ambulance services for county residents and has constructed a countywide communication system to facilitate providing healthcare services to the residents. As required by generally accepted accounting principles (GAAP), these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions, as part of the District's financial reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

#### Discretely Presented Component Unit

Considerations regarding the potential for inclusion of other entities, organizations or functions in the District's financial reporting entity are based on criteria prescribed by GAAP. These same criteria are evaluated in considering whether the District is a part of any other government or type of reporting entity. The overriding elements associated with prescribed criteria considered in determining the District's financial reporting entity status as that of a primary government are: 1) it has a separately elected governing body, 2) it is legally separate and 3) it is fiscally independent of other state and local governments. Additionally prescribed criteria under GAAP include considerations pertaining to other organizations for which the primary government is financially accountable and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these considerations, the District has a discretely presented component unit. The Montgomery County Public Health District (MCPHD) is the result of a Cooperative Agreement between Montgomery County, Texas, the City of Panorama and the City of Conroe. The MCPHD's purpose is to provide essential public health services as defined in Section 121.002 of the Texas Health and Safety Code:

- Monitor the health status of individuals in the community to identify community health problems;
- Diagnose and investigate community health problems and community health hazards;
- Inform, educate, and empower the community with respect to health issues;
- Mobilize community partnerships in identifying and solving community health problems;
- Develop policies and plans that support individual and community efforts to improve health;
- Enforce laws and rules that protect the public health and ensure safety in accordance with those laws and rules;
- Link individuals who have a need for community and personal health services to appropriate community and private providers;
- Ensure a competent workforce for the provision of essential public health services;
- Research new insights and innovative solutions to community health problems;
- Evaluate the effectiveness, accessibility, and quality of personal and population-based services in a community.

The MCPHD has assigned or contracted with the District to administer all programs, services, and administrative needs of the MCPHD.

## Montgomery County Hospital District

### Notes to the Financial Statements

#### **B. Basis of Presentation – Government-wide Financial Statements**

The government-wide financial statements report information on all of the nonfiduciary activities of the District and its component unit. Governmental activities are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District. The governmental activities column incorporates data from the governmental fund.

As discussed earlier, the government has a discretely presented component unit which is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### **C. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental fund:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted in another fund.

#### **D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues, excluding property taxes, to be available if they are collected within 120 days of the end of the current fiscal period. Property taxes are recognized as revenues if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

## Montgomery County Hospital District

### Notes to the Financial Statements

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues for amounts collected within the availability period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the availability period for this revenue source (within 120 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received.

#### **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

##### **1. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

##### **2. Investments**

Investments for the District are reported at fair value (generally based on quoted market prices) except for the position in the qualified investment pools. The carrying value of investment pools is determined by the valuation policy of the investment pool, either at amortized cost or net asset value of the underlying pool shares. The carrying value of the non-negotiable certificates of deposits is reported at cost. The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code.

##### **3. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable medical supplies, radio repair parts, and vehicle repair parts. The cost of such inventory is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

##### **4. Capital Assets**

Capital assets are tangible and intangible assets, which include land and improvements, construction in progress, buildings and site improvements, equipment, vehicles, communication system assets (e.g. radio towers, structures, equipment, and similar items), right-to-use lease assets and right-to-use subscription assets are reported in the governmental activities column in the government-wide financial statements. Tangible capital assets are defined by the government as assets with an initial, individual cost ranging from \$5,000 to \$50,000 depending on the asset class and an estimated useful life in excess of five years. Non-tangible capital assets are defined by the government as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of one year.

As the District constructs or acquires additional capital assets each period, including communication system assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

**Montgomery County Hospital District**

Notes to the Financial Statements

Land and improvements and construction in progress are not depreciated. The buildings and site improvements, equipment, vehicles, communication system assets and right-to-use lease and subscription assets of the primary government are depreciated/amortized using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and site improvements	5-30
Equipment	5-20
Vehicles	5
Communication system	5-30
Right-to-use lease assets	Shorter of lease term or useful life
Right-to-use subscription assets	Shorter of subscription term or useful life

**5. Leases**

Lessee

The District is a lessee for noncancellable leases of real and personal property. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

## Montgomery County Hospital District

### Notes to the Financial Statements

#### Lessor

The District is a lessor for noncancellable leases of real and personal property. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### **6. Subscription-Based Information Technology Arrangements (SBITAs)**

The District has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a SBITA, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

## Montgomery County Hospital District

### Notes to the Financial Statements

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed-in-substance or that depend on an index or a rate, termination penalties if the District is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District's items that qualify for reporting in this category. The deferred outflow for pensions results from the difference in projected and actual earnings on plan investments and the effects of actuarial differences and changes in assumptions. The plan's investment earnings difference is amortized over 5 years and the actuarial differences and changes in assumptions is amortized over a period equal to the average of the expected remaining service lives of all employees. The District also recognizes a deferred outflow for contributions made to the plan after the plan's measurement date which are recognized in the subsequent year.

In addition to liabilities, the statement of net position and governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category in the governmental fund financial statements. The governmental fund reports unavailable revenues from property taxes and long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally, deferred inflows for leases are recognized in both the governmental fund and government-wide financial statements on a straight-line basis over the associated lease term. The District has another deferred inflow which is reported only in the government-wide statement of net position. This item is *deferred inflows of resources for pensions*, which results from differences in expected and actual experience and also includes change in assumptions and projected verses actual earnings in the current fiscal year.

#### **8. Pensions**

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCERS's Fiduciary Net Position have been determined on the same basis as they are reported by TCERS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



## Montgomery County Hospital District

### Notes to the Financial Statements

#### 9. **Net Position Policies**

Net position of governmental activities and MCPHD is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District classifies net position as follows:

*Net investment in capital assets* – the component of net position that reports capital assets, net of accumulated depreciation and amortization, and net of related debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

*Restricted* – the component of net position that is constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes federal and state grants.

*Unrestricted* – the component of net position that includes the residual difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources that is not classified in the categories mentioned above.

#### 10. **Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### 11. **Fund Balance Policies**

Fund balance of governmental funds is reported in various classifications based on the nature of any limitations requiring the use of resources for specific purposes. The District classifies governmental fund balance as follows:

*Nonspendable* – Amounts that cannot be spent either because the underlying resources are not in spendable form or because they are legally or contractually required to be maintained intact, e.g., inventory and prepaid items.

*Restricted* – Amounts that represent resources subject to externally enforceable constraints, e.g., grants and creditors.

*Committed* – Amounts that can only be used for specific purposes as imposed by the Board of Directors by formal action and can only be removed by the Board of Directors through similar action. These amounts may be used at Board discretion for unanticipated, non-recurring needs, one-time opportunities, or anticipated future obligations. Committed Fund Balances may also include open purchase orders approved by the Board of Directors.

*Assigned* – Amounts that represent resources set aside by the District for a particular purpose, such as open purchase orders approved by management. The Board of Directors has by resolution authorized the Chief Executive Officer (CEO) or their designee to assign funds. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

# Montgomery County Hospital District

## Notes to the Financial Statements

*Unassigned* – The difference between total fund balance and the nonspendable, restricted, committed, and assigned components. The unassigned fund balance should be at least three months of regular, on-going operating expenditures.

### **12. Fund Balance Flow Assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## **F. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

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

### **2. Property Taxes**

Property values are determined by the Montgomery Central Appraisal District as of July 31 of each year. Prior to October 1 of each year, the District sets its tax rate thus creating the tax levy. The taxes are levied and payable October 1 on property values assessed as of January 1. Taxes may be paid without penalty before February 1 of the following year and create a tax lien as of July 1 of each year. The tax assessor/collector for Montgomery County bills and collects the property taxes for the District. Property tax revenues are recognized when levied to the extent that they result in current receivables.

### **3. Compensated Absences**

The District records all vacation, sick leave and holiday benefits as a single benefit called Paid Time Off (PTO). Employees are allowed to carry over the number of hours equal to one year of accrued PTO. Any accrued PTO in excess of the carryover amount will be paid to the employee based on the policies in place at the District.

For the governmental fund, accumulated compensated absences are normally paid from the General Fund and are treated as an expenditure when paid. All compensated absences are accrued when incurred in the government-wide financial statements. A liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

### **4. Use of Estimates**

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

# Montgomery County Hospital District

## Notes to the Financial Statements

### G. Implementation of New Accounting Standards

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 was implemented in the District's fiscal year 2023, resulting in recognition of \$413,360 in subscription liabilities and subscription assets as of October 1, 2022 in the government-wide financial statements to conform to the new standard.

### Note 2. Stewardship, Compliance, and Accountability

#### A. Budgetary Data

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the CEO submits to the District board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to October 1, the budget is legally enacted through passage of a resolution following the notice and hearing requirements set forth in section 1063.152 of the District's enabling act.
3. The CEO may approve a department's request to transfer an unencumbered balance, or portion thereof within any department; however, the board must approve a transfer of funds between departments.
4. Budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

#### B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

At year end, the District committed a portion of fund balance for outstanding encumbrances of \$6,079,962 and assigned a portion of fund balance for outstanding encumbrances of \$619,898 in the general fund.

### Note 3. Deposits and Investments

#### Primary Government

At September 30, 2023, the carrying amount of the District's deposits (cash in bank, interest-bearing savings accounts, and money market accounts) was \$13,902,183 and the bank's balances totaled to \$14,023,821. At September 30, 2023, all bank balances were covered by federal deposit insurance and pledged collateral held by the financial institution in the District's name.

**Montgomery County Hospital District**

Notes to the Financial Statements

The District is required by the Government Code Chapter 2256, the Public Funds Investment Act (the Act), to adopt, implement and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investment, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

The District's investments are in investment pools and certificates of deposit as presented in the table below. The investment pools and non-negotiable certificates of deposit are not subject to disclosure regarding the fair value hierarchy. The District's investment balances and weighted average maturity of such investments are as follows:

Investment Type	Primary Government	Weighted Average Maturity (Days)
Investments measured at cost		
Certificates of deposit - non-negotiable	\$ 34,427,727	100
Investments measured at amortized cost		
External investment pools		
TexPool	69,843	28
TexSTAR	56,411	29
<b>Total Value</b>	<b>\$ 34,553,981</b>	
Portfolio weighted average maturity		100

Certain investment types are not required to be measured at fair value; these include money market funds, certain investment pools and non-negotiable certificates of deposits, which are measured at amortized cost or cost, and other investment pools which are measured at the net asset value (NAV) determined by the pool, which approximates fair value. These instruments are exempt from categorization within the fair value hierarchy.

*Interest rate risk.* In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting its investments to instruments with shorter-term maturities. The maximum stated maturity of any individual investment shall be no longer than five years, and the dollar-weighted average maturities of any pooled fund shall be no longer than one year.

*Concentration of credit risk.* The District's investment policy requires the investment portfolio to be diversified in terms of investment instruments, maturity, and financial institutions to reduce risk of loss from over concentration of assets in specific classes of investments, specific maturities or specific issuers. In accordance with the District's policy, the District may meet its obligation to diversify by placing all or part of its investment portfolio in public fund investment pools, money market mutual funds, and certificates of deposit.

## Montgomery County Hospital District

### Notes to the Financial Statements

*Credit risk.* For fiscal year 2023, the District invested in TexPool and TexStar. TexPool is duly chartered by the State Comptroller's Office and administered and managed by Federated Investors, Inc. TexStar is duly chartered by the State of Texas Interlocal Cooperation Act and is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. TexPool and TexStar are rated AAAM by Standard and Poor at September 30, 2023. Non-negotiable certificates of deposit are fully insured and collateralized by their respective financial institutions.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of September 30, 2023, District's deposits were not exposed to custodial credit risk because it was insured and collateralized with securities held by the District's agent and in the District's name.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District is not exposed to custodial risk due to the investments are insured or registered, or securities are held by the District or its agent in the District's name.

#### **TexPool**

TexPool is duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Hermes, Inc. State Street Bank serves as the custodial bank. The portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds.

The investment pool transacts at a net asset value of \$1.00 per share, has a weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

#### **Texas Short Term Asset Reserve Program (TexSTAR)**

TexSTAR is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody and investment management.

The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet Participants' needs, and yield. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. TexSTAR may invest in securities including: obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; other obligations which are unconditionally guaranteed or insured by the U.S.; fully collateralized repurchase agreements with a defined termination date and unconditionally guaranteed or insured by the U.S. or its agencies and instrumentalities; and SEC-registered no-load money-market fund which meet the requirements of the Public Funds Investment Act. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

# Montgomery County Hospital District

## Notes to the Financial Statements

### Discretely Presented Component Unit

As of September 30, 2023, the MCPHD carrying balance of bank deposits was \$3,198,848, and the bank balance was \$3,198,848 and was insured and collateralized by the bank's agent in the District's name.

### Note 4. Receivables

Amounts recorded as receivable in the Governmental Activities, as of September 30, 2023, are as follows:

	Receivables	Less Allowance for Uncollectibles	Net Receivables
Receivables:			
Taxes	\$ 1,359,312	\$ (347,359)	\$ 1,011,953
Emergency medical service fees	10,546,419	(3,234,896)	7,311,523
Lease receivable	2,154,225	-	2,154,225
Lease interest receivable	6,698	-	6,698
Other	1,724,937	-	1,724,937
<b>Totals</b>	<b>\$ 15,791,591</b>	<b>\$ (3,582,255)</b>	<b>\$ 12,209,336</b>

### Leases Receivable

The District, as the lessor, entered into long-term lease agreements for the right-to-use land, equipment and radio communication towers for periods ranging from 5 to 20 years and at interest rates ranging from 2.605% to 3.000%. The underlying assets associated with these leases are recorded in the District's capital assets. The District has \$2,154,225 of leases receivable and \$2,084,429 of deferred inflows outstanding as of September 30, 2023. Lease revenue of \$394,951 and lease interest of \$69,594 was recognized for the year ended September 30, 2023 associated with these agreements.

### Note 5. Property Taxes

The District is authorized to levy a tax on taxable property located within the District in an amount not to exceed the rollback rate for the purpose of paying operating expenses and for debt service. The combined current tax rate for the year ended September 30, 2023 was \$0.0502 per \$100, allocated to the General Fund. Taxes for fiscal year 2023 were levied on property within the District having an assessed valuation of approximately \$83 billion.

### Note 6. EMS Revenues

The District's EMS revenues generally related to contracts with patients in which the performance obligation is to provide emergency services to patients. Revenues are recorded during the period in which these performance obligations are satisfied. The performance obligations are generally satisfied over a period of less than a day. The contractual relationships with patients, in most cases, also involve a third-party payer (Medicare, Medicaid and commercial insurance companies) and the transaction prices for the services provided are dependent upon the terms provided by Medicare and Medicaid or negotiated with commercial insurance companies, the third-party payers. The payment received from third-party payers for the services provided to the related patients typically are amounts less than the District's standard charges. Management continually reviews the discount estimation process to consider and incorporate updates to payment rates.

## Montgomery County Hospital District

### Notes to the Financial Statements

The District's revenues are based upon the estimated amounts expected to be received from patients and third-party payers. For all payers, other than Medicare and Medicaid, the District records implicit price concessions (based primarily on historical collection experience utilizing a portfolio method) to record revenues at the estimated amounts expected to be collected. Net and gross revenues by primary third-party payer and patients for the year ended September 30, 2023 is summarized in the following table:

	<u>2023</u>
Commercial and others	\$ 12,831,078
Medicare	27,781,065
Medicaid	6,681,450
Self pay	<u>11,580,798</u>
Gross revenue by payor	\$ 58,874,391
Contractual allowances	(20,057,407)
Charity care	(11,609,200)
Provision for bad debt	<u>(2,797,409)</u>
EMS revenues, net	<u>\$ 24,410,375</u>

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretations. As a result, there is at least a reasonable possibility recorded estimates will change by a material amount in the near term.

#### **Note 7. Primary Government and Component Unit Activity**

The District has several interlocal agreements with MCPHD. The management agreement stipulates that the District will manage employees that serve MCHPD for which the District is reimbursed for the costs associated with the personnel. The District also pays vendor-related expenses on behalf of the MCPHD and is reimbursed for these costs as incurred. The District performs certain administrative, human resources, accounting, information technology and records management functions for MCPHD and charges a monthly management fee of \$8,333 per month.

The District and MCPHD have an interlocal agreement to provide community paramedicine services and public health community education. The District will provide the services and MCPHD will reimburse the District on or before the 15<sup>th</sup> day of each month for the services provided. For the year ended September 30, 2023, the District recognized as revenue and MCPHD recognized as expense a total of \$40,500 for services rendered. The elimination of the 1115 Medicaid Waiver program has significantly reduced these types of service transactions between the District and MCPHD.

The District and MCPHD have also entered into a lease agreement whereby MCPHD leases office space from the District for approximately \$111,581 per year. This agreement is automatically renewed annually unless terminated by either party with proper written notification.

# Montgomery County Hospital District

## Notes to the Financial Statements

Amounts receivable and payable between the District and its component unit at September 30, 2023 were as follows:

Primary Government/Component Unit	Receivables	Payables
District - General Fund	\$ 128,461	\$ -
Component unit - MCPHD	-	128,461
<b>Totals</b>	<b>\$ 128,461</b>	<b>\$ 128,461</b>

### Note 8. Capital Assets

Government capital assets activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Governmental activities:					
Capital assets, not being depreciated/amortized:					
Land and improvements	\$ 2,899,759	\$ 284,830	\$ 253,870	\$ -	\$ 3,438,459
Construction in progress	1,171,842	1,358,134	(699,486)	-	1,830,490
Total capital assets, not being depreciated/amortized	4,071,601	1,642,964	(445,616)	-	5,268,949
Capital assets, being depreciated/amortized:					
Buildings and site improvements	30,383,767	349,955	50,880	-	30,784,602
Equipment	9,355,965	322,888	-	(13,466)	9,665,387
Vehicles	9,819,110	934,854	394,736	(864,627)	10,284,073
Communication system	9,188,770	-	-	-	9,188,770
Right-to-use lease assets - buildings	1,161,251	261,544	-	-	1,422,795
Right-to-use lease assets - equipment	1,861,079	-	-	-	1,861,079
Right-to-use lease assets - vehicles	365,709	473,551	-	(80,640)	758,620
Right-to-use assets - IT Subscriptions <sup>(1)</sup>	413,360	-	-	-	413,360
Total capital assets being depreciated/amortized	62,549,011	2,342,792	445,616	(958,733)	64,378,686
Less accumulated depreciation/amortization for:					
Buildings and site improvements	(9,780,636)	(1,019,419)	-	22,836	(10,777,219)
Equipment	(7,485,616)	(768,827)	-	13,466	(8,240,977)
Vehicles	(7,660,352)	(1,233,964)	-	859,133	(8,035,183)
Communication system	(4,399,010)	(1,053,599)	-	-	(5,452,609)
Right-to-use lease assets - buildings	(94,299)	(106,324)	-	-	(200,623)
Right-to-use lease assets - equipment	(479,553)	(393,437)	-	-	(872,990)
Right-to-use lease assets - vehicles	(98,877)	(144,261)	-	46,043	(197,095)
Right-to-use assets - IT Subscriptions	-	(104,049)	-	-	(104,049)
Total accumulated depreciation/amortization	(29,998,343)	(4,823,880)	-	941,478	(33,880,745)
Total capital assets, being depreciated/amortized, net	32,550,668	(2,481,088)	445,616	(17,255)	30,497,941
<b>Government activities capital assets, net</b>	<b>\$ 36,622,269</b>	<b>\$ (838,124)</b>	<b>\$ -</b>	<b>\$ (17,255)</b>	<b>\$ 35,766,890</b>

<sup>(1)</sup> Beginning balance was restated \$413,360 as of October 1, 2022, due to implementation of GASB 96. See Note 1.G.



# Montgomery County Hospital District

## Notes to the Financial Statements

Depreciation and amortization expense was charged to functions/programs for the fiscal year 2023 as follows:

Governmental activities:	
Administration	\$ 543,438
Healthcare assistance	1,629
Emergency medical services	1,770,868
Radio, facilities, and information technology	<u>2,507,945</u>
<b>Total</b>	<u><u>\$ 4,823,880</u></u>

Montgomery County Public Health District's capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
MCPHD activities:					
Capital assets, being depreciated:					
Vehicles	\$ 24,278	\$ -	\$ -	\$ -	\$ 24,278
Total capital assets being depreciated	24,278	-	-	-	24,278
Less accumulated depreciation for:					
Vehicles	(21,041)	(3,237)	-	-	(24,278)
Total accumulated depreciation	(21,041)	(3,237)	-	-	(24,278)
<b>MCPHD activities capital assets, net</b>	<u>\$ 3,237</u>	<u>\$ (3,237)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense of \$3,237 was charged for the fiscal year 2023 to MCPHD.

## Note 9. Long-term Liabilities

### A. Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended September 30, 2023 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Leases payable	\$ 2,812,521	\$ 735,095	\$ (630,674)	\$ 2,916,942	\$ 649,206
Subscription liability*	413,360	-	(94,676)	318,684	100,241
Compensated absences	1,660,054	1,831,635	(1,839,136)	1,652,553	1,652,553
Healthcare claims	241,620	5,976,233	(5,782,840)	435,013	435,013
<b>Governmental activities long-term liabilities</b>	<u>\$ 5,127,555</u>	<u>\$ 8,542,963</u>	<u>\$ (8,347,326)</u>	<u>\$ 5,323,192</u>	<u>\$ 2,837,013</u>
Component unit activities:					
Healthcare claims	\$ 12,270	\$ 249,712	\$ (243,653)	\$ 18,329	\$ 18,329
<b>Component unit activities long-term liabilities</b>	<u>\$ 12,270</u>	<u>\$ 249,712</u>	<u>\$ (243,653)</u>	<u>\$ 18,329</u>	<u>\$ 18,329</u>

\*Beginning balance was restated \$413,360 as of October 1, 2022, due to implementation of GASB 96. See Note 1.G.

For governmental activities, leases payable, subscription liability, compensated absences and healthcare claims are liquidated by the General Fund.

# Montgomery County Hospital District

## Notes to the Financial Statements

### B. Leases Payable

The District has entered into multiple lease agreements as lessee. The leases allow the right-to-use buildings, equipment and vehicles over the term of the lease. The District is required to make monthly, quarterly, or annual payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rates, terms and ending lease liability are as follows:

Description	Interest Rate(s)	Lease Term in Years	Ending Balance
Defibrillators / monitors	3.000-8.250%	5.0	\$ 1,027,881
Building leases	2.605-6.500%	5.0-20.0	1,255,703
Vehicle leases	2.605-7.250%	3.0-5.0	591,483
Other leases	2.605-3.000%	3.0	41,875
<b>Totals</b>			<b>\$ 2,916,942</b>

The future debt service requirements for leases as of September 30, 2023 are noted below:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 649,206	\$ 102,682	\$ 751,888
2025	568,337	80,885	649,222
2026	562,852	59,929	622,781
2027	132,930	40,341	173,271
2028	71,838	36,679	108,517
2029-2033	360,383	146,617	507,000
2034-2038	384,905	79,495	464,400
2039-2043	186,491	16,598	203,089
<b>Totals</b>	<b>\$ 2,916,942</b>	<b>\$ 563,226</b>	<b>\$ 3,480,168</b>

The value of the right-to-use assets as of the end of the current fiscal year was \$4,042,494 and had accumulated amortization of \$1,270,708.

### C. Subscription Liability

The District has entered into multiple subscription liability agreements. The subscriptions allow the right-to-use assets to software over the term of the subscription. The District is required to make monthly, quarterly, or annual payments at its incremental borrowing rate or the interest rate stated or implied within the subscription. The rates, terms and ending subscription liability are as follows:

Description	Interest Rate(s)	Lease Term in Years	Ending Balance
Software	6.50%	2.0	\$ 318,684

# Montgomery County Hospital District

## Notes to the Financial Statements

The future debt service requirements for subscriptions as of September 30, 2023 are noted below:

Year Ended September 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 100,241	\$ 16,978	\$ 117,219
2025	101,200	10,640	111,840
2026	107,931	3,909	111,840
2027	9,312	8	9,320
<b>Totals</b>	<b>\$ 318,684</b>	<b>\$ 31,535</b>	<b>\$ 350,219</b>

The value of the right-to-use assets as of the end of the current fiscal year was \$229,580 and had accumulated amortization of \$110,419.

### Note 10. Pension Plan

#### A. Plan Description

The District's nontraditional defined benefit pension plan, Texas County and District Retirement System (TCDRS), provides pensions for all of its full-time employees. The TCDRS Board of Trustees is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of over 830 participating counties and districts throughout Texas. TCDRS in the aggregate issues an annual comprehensive financial report (ACFR) on a calendar year basis. The most recent ACFR for TCDRS can be found at the following link: [www.tcdrs.org](http://www.tcdrs.org).

#### B. Benefits Provided

TCDRS provides retirement, disability, and death benefits. The plan provisions are adopted by the governing body of the District within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire with five or more years of service at age 60 and above, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after five 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 District.

Benefit amounts are determined by the sum of the employee's contribution to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the Board of Directors of the District 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.

The Plan is open to new entrants.

**Montgomery County Hospital District**

Notes to the Financial Statements

**C. Employees Covered by Benefit Terms**

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	304
Active employees	<u>398</u>
<b>Total</b>	<u><u>735</u></u>

**D. Contributions**

The District 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 the employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The contribution rates for the District is 9.50% in calendar years 2022 and 2023. The District's contributions to TCDRS for the fiscal year ended September 30, 2023 were \$3,148,150.

The deposit rate payable by the employee member was 7.00% as adopted by the Board of Directors. The employee deposit rate and the employer contribution rate may be changed by the Board of Directors within the options available in the TCDRS Act.

**E. Actuarial Assumptions**

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Payroll growth	2.50%
Real rate of return	5.00%
Long-term investment return	7.50%

## Montgomery County Hospital District

### Notes to the Financial Statements

The actuarial assumptions that determined the total pension liability/asset as of December 31, 2022, were based on the results of an actuarial experience study for the period January 1, 2017 through December 31, 2020, except where required to be different by GASB 68, and adopted by the TCDRS Board of Trustees in March of 2021. In addition, mortality rates were based on the following mortality tables:

Depositing Members	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Service retirees, beneficiaries and Non-depositing Members	135% of Pub-2010 General Retirees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Disabled retirees	160% of Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown are based on January 2023 information for a 10 year time horizon.

## Montgomery County Hospital District

### Notes to the Financial Statements

The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a long-term time horizon, the most recent analysis was performed for the January 1, 2017 through December 31, 2020. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Geometric Real Rate of Return
U.S. equities	11.50 %	4.95%
Global equities	2.50	4.95%
International equities - developed markets	5.00	4.95%
International equities - emerging markets	6.00	4.95%
Investment - grade bonds	3.00	2.40%
Strategic credit	9.00	3.39%
Direct lending	16.00	6.95%
Distressed debt	4.00	7.60%
REIT equities	2.00	4.15%
Master limited partnerships	2.00	5.30%
Private real estate partnerships	6.00	5.70%
Private equity	25.00	7.95%
Hedge funds	6.00	2.90%
Cash equivalents	2.00	0.20%
<b>Total</b>	100.00 %	

#### Discount Rate

The discount rate used to measure the total pension liability was 7.60%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the funding policy and the legal requirements under the TCDRS Act. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods. The employer is legally required to make the contribution specified in the funding policy. The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Based on the above assumptions, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected levels of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 7.60% has been used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.50%, net of all expenses, increased by 0.10% to be gross of administrative expenses.

# Montgomery County Hospital District

## Notes to the Financial Statements

### F. Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(asset) (a) - (b)
Balance at December 31, 2021	\$ 58,672,535	\$ 65,243,096	\$ (6,570,561)
Changes for the year			
Service cost	4,138,067	-	4,138,067
Interest on total pension liability	4,742,504	-	4,742,504
Effect of economic demographic gains or losses	(168,015)	-	(168,015)
Effects of assumption changes or inputs	-	-	-
Refunds of contributions	(523,325)	(523,325)	-
Benefit payments	(310,420)	(310,420)	-
Administrative expense	-	(40,128)	40,128
Member contributions	-	2,123,827	(2,123,827)
Net investment income	-	(4,393,663)	4,393,663
Employer contributions	-	5,382,338	(5,382,338)
Other changes	-	993,942	(993,942)
Net changes	7,878,811	3,232,571	4,646,240
<b>Balance at December 31, 2022</b>	<b>\$ 66,551,346</b>	<b>\$ 68,475,667</b>	<b>\$ (1,924,321)</b>

### Sensitivity Analysis

The following presents the net pension liability (asset) of the District, calculated using the discount rate of 7.60%, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60%) or 1-percentage-point higher (8.60%) than the current rate.

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
	District's net pension liability / (asset)	\$ 13,370,694	\$ (1,924,321)

# Montgomery County Hospital District

## Notes to the Financial Statements

### G. Pension Expense/Revenue and Deferred Outflows of Resources Related to Pensions

For the fiscal year ended September 30, 2023, the District recognized pension expense of \$1,607,788.

At September 30, 2023, the District reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 697,834	\$ 371,521
Change in assumptions	3,208,049	20,670
Net difference between projected and actual earnings on pension plan investments	2,374,206	-
Contributions made subsequent to the measurement date	2,443,628	-
<b>Totals</b>	<b>\$ 8,723,717</b>	<b>\$ 392,191</b>

The \$2,443,628 reported as deferred outflows of resources related to the District's pension contributions made subsequent to the measurement date will be recognized as pension expense in the fiscal year ending September 30, 2024. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	
2024	\$ 428,487
2025	1,017,421
2026	1,155,628
2027	2,658,070
2028	628,292
<b>Total</b>	<b>\$ 5,887,898</b>

### Note 11. Summary Disclosure of Significant Contingencies

#### Risk Management

The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The District purchases commercial insurance for property damage and auto, subject to various policy limits and deductibles. The District also purchases commercial insurance for general liability claims with coverage up to \$1 million per occurrence and \$3 million aggregate subject to various deductibles per occurrence.

The District purchases commercial insurance for workers' compensation benefits with a \$1,000,000 occurrence and per employee policy limit. For the last three years, settled claims have not exceeded commercial insurance coverage, nor has there been any reduction in insurance coverage.



# Montgomery County Hospital District

## Notes to the Financial Statements

### Health Insurance

During 2023, employees of the District and MCPHD were covered by a partially self-insured health insurance plan. The District and MCPHD paid administrative fees and the cost of healthcare claims. Participating employees authorized payroll deductions to partially offset the costs paid by the District and MCPHD. All contributions were paid to a third party administrator acting on behalf of the District and MCPHD. The contract between the District and MCPHD and the third party administrator is renewable annually.

The District and MCPHD was protected against catastrophic individual and aggregate loss by stop-loss coverage up to \$125,000 per individual and \$5,613,843 in aggregate through a commercial insurer licensed to do business in Texas in accordance with the Texas Insurance Code. Estimates of claims payable and of claims incurred but not reported at September 30, 2023 and 2022, are reflected as accrued healthcare claims. Because actual claims liabilities depend on such complex factors as inflation, changes in legal requirements and damage awards, the process used in computing claims liability is an estimate.

Changes in balances of healthcare claims are as follows:

	Primary Government		Discretely Presented Component Unit	
	2023	2022	2023	2022
Healthcare claims, beginning of year	\$ 241,620	\$ 179,863	\$ 241,620	\$ 179,863
Incurred claims	5,976,233	4,425,766	5,976,233	4,425,766
Claim payments	(5,782,840)	(4,364,009)	(5,782,840)	(4,364,009)
<b>Healthcare claims, end of year</b>	<b>\$ 435,013</b>	<b>\$ 241,620</b>	<b>\$ 435,013</b>	<b>\$ 241,620</b>

### Contingencies

The District and MCPHD participate in a number of federal and state financial assistance programs. These programs are subject to financial and compliance audits by the grantor agencies. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

### Note 12. Healthcare Assistance Program

The healthcare assistance program was established by the District to provide health care services to the indigent residents of Montgomery County. The District entered into contracts with various healthcare providers to provide healthcare services to Montgomery County indigents. Qualifications for the program are based on income level, citizenship, county residency, medical need and financial resources. In conjunction with the sale of the Medical Center Hospital in Conroe (now Conroe Regional Medical Center) to Health Trust on May 26, 1993, the District entered into an Indigent Care Agreement with Health Trust and its successors. The terms of the Indigent Care Agreement ended on May 31, 2008. The Indigent Care Agreement was not renewed. As of June 1, 2008, the District is funding a voluntary estimate of medical care expenses to qualified indigents to those providers that previously were participants in the Indigent Care Agreement.

## Montgomery County Hospital District

Notes to the Financial Statements

### **Note 13. Recent Accounting Pronouncements**

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the District's fiscal year 2025 financial statements and the impact has not yet been determined.

**Required Supplementary Information  
(Unaudited)**

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**Montgomery County Hospital District**  
Schedule of Revenues, Expenditures and Changes  
in Fund Balance – Budget to Actual – General Fund  
Year Ended September 30, 2023

**Exhibit D-1**

	Budgeted Amounts		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 42,837,449	\$ 42,837,449	\$ 41,791,707	\$ (1,045,742)
Charges for services, net	20,839,318	20,839,318	25,582,616	4,743,298
Intergovernmental	2,360,000	1,700,000	2,084,408	384,408
Investment earnings	360,000	360,000	2,343,897	1,983,897
Miscellaneous	201,706	201,706	397,790	196,084
Total revenues	66,598,473	65,938,473	72,200,418	6,261,945
<b>EXPENDITURES</b>				
Current:				
Administration	10,439,405	10,727,766	10,802,867	(75,101)
Healthcare assistance	6,361,082	6,378,471	5,453,402	925,069
Emergency medical services	38,958,530	38,847,348	39,817,405	(970,057)
Radio, facilities, and information technology	6,051,505	5,999,075	5,948,800	50,275
Public health and emergency preparedness	243,768	245,832	163,039	82,793
Debt service:				
Principal retirement	472,897	567,967	692,242	(124,275)
Interest and fiscal charges	89,108	120,378	120,842	(464)
Capital outlay	6,460,307	4,828,291	3,985,756	842,535
Total expenditures	69,076,602	67,715,128	66,984,353	730,775
Excess (deficiency) of revenues over (under) expenditures	(2,478,129)	(1,776,655)	5,216,065	6,992,720
<b>OTHER FINANCING SOURCES</b>				
Leases	713,476	988,023	735,095	(252,928)
Proceeds from sale of capital assets	48,000	48,000	110,110	62,110
Total other financing sources	761,476	1,036,023	845,205	(190,818)
Net change in fund balance	(1,716,653)	(740,632)	6,061,270	6,801,902
Fund balance - beginning	49,733,949	49,733,949	49,733,949	-
<b>FUND BALANCE - ENDING</b>	<b>\$ 48,017,296</b>	<b>\$ 48,993,317</b>	<b>\$ 55,795,219</b>	<b>\$ 6,801,902</b>

The Notes to Required Supplementary Information are an integral part of this schedule.

# Montgomery County Hospital District

## Schedule of Changes in Net Pension Liability (Asset) and Related Ratios For the Last Nine Fiscal Years\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 4,138,067	\$ 4,289,710	\$ 3,503,081
Interest	4,742,504	4,145,378	3,405,061
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	(168,015)	(224,297)	653,416
Effect of assumptions changes or inputs	-	502,438	4,596,949
Refund of contributions	(523,325)	(368,100)	(139,425)
Benefit payments	(310,420)	(212,128)	(162,077)
	<hr/>	<hr/>	<hr/>
Net change in total pension liability	7,878,811	8,133,001	11,857,005
Total pension liability - beginning	58,672,535	50,539,534	38,682,529
	<hr/>	<hr/>	<hr/>
<b>TOTAL PENSION LIABILITY - ENDING (a)</b>	<u>\$ 66,551,346</u>	<u>\$ 58,672,535</u>	<u>\$ 50,539,534</u>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - district	\$ 5,382,338	\$ 1,990,861	\$ 1,882,768
Contributions - employee	2,123,827	2,130,891	2,015,194
Net investment income (loss)	(4,393,663)	11,431,586	4,362,576
Benefit payments	(310,420)	(212,128)	(162,077)
Refund of contributions	(523,325)	(368,100)	(139,425)
Administrative expense	(40,128)	(35,297)	(36,726)
Other	993,942	114,156	110,601
	<hr/>	<hr/>	<hr/>
Net change in plan fiduciary net position	3,232,571	15,051,969	8,032,911
Plan fiduciary net position - beginning	65,243,096	50,191,127	42,158,216
	<hr/>	<hr/>	<hr/>
<b>PLAN FIDUCIARY NET POSITION - ENDING (b)</b>	<u>\$ 68,475,667</u>	<u>\$ 65,243,096</u>	<u>\$ 50,191,127</u>
<b>NET PENSION LIABILITY (ASSET) - ENDING (a) - (b)</b>	<u>\$ (1,924,321)</u>	<u>\$ (6,570,561)</u>	<u>\$ 348,407</u>
Plan fiduciary net position as a percentage of total pension liability	102.89%	111.20%	99.31%
Covered payroll	30,340,383	30,441,296	28,788,492
Net pension liability (asset) as a percentage of covered payroll	-6.34%	-21.58%	1.21%

\*GASB Statement No. 68 requires 10 years of data; however, we have shown only the years for which the GASB statements have been implemented. Additionally, GASB Statement No. 68 requires that the information on this schedule correspond with the plan's measurement date, December 31.

Exhibit E-1

	2020	2019	2018	2017	2016	2015
	\$ 3,186,898	\$ 2,985,032	\$ 2,789,010	\$ 2,759,688	\$ 2,241,909	\$ 1,935,546
	2,878,563	2,458,698	2,068,859	1,662,372	1,439,974	1,105,667
	-	-	-	-	(124,742)	473,611
	448,789	(48,347)	260,230	(510,769)	(1,013,480)	827,063
	-	-	(82,680)	-	176,666	-
	(226,101)	(398,177)	(333,377)	(260,640)	(103,230)	(186,867)
	(132,193)	(68,884)	(38,637)	(26,925)	(18,562)	(6,153)
	6,155,956	4,928,322	4,663,405	3,623,726	2,598,535	4,148,867
	32,526,573	27,598,251	22,934,846	19,311,120	16,712,585	12,563,718
	<u>\$ 38,682,529</u>	<u>\$ 32,526,573</u>	<u>\$ 27,598,251</u>	<u>\$ 22,934,846</u>	<u>\$ 19,311,120</u>	<u>\$ 16,712,585</u>
	\$ 1,878,689	\$ 1,631,063	\$ 1,479,097	\$ 4,539,035	\$ 1,406,230	\$ 1,093,580
	1,851,878	1,679,036	1,524,842	1,385,264	1,333,823	1,190,523
	5,455,456	(543,548)	3,633,221	1,300,958	(197,756)	822,292
	(132,193)	(68,884)	(38,637)	(26,925)	(18,562)	(6,153)
	(226,101)	(398,177)	(333,377)	(260,640)	(103,230)	(186,867)
	(32,126)	(26,700)	(20,537)	(14,145)	(11,770)	(10,485)
	121,329	87,804	35,077	297,659	270	1,284
	8,916,932	2,360,594	6,279,686	7,221,206	2,409,005	2,904,174
	33,241,284	30,880,690	24,601,004	17,379,798	14,970,793	12,066,619
	<u>\$ 42,158,216</u>	<u>\$ 33,241,284</u>	<u>\$ 30,880,690</u>	<u>\$ 24,601,004</u>	<u>\$ 17,379,798</u>	<u>\$ 14,970,793</u>
	<u>\$ (3,475,687)</u>	<u>\$ (714,711)</u>	<u>\$ (3,282,439)</u>	<u>\$ (1,666,158)</u>	<u>\$ 1,931,322</u>	<u>\$ 1,741,792</u>
	108.99%	102.20%	111.89%	107.26%	90.00%	89.58%
	26,455,402	23,986,225	21,783,458	19,775,929	19,054,613	17,006,833
	-13.14%	-2.98%	-15.07%	-8.43%	10.14%	10.24%

**Montgomery County Hospital District**  
 Schedule of District Contributions to Texas County  
 and District Retirement System (TCDRS)  
 For the Last Nine Fiscal Years\*

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 3,148,150	\$ 2,747,552	\$ 1,968,671
Contributions in relation to the actuarially determined contributions	<u>(3,148,150)</u>	<u>(5,247,552)</u>	<u>(1,968,671)</u>
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<u>\$ -</u>	<u>\$ (2,500,000)</u>	<u>\$ -</u>
Covered payroll	\$ 33,138,421	\$ 31,575,218	\$ 30,101,998
Contributions as a percentage of covered payroll	9.50%	16.62%	6.54%

\*GASB Statement No. 68 requires 10 years of data; however, we have shown only the years for which the GASB statements have been implemented. Additionally, GASB Statement No. 68 requires that the information on this schedule correspond with the District's fiscal year end, September 30.



**Exhibit E-2**

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,848,678	\$ 1,680,793	\$ 1,558,054	\$ 1,552,855	\$ 1,611,799	\$ 1,306,500
<u>(1,848,678)</u>	<u>(1,855,754)</u>	<u>(1,558,054)</u>	<u>(4,385,991)</u>	<u>(1,611,799)</u>	<u>(1,306,500)</u>
<u>\$ -</u>	<u>\$ (174,961)</u>	<u>\$ -</u>	<u>\$ (2,833,136)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,384,921	\$ 25,719,067	\$ 22,920,977	\$ 21,414,773	\$ 19,339,917	\$ 18,236,372
6.51%	7.22%	6.80%	20.48%	8.33%	7.16%

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**Montgomery County Hospital District**  
 Notes to the Required Supplementary Information

**Note 1. Budget**

**A. Budgetary Information**

The District is required to present an annual budget for approval by the board in accordance with Texas Special District Local Laws Code Chapter 1063. The District shall hold a public hearing on the proposed annual budget prior to adoption. The budget is prepared in accordance with Generally Accepted Accounting Principles (GAAP), and any budget amendment must be approved by the Board.

Encumbrance accounting is utilized in all governmental fund types. Any encumbered appropriation lapse at year-end must be reappropriated in the following year. Encumbrances for materials, other goods and purchased services are documented by purchase orders or contracts. Encumbrances outstanding at year-end do not constitute expenditures or liabilities under GAAP. The District honors these commitments and records GAAP expenditures in the subsequent year as the transactions are completed.

**B. Budget to Actual Expenditures**

For the fiscal year ended September 30, 2023 expenditures exceeded appropriations in the following funds due to unexpected emergency costs, increases in payroll and benefit costs, and the adoption of GASB 96:

	Final Budget	Actual Expenditures	Excess
General Fund:			
Administration	\$ 10,727,766	\$ 10,802,867	\$ (75,101)
Emergency medical services	38,847,348	39,805,091	(957,743)
Debt service	688,345	825,345	(137,000)

**Montgomery County Hospital District**  
 Notes to the Required Supplementary Information

**Note 2. Pension**

Valuation Date - Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry Age (level percentage of pay)
Amortization method	Level percentage of payroll, closed
Remaining amortization period	4.3 years (based on contribution rate calculated in 12/31/2022 valuation)
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	Varies by age and service. 4.7% average over career including inflation.
Investment rate of return	7.50%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: Employer contributions reflected that the current services matching rate was increased to 175% for future benefits. 2016: Employer contributions reflected that the current services matching rate was increased to 200%. 2017: New Annuity Purchase Rates were reflected for benefits earned after 2017. 2018-2022: No changes in plan provisions were reflected in the Schedule.

# Montgomery County Hospital District

Single Audit Report

For the Year Ended September 30, 2023

**Montgomery County Hospital District**  
Single Audit Report  
For the Year Ended September 30, 2023  
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**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

The Board of Directors of  
Montgomery County Hospital District

We have audited, 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, the financial statements of the governmental activities, the discretely presented component unit and the major fund of Montgomery County Hospital District (the District) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 7, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board of Directors of  
Montgomery County Hospital District

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas  
March 7, 2024



**Independent Auditor's Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance in Accordance with the Uniform Guidance;  
and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

The Board of Directors of  
Montgomery County Hospital District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Montgomery County Hospital District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal program for the fiscal year ended September 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Board of Directors of  
Montgomery County Hospital District

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the discretely presented component unit, and the major fund of the District as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated March 7, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas  
March 7, 2024

**Montgomery County Hospital District**  
Schedule of Expenditures of Federal Awards  
Montgomery County Public Health District  
Discretely Presented Component Unit  
For the Year Ended September 30, 2023

**Exhibit K-1**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Texas Department of State Health Services:			
Medical Reserve Corps Small Grant Program (MRC)	93.008	MRC 22-2360	\$ 2,500
Public Health Emergency Preparedness (PHEP)	93.069	537-18-0178-00001 Amendment 6	214,827
Public Health Emergency Preparedness (PHEP)	93.069	HHS001311200041	69,382
Public Health Emergency Preparedness (PHEP) Cities Readiness Initiative	93.069	537-18-0190-00001 Amendment 6	91,387
Public Health Emergency Preparedness (PHEP) Cities Readiness Initiative	93.069	HHS001311300018	<u>27,195</u>
Total Assistance Listing Number 93.069			402,791
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HHS000812700027 Amendment 1	99,413
COVID-19 Public Health Crisis Response	93.354	HHS001075600002	314,896
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	HHS001057600034	122,660
Preventive Health and Health Services Block Grant (2019)	93.991	HHS001028100001	61,395
Preventive Health and Health Services Block Grant (2022)	93.991	HHS001324900038	<u>6,235</u>
Total Assistance Listing Number 93.991			<u>67,630</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			1,009,890
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through Texas Office of the Governor			
Urban Area Security Initiative Program (MRC UASI 2021)	97.067	2976107	3,267
Urban Area Security Initiative Program (MRC UASI 2021)	97.067	2986407	167
Urban Area Security Initiative Program (MRC UASI 2022)	97.067	2976108	44,264
Urban Area Security Initiative Program (MRC UASI 2022)	97.067	2986408	<u>209</u>
Total Assistance Listing Number 97.067			<u>47,907</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>47,907</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 1,057,797</u>

The Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

## Montgomery County Hospital District

### Notes to Schedule of Expenditures of Federal Awards

#### **Note 1. General**

The accompanying schedule of expenditures of federal awards presents the activity of all applicable federal awards of the Montgomery County Hospital District (the District) and its discretely presented component unit. The District's reporting entity is defined in Note 1 to the District's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in this schedule. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### **Note 2. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in a special revenue fund, a component of the governmental fund type or general fund. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing resources) and decreases (i.e. expenditures and other financing uses) in fund balance.

The modified accrual basis of accounting is used for the governmental fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e. both measurable and available); and, expenditures in the accounting period in which the fund liability is incurred, if measurable. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly when such funds are received, they are recorded as deferred revenues until earned.

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **Note 3. Availability of Federal Grant Funds**

The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions of the *OMB Compliance Supplement*.

#### **Note 4. Relationship to Federal Financial Reports**

Grant expenditure reports as of September 30, 2023, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

**Montgomery County Hospital District**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended September 30, 2023

**Section 1. Summary of Auditor's Results**

**Financial Statements**

- 1. Type of auditors' report issued Unmodified
- 2. Internal control over financial reporting:
  - a. Material weakness(es) identified? No
  - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- 3. Noncompliance material to financial statements noted? No

**Federal Awards**

- 4. Internal control over major programs:
  - a. Material weakness(es) identified? No
  - b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported
- 5. Type of auditors' report issued on compliance with major programs Unmodified
- 6. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance §200.516(a)? No
- 7. Identification of Major Federal Programs Public Health Emergency Preparedness (PHEP) and Cities Readiness Initiative  
93.069
- 8. Dollar threshold used to distinguish between Type A and Type B federal programs \$750,000
- 9. Auditee qualified as a low-risk auditee? Yes

**Section 2. Financial Statement Findings**

None reported

**Section 3. Federal Award Findings and Questioned Costs**

None reported

**Montgomery County Hospital District**  
Summary Schedule of Prior Audit Findings  
For the Year Ended September 30, 2023

**Prior Year Findings**

None reported



**Public Health**  
Prevent. Promote. Protect.

Montgomery County  
Public Health District

Coverage	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	Difference
<b>Professional &amp; General Liability</b> <i>Insurance Carrier: Evanston</i> Public Health Clinic Services & Operations \$1MM Each Claim / \$3MM Aggregate \$2,500 Deductible Specified Medical Professionals Claims Made Retro Date: 07/06/2010	\$ 4,830.00	\$ 5,025.91	\$ 5,122.44	\$ 5,221.07	\$ 5,318.97	2%
<b>Directors &amp; Officers Liability</b> <i>Insurance Carrier: Chubb</i> including Employment Practices Liability \$1MM Combined Max Aggregate \$10,000 Retention (Clauses B & C) Retro Date: 09-16-2013	\$ 3,436.00	\$ 3,436.00	\$ 3,436.00	\$ 3,436.00	\$ 3,436.00	0%
<b>Totals:</b>	\$ 8,266.00	\$ 8,461.91	\$ 8,558.44	\$ 8,657.07	\$ 8,754.97	1%



AGENDA ITEM # 13

Consider and act on payment of invoices (Judge Mark Keough, Chairman-Public Health Board)

**TOTAL FOR**

**PUBLIC HEALTH INVOICES**

**\$91,340.71**

**Montgomery County Hospital District**  
**Invoice Expense Allocation Report**  
Board Meeting 05/19/2024 Public Health Paid Invoices

Vendor Name	Invoice Date	Invoice No.	Invoice Description	Account No.	Account Description	Amount	
AMERITAS LIFE INSURANCE CORP	1/1/2024	010-48743 1.1.24(22)	ACCT 010-048743-00002 VISION PREMIUMS DEC	22-127-51700	Health & Dental-Workf	\$32.33	
				22-128-51700	Health & Dental-Expan	\$7.35	
				22-129-51700	Health & Dental-Dispa	\$14.70	
				22-131-51700	Health & Dental-CPS/H	\$32.96	
				22-133-51700	Health & Dental-IDCU/	\$7.35	
				22-215-51700	Health & Dental-CPS/C	\$19.40	
				22-401-51700	Health & Dental-Publi	\$32.33	
				22-416-51700	Health & Dental-RLSS/	\$7.35	
				22-900-51700	Health & Dental-MCPHD	\$26.75	
				2/1/2024	010-48743 2.1.24(22)	ACCT 010-048743-00002 VISION PREMIUMS JAN	22-127-51700
	22-128-51700	Health & Dental-Expan	\$7.35				
	22-129-51700	Health & Dental-Dispa	\$7.35				
	22-131-51700	Health & Dental-CPS/H	\$38.80				
	22-133-51700	Health & Dental-IDCU/	\$12.93				
	22-215-51700	Health & Dental-CPS/C	\$19.40				
	22-401-51700	Health & Dental-Publi	\$32.33				
	22-416-51700	Health & Dental-RLSS/	\$7.35				
	22-900-51700	Health & Dental-MCPHD	\$26.75				
	3/1/2024	010-48743 3.1.24(22)	ACCT 010-048743-00002 VISION PREMIUMS FEB				22-127-51700
				22-128-51700	Health & Dental-Expan	\$7.35	
				22-129-51700	Health & Dental-Dispa	\$7.35	
				22-131-51700	Health & Dental-CPS/H	\$38.80	
				22-133-51700	Health & Dental-IDCU/	\$12.93	
				22-215-51700	Health & Dental-CPS/C	\$19.40	
				22-401-51700	Health & Dental-Publi	\$32.33	
				22-416-51700	Health & Dental-RLSS/	\$7.35	
				22-900-51700	Health & Dental-MCPHD	\$26.75	
				3/1/2024	010-48743 3.01.24(22)	ACCT 010-048743-00002 VISION PREMIUMS MAI	22-127-51700
	22-128-51700	Health & Dental-Expan	\$7.35				
	22-129-51700	Health & Dental-Dispa	\$7.35				
	22-131-51700	Health & Dental-CPS/H	\$38.80				
	22-133-51700	Health & Dental-IDCU/	\$12.93				
	22-215-51700	Health & Dental-CPS/C	\$19.40				
	22-401-51700	Health & Dental-Publi	\$32.33				
	22-416-51700	Health & Dental-RLSS/	\$7.35				
	22-900-51700	Health & Dental-MCPHD	\$26.75				
	<b>Totals for AMERITAS LIFE INSURANCE CORP:</b>						<b>\$756.34</b>
	BCBS OF TEXAS (DENTAL)	2/1/2024	123611 02.01.24 (22)	BILL PERIOD: 02-01-2024 TO 03-01-2024	22-127-51700	Health & Dental-Workf	\$116.64
					22-128-51700	Health & Dental-Expan	\$34.32
					22-129-51700	Health & Dental-Dispa	\$34.32
22-131-51700					Health & Dental-CPS/H	\$183.20	
22-133-51700					Health & Dental-IDCU/	\$69.88	
22-215-51700					Health & Dental-CPS/C	\$135.20	
22-401-51700					Health & Dental-Publi	\$87.20	

**Montgomery County Hospital District**  
**Invoice Expense Allocation Report**  
Board Meeting 05/19/2024 Public Health Paid Invoices

Vendor Name	Invoice Date	Invoice No.	Invoice Description	Account No.	Account Description	Amount
				22-416-51700	Health & Dental-RLSS/	\$34.32
				22-900-51700	Health & Dental-MCPHD	\$169.52
	3/1/2024	123611 03.01.24(22)	BILL PERIOD: 03-01-2024 TO 04-01-2024	22-127-51700	Health & Dental-Workf	\$116.64
				22-128-51700	Health & Dental-Expan	\$34.32
				22-129-51700	Health & Dental-Dispa	\$34.32
				22-131-51700	Health & Dental-CPS/H	\$183.20
				22-133-51700	Health & Dental-IDCU/	\$48.00
				22-215-51700	Health & Dental-CPS/C	\$135.20
				22-401-51700	Health & Dental-Publi	\$70.76
				22-416-51700	Health & Dental-RLSS/	\$34.32
				22-900-51700	Health & Dental-MCPHD	\$169.52
				22-401-51700	Health & Dental-Publi	\$16.44
				Totals for BCBS OF TEXAS (DENTAL):		\$1,707.32
CDW GOVERNMENT, INC.	1/1/2024	JX00955	CREDIT/FUND 22 22-127-53100	22-127-53100	Computer Supplies/Non-Cap	(\$2,249.00)
	1/1/2024	NS96440	COMPUTER SUPPLIES	22-131-53100	Computer Supplies/Non-Cap	\$3,479.28
	2/1/2024	PK32353	COMPUTER SUPPLIES	22-127-53100	Computer Supplies/Non-Cap	\$1,739.64
	2/3/2024	PK89824	COMPUTER SUPPLIES	22-127-53100	Computer Supplies/Non-Cap	\$223.43
				Totals for CDW GOVERNMENT, INC.:		\$3,193.35
COLORTECH DIRECT & IMPACT PRINTING	3/11/2024	39768	PH COLOR FLIERS	22-127-57000	Printing Services-Workf	\$819.47
				Totals for COLORTECH DIRECT & IMPACT PRINTING:		\$819.47
DEARBORN NATIONAL LIFE INS CO KNOWN AS	1/1/2024	F021753 1.1.24 (22)	LIFE/DISABILITY 01/01/2024-01/31/2024	22-127-51700	Health & Dental-Workf	\$197.88
				22-128-51700	Health & Dental-Expan	\$65.32
				22-129-51700	Health & Dental-Dispa	\$24.95
				22-131-51700	Health & Dental-CPS/H	\$220.93
				22-133-51700	Health & Dental-IDCU/	\$74.57
				22-215-51700	Health & Dental-CPS/C	\$122.40
				22-401-51700	Health & Dental-Publi	\$184.60
				22-416-51700	Health & Dental-RLSS/	\$100.84
				22-900-51700	Health & Dental-MCPHD	\$264.33
	2/1/2024	F021753 2.1.24 (22)	LIFE/DISABILITY 02/01/2024-02/29/2024	22-127-51700	Health & Dental-Workf	\$197.88
				22-128-51700	Health & Dental-Expan	\$65.32
				22-129-51700	Health & Dental-Dispa	\$76.42
				22-131-51700	Health & Dental-CPS/H	\$220.93
				22-133-51700	Health & Dental-IDCU/	\$77.12
				22-215-51700	Health & Dental-CPS/C	\$122.40
				22-401-51700	Health & Dental-Publi	\$184.60
				22-416-51700	Health & Dental-RLSS/	\$100.84
				22-900-51700	Health & Dental-MCPHD	\$264.33
	3/1/2024	F021753 3.1.24(22)	LIFE/DISABILITY 03/01/2024-03/31/2024	22-127-51700	Health & Dental-Workf	\$197.88
				22-128-51700	Health & Dental-Expan	\$65.32
				22-129-51700	Health & Dental-Dispa	\$76.42
				22-131-51700	Health & Dental-CPS/H	\$220.93

**Montgomery County Hospital District**  
**Invoice Expense Allocation Report**  
Board Meeting 05/19/2024 Public Health Paid Invoices

Vendor Name	Invoice Date	Invoice No.	Invoice Description	Account No.	Account Description	Amount
				22-133-51700	Health & Dental-IDCU/	\$75.42
				22-215-51700	Health & Dental-CPS/C	\$122.40
				22-401-51700	Health & Dental-Publi	\$184.60
				22-416-51700	Health & Dental-RLSS/	\$100.84
				22-900-51700	Health & Dental-MCPHD	\$264.33
			Totals for DEARBORN NATIONAL LIFE INS CO KNOWN AS BCBS:			\$3,873.80
GARMAN, LISA	2/6/2024	GAR*01302024	MILEAGE - (01/27/2024 - 01/27/2024)	22-129-56200	Mileage Reimbursements-Dis	\$9.65
	2/6/2024	GAR*01302024B	MILEAGE - (01/09/2024 - 01/09/2024)	22-129-56200	Mileage Reimbursements-Dis	\$38.86
	3/1/2024	GAR*02292024	MILEAGE - (02/28/2024 - 02/28/2024)	22-129-56200	Mileage Reimbursements-Dis	\$12.46
	3/1/2024	GAR*02292024B	MILEAGE - (02/21/2024 - 02/21/2024)	22-129-56200	Mileage Reimbursements-Dis	\$12.46
	3/1/2024	GAR*02292024C	MILEAGE - (02/23/2024 - 02/23/2024)	22-129-56200	Mileage Reimbursements-Dis	\$16.75
	3/1/2024	GAR*02292024D	MILEAGE - (02/17/2024 - 02/17/2024)	22-129-56200	Mileage Reimbursements-Dis	\$28.54
	3/28/2024	GAR*03282024	MILEAGE - (03/08/2024 - 03/08/2024)	22-129-56200	Mileage Reimbursements-Dis	\$26.80
	3/28/2024	GAR*03282024B	MILEAGE - (03/02/2024 - 03/02/2024)	22-129-56200	Mileage Reimbursements-Dis	\$12.19
			Totals for GARMAN, LISA:			\$157.71
JP MORGAN CHASE BANK	1/5/2024	00036741 01.5.24(22)	JPM CREDIT CARD TRANSACTIONS FOR JAN 20	22-127-53050	Computer Software-Workf	\$1,460.00
				22-401-56300	Office Supplies-Publi	\$137.01
				22-900-57750	Small Equipment & Furniture	\$1,295.56
	2/5/2024	00036741 02.05.24(22)	JPM CREDIT CARD TRANSACTIONS FOR FEB 20	22-129-56300	Office Supplies-Dispa	\$179.98
				22-401-56300	Office Supplies-Publi	\$832.14
	3/5/2024	00036741 3.05.24(22)	JPM CREDIT CARD TRANSACTIONS FOR MAR 2	22-000-14900	Prepaid Expenses-BS	\$395.00
				22-215-57750	Small Equipment & Furniture	\$1,354.36
			Totals for JP MORGAN CHASE BANK:			\$5,654.05
LANGUAGE LINE SERVICES, LTD dba LANGUAC	1/1/2024	11186591	OVER-THE-PHONE INTERPRETATION	22-127-53050	Computer Software-Workf	\$154.10
	2/1/2024	11210822	OVER-THE-PHONE INTERPRETATION	22-127-53050	Computer Software-Workf	\$443.06
	3/1/2024	11231399	OVER-THE-PHONE INTERPRETATION	22-127-53050	Computer Software-Workf	\$363.62
			Totals for LANGUAGE LINE SERVICES, LTD dba LANGUAGELINE SOLUTIONS:			\$960.78
LEAL, RENE	1/3/2024	LEA*12212023	MILEAGE - (12/05/2023 - 12/06/2023)	22-215-56200	Mileage Reimbursements-CP	\$54.90
	2/15/2024	LEA*02152024	MILEAGE - (02/06/2024 - 02/06/2024)	22-215-56200	Mileage Reimbursements-CP	\$50.25
	2/26/2024	LEA*02262024	PER DIEM - PREPAREDNESS SUMMIT (03/24/202	22-215-53150	Conferences - Fees, Travel, &	\$276.50
			Totals for LEAL, RENE:			\$381.65
LEONARD V SCHNEIDER DBA LILES PARKER P.	1/1/2024	2544	PROFESSIONAL SERVICES DEC 2023	22-900-55500	Legal Fees-MCPHD	\$45.00
	3/1/2024	2563A	PROFESSIONAL SERVICES JAN 2024	22-900-55500	Legal Fees-MCPHD	\$180.00
	3/1/2024	2578	PROFESSIONAL SERVICES FEB 2024	22-900-55500	Legal Fees-MCPHD	\$742.50
			Totals for LEONARD V SCHNEIDER DBA LILES PARKER PLLC:			\$967.50
MCKESSON GENERAL MEDICAL CORP.	1/25/2024	21633614	MEDICAL SUPPLIES	22-401-53900	Disposable Medical Supplies	\$1,376.56
			Totals for MCKESSON GENERAL MEDICAL CORP.:			\$1,376.56
MONTGOMERY COUNTY, TEXAS OFFICE OF TH	2/1/2024	MON070723	MRC COORDINATOR - JUNE PAYROLL	22-321-51100	Regular Pay-MRC U	\$6,115.38

**Montgomery County Hospital District**  
**Invoice Expense Allocation Report**  
Board Meeting 05/19/2024 Public Health Paid Invoices

Vendor Name	Invoice Date	Invoice No.	Invoice Description	Account No.	Account Description	Amount
				22-321-51500	Payroll Taxes-MRC U	\$466.40
				22-321-51700	Health & Dental-MRC U	\$1,352.90
				22-321-51650	TCDRS Plan-MRC U	\$766.86
				22-321-59350	Worker's Compensation Insu	\$149.16
	2/1/2024	MON080423	MRC COORDINATOR - JULY PAYROLL	22-321-51100	Regular Pay-MRC U	\$4,076.92
				22-321-51500	Payroll Taxes-MRC U	\$310.46
				22-321-51700	Health & Dental-MRC U	\$1,864.14
				22-321-59350	Worker's Compensation Insu	\$99.44
	2/1/2024	MON091123	MRC COORDINATOR - AUGUST PAYROLL	22-321-51100	Regular Pay-MRC U	\$4,076.92
				22-321-51500	Payroll Taxes-MRC U	\$310.46
				22-321-51700	Health & Dental-MRC U	\$1,352.90
				22-321-51650	TCDRS Plan-MRC U	\$511.24
				22-321-59350	Worker's Compensation Insu	\$99.44
	2/1/2024	MON100223	MRC COORDINATOR - SEPTEMBER PAYROLL	22-321-51100	Regular Pay-MRC U	\$4,076.92
				22-321-51500	Payroll Taxes-MRC U	\$310.47
				22-321-51700	Health & Dental-MRC U	\$1,352.90
				22-321-51650	TCDRS Plan-MRC U	\$511.24
				22-321-59350	Worker's Compensation Insu	\$101.14
	2/1/2024	MON103123	MRC COORDINATOR - OCTOBER PAYROLL	22-321-51100	Regular Pay-MRC U	\$4,127.88
				22-321-51500	Payroll Taxes-MRC U	\$314.35
				22-321-51700	Health & Dental-MRC U	\$1,410.07
				22-321-51650	TCDRS Plan-MRC U	\$517.63
				22-321-59350	Worker's Compensation Insu	\$102.41
	2/1/2024	MON120423	MRC COORDINATOR - NOVEMBER PAYROLL	22-321-51100	Regular Pay-MRC U	\$4,178.84
				22-321-51500	Payroll Taxes-MRC U	\$318.25
				22-321-51700	Health & Dental-MRC U	\$1,467.24
				22-321-51650	TCDRS Plan-MRC U	\$524.02
				22-321-59350	Worker's Compensation Insu	\$103.68
	2/1/2024	MON010524	MRC COORDINATOR - DECEMBER PAYROLL	22-321-51100	Regular Pay-MRC U	\$6,268.26
				22-321-51500	Payroll Taxes-MRC U	\$478.10
				22-321-51700	Health & Dental-MRC U	\$1,467.24
				22-321-51650	TCDRS Plan-MRC U	\$786.03
				22-321-59350	Worker's Compensation Insu	\$155.52
	2/1/2024	MON123123	MRC COORDINATOR - 12.23.23-12.31.23	22-321-51100	Regular Pay-MRC U	\$1,044.70
				22-321-51500	Payroll Taxes-MRC U	\$79.01
				22-321-51700	Health & Dental-MRC U	\$366.79
				22-321-51650	TCDRS Plan-MRC U	\$131.00
				22-321-59350	Worker's Compensation Insu	\$25.92
			Totals for MONTGOMERY COUNTY, TEXAS OFFICE OF THE COUNTY AUDITOR:			\$51,772.23
OPTIQUEST INTERNET SERVICES, INC.	1/4/2024	82961	NEXTGEN HOSTING	22-401-53050	Computer Software-Publi	\$400.00
	1/1/2024	82711	NEXTGEN HOSTING	22-401-53050	Computer Software-Publi	\$400.00
	2/2/2024	83201	HOSTING - EHR/EMR NEXTGEN	22-401-53050	Computer Software-Publi	\$400.00
	3/3/2024	83453	HOSTING - EHR/EMR NEXTGEN	22-401-53050	Computer Software-Publi	\$400.00
			Totals for OPTIQUEST INTERNET SERVICES, INC.:			\$1,600.00

**Montgomery County Hospital District**  
**Invoice Expense Allocation Report**  
Board Meeting 05/19/2024 Public Health Paid Invoices

Vendor Name	Invoice Date	Invoice No.	Invoice Description	Account No.	Account Description	Amount
PATTILLO, BROWN & HILL, LLP	1/1/2024	479446	FINANCIAL RISK ASSESSMENT	22-900-52100	Accounting/Auditing Fees-M	\$5,375.00
				Totals for PATTILLO, BROWN & HILL, LLP:		
SANCHEZ, JAMIE	2/26/2024	CHA*02262024	PER DIEM - PHEP SUMMIT (03/24/2024-03/28/202	22-131-53150	Conferences - Fees, Travel, &	\$276.50
				Totals for SANCHEZ, JAMIE:		
SIMS, CHARLES R M.D.	1/22/2024	SIM*11132023B	MEDICAL DIRECTOR	22-131-53330	Contractual Obligations- Oth	\$1,833.00
	1/22/2024	SIM*11132023C	MEDICAL DIRECTOR	22-401-53330	Contractual Obligations- Oth	\$167.00
	2/20/2024	SIM*12132023	MEDICAL DIRECTOR	22-131-53330	Contractual Obligations- Oth	\$1,833.00
	2/20/2024	SIM*12132023B	MEDICAL DIRECTOR	22-401-53330	Contractual Obligations- Oth	\$167.00
	3/15/2024	SIM*03152024	MEDICAL DIRECTOR	22-131-53330	Contractual Obligations- Oth	\$1,835.00
	3/15/2024	SIM*03152024B	MEDICAL DIRECTOR	22-401-53330	Contractual Obligations- Oth	\$165.00
	Totals for SIMS, CHARLES R M.D.:					\$6,000.00
SOS SURVIVAL PRODUCTS	1/25/2024	871822	REFILL KIT FOR FIRST RESPONDER AID KIT	22-215-52975	Community Preparedness Sup	\$139.96
	2/13/2024	872150	REFILL KIT FOR FIRST RESPONDER AID KIT	22-215-52975	Community Preparedness Sup	\$139.96
	Totals for SOS SURVIVAL PRODUCTS:					\$279.92
STAPLES ADVANTAGE	2/3/2024	3558911698	OFFICE SUPPLIES	22-128-56300	Office Supplies-Expan	\$106.18
	2/3/2024	3558911709	OFFICE SUPPLIES	22-129-56300	Office Supplies-Dispa	\$37.32
	2/3/2024	3558911706	OFFICE SUPPLIES	22-131-56300	Office Supplies-CPS/H	\$25.78
	2/3/2024	3558911707	OFFICE SUPPLIES	22-131-56300	Office Supplies-CPS/H	\$20.09
	2/3/2024	3558911704	OFFICE SUPPLIES	22-131-56300	Office Supplies-CPS/H	\$57.54
	2/3/2024	3558911701	OFFICE SUPPLIES	22-127-56300	Office Supplies-Workf	\$204.06
	2/3/2024	3558911699	OFFICE SUPPLIES	22-127-56300	Office Supplies-Workf	\$41.99
	2/3/2024	3558911700	OFFICE SUPPLIES	22-127-56300	Office Supplies-Workf	\$28.77
	2/3/2024	3558911703	OFFICE SUPPLIES	22-127-56300	Office Supplies-Workf	\$49.78
	2/3/2024	3558911710	OFFICE SUPPLIES	22-127-56300	Office Supplies-Workf	\$36.99
	2/3/2024	3558911705	OFFICE SUPPLIES	22-131-56300	Office Supplies-CPS/H	\$28.77
	Totals for STAPLES ADVANTAGE:					\$637.27
	VERIZON WIRELESS (POB 660108)	1/9/2024	9953811907 (22)	ACCOUNT # 920161350-00001 DEC 10 - JAN 09	22-127-58200	Telephones-Cellular-Workf
22-128-58200					Telephones-Cellular-Expan	\$78.21
22-129-58200					Telephones-Cellular-Dispa	\$78.21
22-131-58200					Telephones-Cellular-CPS/H	\$157.54
22-133-58200					Telephones-Cellular-IDCU/	\$78.21
22-215-58200					Telephones-Cellular-CPS/C	\$78.21
22-900-58200					Telephones-Cellular-MCPHI	\$39.10
2/9/2024		9956275979 (22)	ACCOUNT # 920161350-00001 JAN 10 - FEB 09	22-127-58200	Telephones-Cellular-Workf	\$234.63
				22-128-58200	Telephones-Cellular-Expan	\$78.21
				22-129-58200	Telephones-Cellular-Dispa	\$78.21
				22-131-58200	Telephones-Cellular-CPS/H	\$157.54
				22-133-58200	Telephones-Cellular-IDCU/	\$78.21
				22-215-58200	Telephones-Cellular-CPS/C	\$78.21

**Montgomery County Hospital District**  
**Invoice Expense Allocation Report**  
Board Meeting 05/19/2024 Public Health Paid Invoices

<b>Vendor Name</b>	<b>Invoice Date</b>	<b>Invoice No.</b>	<b>Invoice Description</b>	<b>Account No.</b>	<b>Account Description</b>	<b>Amount</b>
				22-401-58200	Telephones-Cellular-Publi	\$63.57
				22-900-58200	Telephones-Cellular-MCPHI	\$116.94
	3/10/2024	9958743280 (22)	ACCOUNT # 920161350-00001 FEB 10 MAR 09	22-127-58200	Telephones-Cellular-Workf	\$234.63
				22-128-58200	Telephones-Cellular-Expan	\$78.21
				22-129-58200	Telephones-Cellular-Dispa	\$175.29
				22-131-58200	Telephones-Cellular-CPS/H	\$157.54
				22-133-58200	Telephones-Cellular-IDCU/	\$78.21
				22-215-58200	Telephones-Cellular-CPS/C	\$78.21
				22-401-58200	Telephones-Cellular-Publi	\$40.22
				22-900-58200	Telephones-Cellular-MCPHI	\$79.32
				<b>Totals for VERIZON WIRELESS (POB 660108):</b>		<b>\$2,551.26</b>
WEAVER AND TIDWELL, LLP	2/29/2024	10785469	FINAL BILL: 2023 SINGLE AUDIT (PUBLIC HEAL	22-900-52100	Accounting/Auditing Fees-M	\$3,000.00
				<b>Totals for WEAVER AND TIDWELL, LLP:</b>		<b>\$3,000.00</b>

## Account Summary

<u>Account Number</u>	<u>Description</u>	<u>Net Amount</u>
22-000-14900	Prepaid Expenses-BS	\$395.00
22-127-51700	Health & Dental-Workf	\$978.29
22-127-53050	Computer Software-Workf	\$2,420.78
22-127-53100	Computer Supplies/Non-Cap.-Workf	(\$285.93)
22-127-56300	Office Supplies-Workf	\$361.59
22-127-57000	Printing Services-Workf	\$819.47
22-127-58200	Telephones-Cellular-Workf	\$703.89
22-128-51700	Health & Dental-Expan	\$294.00
22-128-56300	Office Supplies-Expan	\$106.18
22-128-58200	Telephones-Cellular-Expan	\$234.63
22-129-51700	Health & Dental-Dispa	\$283.18
22-129-56200	Mileage Reimbursements-Dispa	\$157.71
22-129-56300	Office Supplies-Dispa	\$217.30
22-129-58200	Telephones-Cellular-Dispa	\$331.71
22-131-51700	Health & Dental-CPS/H	\$1,178.55
22-131-53100	Computer Supplies/Non-Cap.-CPS/H	\$3,479.28
22-131-53150	Conferences - Fees, Travel, & Meals-CPS/H	\$276.50
22-131-53330	Contractual Obligations- Other-CPS/H	\$5,501.00
22-131-56300	Office Supplies-CPS/H	\$132.18
22-131-58200	Telephones-Cellular-CPS/H	\$472.62
22-133-51700	Health & Dental-IDCU/	\$391.13
22-133-58200	Telephones-Cellular-IDCU/	\$234.63
22-215-51700	Health & Dental-CPS/C	\$715.20
22-215-52975	Community Preparedness Supplies-CPS/C	\$279.92
22-215-53150	Conferences - Fees, Travel, & Meals-CPS/C	\$276.50
22-215-56200	Mileage Reimbursements-CPS/C	\$105.15
22-215-57750	Small Equipment & Furniture-CPS/C	\$1,354.36
22-215-58200	Telephones-Cellular-CPS/C	\$234.63
22-321-51100	Regular Pay-MRC U	\$33,965.82
22-321-51500	Payroll Taxes-MRC U	\$2,587.50
22-321-51650	TCDRS Plan-MRC U	\$3,748.02
22-321-51700	Health & Dental-MRC U	\$10,634.18
22-321-59350	Worker's Compensation Insurance-MRC U	\$836.71
22-401-51700	Health & Dental-Publi	\$857.52
22-401-53050	Computer Software-Publi	\$1,600.00
22-401-53330	Contractual Obligations- Other-Publi	\$499.00
22-401-53900	Disposable Medical Supplies-Publi	\$1,376.56
22-401-56300	Office Supplies-Publi	\$969.15
22-401-58200	Telephones-Cellular-Publi	\$103.79
22-416-51700	Health & Dental-RLSS/	\$400.56
22-900-51700	Health & Dental-MCPHD	\$1,239.03
22-900-52100	Accounting/Auditing Fees-MCPHD	\$8,375.00
22-900-55500	Legal Fees-MCPHD	\$967.50
22-900-57750	Small Equipment & Furniture-MCPHD	\$1,295.56
22-900-58200	Telephones-Cellular-MCPHD	\$235.36
	<b>TOTAL</b>	<b><u>\$91,340.71</u></b>



# Agenda Item # 14

**To:** MCPHD Board of Directors  
**From:** Randy Johnson, Executive Director  
**Date:** May 9, 2024  
**Re: Next Board Date & Agenda Items**

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Consider and act on next board date and discussion of any items to be placed on the agenda of the next meeting of the Montgomery County Public Health District Board of Directors.