

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
May 17, 2012

THE STATE OF TEXAS           §  
  §  
COUNTY OF MONTGOMERY    §

The Board of Directors of East Montgomery County Improvement District (the "District") met in Regular Session, open to the public, on the 17<sup>th</sup> day of May, 2012, at 5:30 p.m., at the East Montgomery County Improvement District Complex, 21575 U.S. Highway 59 North, EMCID Board Room 103, New Caney, Texas, within the boundaries of the District, and the roll was called of the duly elected officers and members of the Board of Directors, to-wit:

Leon Cubillas	Chair
Vickie Thumann	Vice Chair
Linda W. Floyd	Assistant Vice Chair/Treasurer
Susan Warren	Secretary
Connie Bloodworth	Assistant Secretary
Leonard W. Rogers	Director
Fred Wetz	Director
Isidor Ybarra, Jr.	Director

with all of said persons being present, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Mr. David Marks, Mr. Greg Phipps, Mr. Cory Burton, Mr. Don Lessem and several others from the community.

The Chair called the meeting to order and announced that a quorum was present. Director Wetz led in prayer followed by the pledge of allegiance led by Director Ybarra.

As the first order of business, the Board considered comments from members of the audience. In connection therewith, Mr. Lessem reported on the EarthQuest status.

The Board next considered the approval of the minutes of the Board of Directors meetings held on April 12, 2012 and May 4, 2012. After discussion on the matter, Director Ybarra moved that the minutes of the Board of Directors meetings held on April 12, 2012 and May 4, 2012, be approved as written. Director Rogers seconded said motion, which carried, with Director Warren abstaining.

## **Minutes of East Montgomery County Improvement District for May 17, 2012**

The Board next considered the financial and investment reports, and authorizing payment of invoices presented. In connection therewith, Mr. Burton presented the financial and investments reports, copies of which are attached hereto, and presented the invoices for payment. Following review, Director Rogers moved that said reports be approved and that payment of invoices be authorized on the Operating Fund being check nos. 9538 through 9614, inclusive, debits for payroll and six (6) wires, and on the Special Events Fund at Plains State Bank being check nos. 2286 through 2288, as set forth on the attached reports. Director Wetz seconded said motion, which unanimously carried.

Mr. Burton next presented and reviewed with the Board a Quarterly Investment Report for the reporting period ended March 31, 2012, a copy of which is attached hereto. After review of the Quarterly Investment Report and upon motion duly made by Director Rogers, seconded by Director Wetz and unanimously carried, said Quarterly Investment Report was approved and the District's Investment Officer was authorized to execute same on behalf of the Board and District.

The Board next considered the status of development of the District's 12.85 acre site, including the construction of improvements and the leasing of space in the District's office building. In connection therewith, Mr. McCrady stated that the outdoor fountain pumps need to be replaced. He stated that the pumps are under warranty and the new pumps will be installed in June.

The Board next recessed to Executive Session at 6:45 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code, pending or contemplated litigation pursuant to §551.071, Texas Government Code, and matters in which the duty of the attorney to the District under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflict with Chapter 551, Texas Government Code, pursuant to §551.071, Texas Government Code. The Board returned from Executive Session at 8:30 p.m.

The Board next considered a report on activities within the Industrial Park, including the status of petition to the East Montgomery County Municipal Utility District No. 3 ("No. 3") to annex 59.633 acres of land purchased from Harold B. and Carmen Myers. In connection therewith, Mr. Marks reported that the City of Conroe has approved said petition and that the annexation is complete.

## **Minutes of East Montgomery County Improvement District for May 17, 2012**

The Board next considered the approval of an Incentive Agreement and to authorize preparation of a Purchase and Sale Agreement with Texas Directional Drilling. In that regard, Mr. McCrady stated that same is progressing. The Board deferred action relative to same.

The Board next considered the approval of an Incentive Agreement and to authorize preparation of a Purchase and Sale Agreement relative to Harbor America. In that regard, Mr. McCrady stated that he had nothing new to report, and the Board deferred action relative to same.

The Board next considered the approval of an Incentive Agreement and to authorize preparation of a Purchase and Sale of Real Estate Agreement with TEXCEL. In that regard, Mr. McCrady stated that he had nothing new to report, and the Board deferred action relative to same.

The Board next considered the approval of an Incentive Agreement and to authorize preparation of a Purchase and Sale of Real Estate Agreement with Calmena Energy Services. In that regard, Mr. McCrady stated that he had nothing new to report, and the Board deferred action relative to same.

The Board next considered the status of the Hydrus Wakeboard Park. In connection therewith, Mr. McCrady stated that he is currently working with the owner/developer to identify a specific site location.

The Board next considered the approval and authorization of an Amendment concerning Agreement with Don Lessem relating to the EarthQuest Project. In that regard, Mr. McCrady stated that Mr. Lessem is requesting the District authorize reversion of all EarthQuest intellectual property to Lessem after some period of time and that the District authorize Mr. Lessem to market EarthQuest Intellectual Property outside the District. He stated that Contour Entertainment has advised that allowing same would be harmful to the East Montgomery County project. After discussion, the Board deferred action on the matter.

The Board next stated there were no announcements.

The Board of Directors next considered canvassing the returns of the Directors' Election held on May 12, 2012. Said election returns and other election instruments were examined and canvassed by the Board and found to be correct, legal and regular in all respects. Mr. Marks read the official results to the Board. After discussion on the matter, it was duly moved by Director Thumann, seconded by Director Bloodworth and unanimously carried that there be passed and adopted the attached Order Declaring Results of General Election of Directors held May 12, 2012, which

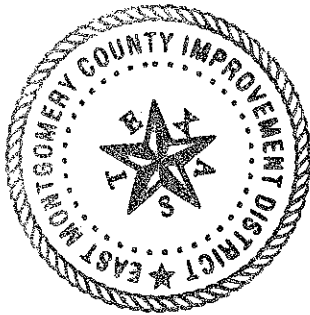
**Minutes of East Montgomery County Improvement District for May 17, 2012**

declares Brenda Webb-Position 1, Isidor Ybarra, Jr.-Position 2, Dale Martin-Position 3 and Marlene Idoux-Position 4 elected as Directors of the District at said election, each to serve a four (4) year term, or until their successors are duly elected or appointed and qualified and that the Chairman and Secretary or Assistant Secretary of the Board be authorized to execute such Order on behalf of the Board and District.

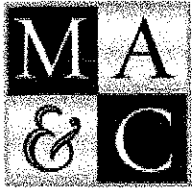
The Board next considered matters for possible placement on future agendas. In connection therewith, the Board requested that a special meeting be held on May 23, 2012, to consider community development grant requests and to discuss personnel matters.

There being no further business to come before the Board of Directors, the meeting was adjourned.

(SEAL)



  
Secretary, Board of Directors



**MUNICIPAL ACCOUNTS  
& CONSULTING, L.P.**

**East Montgomery County  
Improvement District**

**Bookkeeper's Report**

May 10, 2012

East Montgomery County Improvement District

Account Balances

As of May 10, 2012

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
<b>Fund: Operating</b>					
<b>Certificates of Deposit</b>					
ICON BANK (XXXX9033)	04/18/2012	07/18/2012	0.35 %	200,000.00	
BANK OF HOUSTON (XXXX0847)	04/18/2012	08/16/2012	0.50 %	200,000.00	
THE BANK OF RIVER OAKS (XXXX7310)	04/18/2012	09/15/2012	0.25 %	200,000.00	
<b>Money Market Funds</b>					
TEXPOOL (XXXX0001)	10/31/2005		0.12 %	219.25	
PLAINS STATE BANK (XXXX3271)	05/01/2011		0.21 %	270,794.81	Hotel/Motel Tax
<b>Checking Account(s)</b>					
PLAINS STATE BANK (XXXX3263)			0.21 %	283,240.95	Checking Account
<b>Totals for Operating Fund:</b>				<b>\$1,154,255.01</b>	
<b>Fund: Capital Projects</b>					
<b>Money Market Funds</b>					
TEXPOOL (XXXX0004)	05/21/2009		0.12 %	57,998.04	Series 2009
TEXPOOL (XXXX0006)	08/17/2009		0.12 %	36,573.41	Surplus
<b>Checking Account(s)</b>					
PLAINS STATE BANK (XXXX3328)			0.00 %	473.89	Checking Account
<b>Totals for Capital Projects Fund:</b>				<b>\$95,045.34</b>	
<b>Fund: Debt Service</b>					
<b>Certificates of Deposit</b>					
ALLIANCE BANK - DEBT (XXXX6901)	08/18/2011	08/01/2012	0.80 %	140,000.00	
GREEN BANK - DEBT (XXXX0092)	04/18/2012	08/01/2012	0.25 %	200,000.00	
ICON BANK - DEBT (XXXX9132)	04/18/2012	08/01/2012	0.35 %	120,000.00	
TEXAS CAPITAL BANK-DEBT (XXXX2877)	04/18/2012	08/01/2012	0.25 %	240,000.00	
<b>Money Market Funds</b>					
TEXPOOL (XXXX0002)	03/13/2009		0.12 %	18,026.73	
<b>Checking Account(s)</b>					
PLAINS STATE BANK (XXXX3417)			0.21 %	109,337.85	Checking Account
<b>Totals for Debt Service Fund:</b>				<b>\$827,364.58</b>	
<b>Fund: Reserve</b>					
<b>Certificates of Deposit</b>					
ICON BANK - DEBT (XXXX1844)	08/16/2011	07/11/2012	0.70 %	110,000.00	
IBC BANK (XXXX1785)	07/16/2011	07/15/2012	0.85 %	240,000.00	
ENTERPRISE BANK (XXXX8681)	07/16/2011	07/16/2012	1.20 %	240,000.00	
BANK OF HOUSTON - DEBT (XXXX0255)	02/10/2012	01/05/2013	0.35 %	200,000.00	
MEMORIAL CITY BANK (XXXX3065)	01/12/2012	01/11/2013	0.85 %	240,000.00	
<b>Money Market Funds</b>					
TEXPOOL (XXXX0005)	07/07/2009		0.12 %	4,698.53	Debt Reserve
<b>Totals for Reserve Fund:</b>				<b>\$1,034,698.53</b>	

East Montgomery County Improvement District

**Account Balances**

As of May 10, 2012

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
<b>Fund - Events Account</b>					
<b>Certificates of Deposit</b>					
POST OAK BANK (XXXX6838)	09/12/2011	09/12/2012	0.75 %	50,000.00	
<b>Checking Account(s)</b>					
PLAINS STATE BANK (XXXX3468)			0.21 %	36,820.15	Checking Account
<b>Totals for Events Account Fund:</b>				<b>\$86,820.15</b>	
<b>Grand total for East Montgomery County Improvement District:</b>				<b>\$3,198,183.61</b>	

## EMCID - GOF

## Cash Flow Report - Checking Account

As of May 10, 2012

	Name	Memo	Amount	Balance
<b>BALANCE AS OF 4/6/2012</b>				<b>\$737,842.62</b>
<b>Receipts</b>				
	7004 · Com Dev - Special Events - Law Enforcement Dinner		1,120.00	
	Sales Tax Reveue District A		375,230.85	
	Sales Tax Reveue		49,238.67	
	7004 · Com Dev - Special Events - Law Enforcement Dinner		380.00	
	Reimbursement - Sandra Seelye		452.79	
	Interest on Checking		142.13	
	Building Rents Lone Star College		4,000.00	
	Refund Worker's Comp Audit - The Hartford		92.00	
	Cannon Financial Services, Inc.		357.60	
	6310 / 7180 - Reimbursement - Frank McCrady		2,443.77	
<b>Total Receipts</b>				<b>433,457.81</b>
<b>Disbursements</b>				
9538	American Express - Parmer	6350 / 6311 / 6359 / 7100 / 7004 / 6340	(4,031.00)	
9539	Ben Wheatley	7100 · Eco Dev -Public Relations Counsel	(3,750.00)	
9540	Carrier Corporation	6370 · Repairs & Maint - Building	(2,634.00)	
9541	Champion Rentals, Inc. # 3	6370 · Repairs & Maint - Building	(1,818.22)	
9542	Community Chamber of Commerce	7004 · Com Dev - Special Events	(120.00)	
9543	EMCID - DSF	7302 · Debt Service Transfer Building Payment	(75,426.00)	
9544	Houston Community Newspapers	6321 · Advertising	(1,044.32)	
9545	International Economic Development Council	6096 · Dues/ Professional Memberships 7/1/12-6/	(475.00)	
9546	Jack Daniels Delivery Service, Inc.	6344 · Delivery Fees	(66.00)	
9547	Labor Ready Central, Inc.	6372 B · Contract Labor Maintenance	(2,151.86)	
9548	Montgomery & Barnes, Inc.	6324 · Engineering Fees - Caney Creek Discharge P	(2,207.24)	
9549	Pitney Bowes, Inc. - Lease	6132 · Office Equipment Lease	(299.65)	
9550	Platinum Coffee Service, Inc.	6340 · Supplies	(129.00)	
9551	Txtreme Promotions	6321 · Com Dev - Special Events	(350.00)	
9552	APS Safety and Medical, Inc.	6371 · Building Supplies	(983.00)	
9553	Assurity Life Insurance Company	6016 · Health Insurance	(607.30)	
9554	AT&T Mobility	6351 · Telephone Expense	(137.26)	
9555	CenturyLink 4419	6351 · Telephone Expense	(154.91)	
9556	CenturyLink 4419	6351 · Telephone Expense	(2,728.18)	
9557	Community Hardware	6370 · Repairs & Maint - Building	(89.32)	
9558	Continental Airlines - Chase Card Service	6351 / 7180	(1,030.53)	
9559	Crittenden	6096 · Dues/ Professional Memberships	(967.00)	
9560	Don Allen Holbrook, LLC	7180 · EarthQuest Institute	(419.24)	
9561	EMC Commercial Cleaning	6372 a · Contract Labor - Janitorial	(1,900.00)	
9562	Entergy	6352 · Utilities	(5,604.91)	
9563	Home Depot Credit Services	6370 · Repairs & Maint - Building	(229.45)	
9564	Kingwood Promotions	7100 · Eco Dev - Marketing	(415.00)	
9565	Labor Ready Central, Inc.	6372 B · Contract Labor Maintenance	(2,869.02)	
9566	Lone Star College Foundation	7004 · Com Dev - Special Events	(2,500.00)	
9567	Marks, Richardson P.C.	6320 / 7106 / 7320 / Legal Fees	(22,999.10)	
9568	Montgomery County Elections	6235 - Election Expense	(17,002.00)	
9569	New Horizons, Inc	7004 · Com Dev - Special Events	(400.00)	
9570	Ozarka	6340 · Supplies	(361.96)	
9571	Reelz Ink Productions	7004 · Com Dev - Special Events	(4,000.00)	
9572	Stanley Company	6370 · Repairs & Maint - Building	(160.00)	
9573	Wilson, Cribbs & Goren, P.C.	7632 · Legal - Earth Quest	(1,560.00)	
9574	+ImageNet Consulting LLC	6132 · Office Equipment Lease	(611.88)	



EMCID - GOF

Cash Flow Report - Checking Account

As of May 10, 2012

N	Name	Memo	Amount	Balance
<b>Disbursements</b>				
9575	Champion Rentals, Inc. # 3	6370 - Repairs & Maint - Building	(808.10)	
9576	Home Depot Credit Services	6370 - Repairs & Maint - Building	(157.51)	
9577	Labor Ready Central, Inc.	6372 B - Contract Labor Maintenance	(1,477.98)	
9578	Municipal Accounts & Consulting, LP	6333 - Accounting	(2,436.45)	
9579	Network PC Pro's	6133 - Computers/Access/Software, etc	(700.00)	
9580	Sandra Seelye	6351 / 6030	(119.09)	
9581	Sprint 925565715	6351 - Telephone Expense	(49.08)	
9582	Suzanne Parmer	6030 / 6351	(228.84)	
9583	TML - IEBP	6016 - Health Insurance	(6,854.29)	
9584	Top Flight Trailer & Equipment	6370 - Repairs & Maint - Building	(132.97)	
9585	TransLangCo	6325 - Election Costs	(88.40)	
9586	Warren Mather	6030 - Mileage/Auto	(76.48)	
ACH	American Express - McCrady	6370 / 7004 / 7100 / 7180	(2,515.19)	
PR Entry	The Hartford	Pay Period 04/01-15/2012	(1,834.45)	
PR Entry	Payroll Entry	Pay Period 04/01-15/2012	(7,577.57)	
PR Entry	Payroll Entry	Pay Period 04/01-15/2012	(2,042.50)	
PR Entry	Payroll Entry	Pay Period 04/01-15/2012	(97.50)	
PR Entry	The Hartford	Pay Period 04/01-15/2012	(1,861.01)	
PR Entry	Payroll Entry	Pay Period 04/01-15/2012	(8,505.04)	
PR Entry	Payroll Entry	Pay Period 04/01-15/2012	(2,253.51)	
PR Entry	Payroll Entry	Pay Period 04/01-15/2012	(95.84)	
Wire	The Bank of River Oaks	1300 - To Purchase CD at The Bank of River Oaks	(200,000.00)	
Wire	ICON Bank	1300 - To Purchase CD at ICON Bank	(200,000.00)	
Wire	Bank of Houston	1300 - To Purchase CD at the Bank of Houston	(200,000.00)	
Wires	Montgomery Co. ESD # 6 - Porter Fire Dept	7000 6 - Montgomery Count ESD # 6 Porter Fire	(58,164.33)	
Wire	Montgomery Co. ESD # 7	7000 7 - Montgomery Count ESD # 7	(19,417.00)	
Wires	Don Allen Holbrook, LLC	7180 - EarthQuest Institute	(8,334.00)	
<b>Total Disbursements</b>				<u>(888,059.48)</u>
<b>BALANCE AS OF 5/10/2012</b>				<u><u>\$283,240.95</u></u>

**EMCLD - GOF**  
**Actual v. Budget Performance**  
 April 2012

	Apr 12	Budget	\$ Over Budget	Jul '11 - Apr 12	YTD Budget	\$ Over Budget	Annual Budget
<b>Ordinary Income/Expense</b>							
<b>Income</b>							
13600 · Reimb from E MUD 3 Bond	0	0	0	0	495,000	(495,000)	495,000
14000 · Income	424,470	425,000	(530)	4,304,987	4,250,000	54,987	5,100,000
14001 · Sales Tax Revenue	0	7,083	(7,083)	74,297	70,833	3,465	85,000
14002 · Hotel / Motel Tax	0	833	(833)	1,334	8,333	(6,999)	10,000
14401 · Interest Earned on Temp. Invest	0	0	0	1,494	0	1,494	10,000
15380 · Miscellaneous Income	193	83	110	913	833	80	1,000
15392 · Interest Earned on Checking Acc	424,663	433,000	(8,337)	4,383,025	4,330,000	53,025	5,206,000
<b>Total 14000 · Income</b>							
14300 · EMCID Office Bldg Revenue	0	4,000	(4,000)	36,000	40,000	(4,000)	48,000
14303 · Building Rents - College	0	0	0	0	3,000	(3,000)	3,000
14304 · Events Revenue	0	4,000	(4,000)	36,000	43,000	(7,000)	51,000
<b>Total 14300 · EMCID Office Bldg Revenue</b>							
<b>Total Income</b>	424,663	437,000	(12,337)	4,419,025	4,868,000	(448,975)	5,732,000
<b>Expense</b>							
16000 · Administrative Expense							
16011 · Salaries	21,658	28,333	(6,675)	214,711	283,333	(68,622)	340,000
16012 · Payroll Taxes	1,537	2,167	(630)	13,192	21,667	(8,475)	26,000
16013 · Annual Benefits	0	500	(500)	5,500	5,000	500	6,000
16014 · Payroll Charges - Paychex / Adm	193	225	(32)	2,169	2,250	(82)	2,700
16015 · Retirement	1,087	1,417	(330)	11,013	14,167	(3,154)	17,000
16016 · Health Insurance	5,504	6,000	(496)	52,754	60,000	(7,246)	72,000
16017 · Worker's Compensation	0	625	(625)	0	2,500	(2,500)	2,500
16030 · Mileage/Auto	1,875	2,500	(625)	21,940	25,000	(3,060)	30,000
16096 · Dues / Professional Memberships	967	1,000	(33)	9,124	10,000	(876)	12,000
16098 · Subscriptions	0	417	(417)	1,315	4,167	(2,851)	5,000
16132 · Office Equipment Lease	912	917	(5)	5,344	9,167	(3,823)	11,000
16133 · Computers/Access/Softwars, etc	700	1,667	(967)	13,762	16,667	(2,904)	20,000
16310 · Travel / Training President CEO	0	3,750	(3,750)	18,418	37,500	(19,082)	45,000
16311 · Travel/Training - Board Members	265	3,750	(3,485)	42,078	37,500	4,578	45,000
16312 · Travel / Training Staff	95	2,083	(1,988)	22,883	20,833	2,050	25,000
16320 · Legal Fees	0	7,917	(7,917)	57,540	79,167	(21,626)	95,000
16321 · Advertising	350	2,083	(1,733)	12,047	20,833	(8,787)	25,000
16322 · Auditing Fees	0	0	0	13,100	15,000	(1,900)	15,000
16323 · Financial Advisor	0	583	(583)	1,980	5,833	(3,853)	7,000
16324 · Engineering Fees	2,207	2,750	(543)	56,762	27,500	29,262	33,000
16325 · Election Expense	17,090	0	17,090	25,449	20,000	5,449	20,000
16333 · Accounting	2,436	2,083	353	33,458	20,833	12,625	25,000
16340 · Supplies	901	1,000	(99)	6,687	10,000	(3,313)	12,000
16341 · Printing	0	833	(833)	369	8,333	(7,964)	10,000
16342 · Legal Notices & Publications	0	83	(83)	0	833	(833)	1,000
16344 · Delivery Fees	168	500	(332)	8,009	5,000	3,009	6,000
16350 · Postage	38	667	(629)	1,894	6,667	(4,772)	8,000
16351 · Telephone Expense	3,305	2,500	805	27,011	25,000	2,011	30,000
16359 · Miscellaneous	(377)	1,667	(2,044)	13,681	16,667	(2,986)	20,000
16360 · Bank Service Charges	0	0	0	129	0	129	0
<b>Total 16000 · Administrative Expense</b>	60,911	78,017	(17,106)	692,319	811,417	(119,098)	966,200

	Apr 12	Budget	\$ Over Budget	Jul '11 - Apr 12	YTD Budget	\$ Over Budget	Annual Budget
16319 · Legal Fees - Building	0	417	(417)	0	4,167	(4,167)	5,000
16335 · Bldg. Maintenance Contract	0	1,500	(1,500)	61,082	15,000	46,082	18,000
16336 · Grounds Maintenance	0	1,667	(1,667)	2,770	16,667	(13,897)	20,000
16337 · Security	0	583	(583)	2,255	5,833	(3,578)	7,000
16338 · Pond Care	0	83	(83)	659	833	(174)	1,000
16352 · Utilities	5,605	8,750	(3,145)	87,832	87,500	332	105,000
16361 · Insurance - Building	5,980	0	5,980	27,431	41,000	(13,569)	41,000
16362 · Miscellaneous - Building	0	83	(83)	0	833	(833)	1,000
16366 · Waste Removal	0	250	(250)	2,930	2,500	430	3,000
16367 · Pest Control	0	83	(83)	512	833	(321)	1,000
16368 · Chemicals	0	42	(42)	0	417	(417)	500
16370 · Repairs & Maint - Building	4,035	5,000	(965)	77,158	50,000	27,158	60,000
16371 · Building Supplies	1,141	333	807	2,412	3,333	(922)	4,000
16372 · Contract Labor	2,028	1,917	111	19,577	19,167	410	23,000
16372 a · Janitorial	4,347	6,667	(2,320)	80,831	66,667	14,164	80,000
16372 b · Maintenance	6,375	8,583	(2,209)	100,408	85,833	14,575	103,000
Total 16372 · Contract Labor							
16373 · Events Acct Expenditures	0	208	(208)	25	2,083	(2,058)	2,500
16374 · Capital Items	0	83	(83)	0	833	(833)	1,000
17306 · Building Improvements - Capital	0	83	(83)	0	833	(833)	1,000
Total 16200 · Building Expense	23,135	27,750	(4,615)	365,474	318,500	46,974	374,000
17000 · Community Development							
17000 6 · ESD # 6	58,164	58,167	(2)	581,643	581,667	(23)	698,000
17000 7 · ESD # 7	19,417	19,417	0	494,170	494,167	3	533,000
17000 11 · ESD II	0	0	0	100,000	100,000	0	100,000
17001 · Com Dev - Administrative	0	42	(42)	0	417	(417)	500
17002 · Com Dev - Legal Fees	0	417	(417)	0	4,167	(4,167)	5,000
17004 · Com Dev - Special Events	6,968	12,500	(5,532)	182,500	125,000	57,500	150,000
17008 · Community Development - Grants	0	20,833	(20,833)	89,807	208,333	(118,526)	250,000
17011 · Scholarship Program	0	0	0	320,920	300,000	20,920	600,000
Total 17000 · Community Development	84,549	111,375	(26,826)	1,769,040	1,813,750	(44,710)	2,336,500
17200 · Economic Development Exp							
17100 · Eco Dev - Marketing	6,549	9,167	(2,617)	71,004	91,667	(20,663)	110,000
17106 · Eco Dev - Legal	0	2,500	(2,500)	19,449	25,000	(5,551)	30,000
17120 · Legal for Land/Bldg/Industrial	0	1,667	(1,667)	60,435	16,667	43,768	20,000
17122 · Eng Fees - Industrial Pk	0	1,667	(1,667)	0	16,667	(16,667)	20,000
17130 · Economic Dev	0	0	0	1,000	0	1,000	0
17600 · Industrial Park Capital Improv	0	833	(833)	0	8,333	(8,333)	10,000
17200 · Economic Development Exp - Other	0	333	(333)	0	3,333	(3,333)	4,000
Total 17200 · Economic Development Exp	6,549	16,167	(9,617)	151,887	161,667	(9,779)	194,000
17300 · Building - Debt Service Exp							
17302 · Building Payment	75,426	90,000	(14,574)	773,995	900,000	(126,005)	1,080,000
Total 17300 · Building - Debt Service Exp	75,426	90,000	(14,574)	773,995	900,000	(126,005)	1,080,000
17800 · Savings Expenditures	0	10,358	(10,358)	0	103,583	(103,583)	124,300
Total Expense	250,571	333,667	(83,096)	3,752,716	4,108,917	(356,201)	5,075,000
Net Ordinary Income	174,092	103,333	70,759	666,309	759,083	(92,774)	677,000

	Apr 12	Budget	\$ Over Budget	Jul '11 - Apr 12	YTD Budget	\$ Over Budget	Annual Budget
<b>Other Income/Expense</b>							
Other Expense							
17400 · Earth Quest	0	3,333	(3,333)	0	33,333	(33,333)	40,000
17131 · Eco Dev - Project Rex	11,595	8,334	3,261	123,500	83,332	40,168	100,000
17322 · Engineering - Earth Quest	0	1,250	(1,250)	0	12,500	(12,500)	15,000
17632 · Legal - Earth Quest	0	2,500	(2,500)	77,166	25,000	52,166	30,000
17400 · Earth Quest - Other	0	417	(417)	0	4,167	(4,167)	5,000
Total 17400 · Earth Quest	11,595	15,834	(4,239)	200,666	158,332	42,334	190,000
17510 · Industrial Pk Land Purchase	0	0	0	(114,800)	(300,000)	185,200	(300,000)
17510 a · Industrial Park Land Sale	0	0	0	794,684	787,000	7,684	787,000
Total 17510 · Industrial Pk Land Purchase	0	0	0	679,884	487,000	192,884	487,000
<b>Total Other Expense</b>	11,595	15,834	(4,239)	880,550	645,332	235,218	677,000
<b>Net Other Income</b>	(11,595)	(15,834)	4,239	(880,550)	(645,332)	(235,218)	(677,000)
<b>Net Income</b>	162,497	87,499	74,998	(214,241)	115,751	(327,992)	0

EMCID - CPF  
**Cash Flow Report - Checking Account**  
As of May 10, 2012

Name	Memo	Amount	Balance
<b>BALANCE AS OF 4/6/2012</b>			\$473.89
<b>Receipts</b>			
No Receipts Activity		0.00	
<b>Total Receipts</b>			0.00
<b>Disbursements</b>			
No Disbursements Activity		0.00	
<b>Total Disbursements</b>			0.00
<b>BALANCE AS OF 5/10/2012</b>			<u><u>\$473.89</u></u>

EMCID - DSF  
**Cash Flow Report - Checking Account**  
 As of May 10, 2012

Name	Memo	Amount	Balance
<b>BALANCE AS OF 4/6/2012</b>			<b>\$393,866.13</b>
<b>Receipts</b>			
Interest Earned on Checking		45.72	
Transfer from Operating		<u>75,426.00</u>	
<b>Total Receipts</b>			75,471.72
<b>Disbursements</b>			
Wire Transfer to Investment	Purchase CD @ Texas Capital Bank	(240,000.00)	
Wire Transfer to Investment	Purchase CD @ ICON Bank	<u>(120,000.00)</u>	
<b>Total Disbursements</b>			<u>(360,000.00)</u>
<b>BALANCE AS OF 5/10/2012</b>			<b><u>\$109,337.85</u></b>

EMCID - Special Events  
**Cash Flow Report - Checking Account**  
 As of May 10, 2012

No	Name	Memo	Amount	Balance
<b>BALANCE AS OF 4/6/2012</b>				<b>\$36,577.97</b>
<b>Receipts</b>				
	Refundable Deposit Event 9/22/12 - Atrium		500.00	
	Room Fee Event 9/22/12 - Atrium		525.00	
	Janitorial Fee Event 9/22/12 - Atrium		20.00	
	Security Officer Event 9/22/12 - Atrium		210.00	
	Interest on Checking		6.97	
<b>Total Receipts</b>			<u>1,261.97</u>	1,261.97
<b>Disbursements</b>				
2286	Blue Bell Creameries, L.P. Inc.	Vending Machine Inventory	(66.60)	
2287	Dorene Mather	Cleaning Tablecloths - Law Enforcement Dinner	(25.00)	
2288	Ms Rose Armendariz	Full Refund - Event Cancelled	(875.00)	
BNK CHG	Plains State Bank	FNBO Pymt Proc - ACH	(53.19)	
<b>Total Disbursements</b>			<u>(1,019.79)</u>	(1,019.79)
<b>BALANCE AS OF 5/10/2012</b>				<b><u>\$36,820.15</u></b>

East Montgomery County Improvement District

Summary of Pledged Securities

As of May 10, 2012

<b>Financial Institution: ALLEGIANCE BANK - DEBT</b>		
Total CDs, MM:	\$140,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
<b>Financial Institution: BANK OF HOUSTON</b>		
Total CDs, MM:	\$200,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
<b>Financial Institution: BANK OF HOUSTON - DEBT</b>		
Total CDs, MM:	\$200,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
<b>Financial Institution: ENTERPRISE BANK</b>		
Total CDs, MM:	\$240,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
<b>Financial Institution: GREEN BANK - DEBT</b>		
Total CDs, MM:	\$200,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
<b>Financial Institution: IBC BANK</b>		
Total CDs, MM:	\$240,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
<b>Financial Institution: ICON BANK</b>		
Total CDs, MM:	\$200,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
<b>Financial Institution: MEMORIAL CITY BANK</b>		
Total CDs, MM:	\$240,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	



East Montgomery County Improvement District

Summary of Pledged Securities

As of May 10, 2012

Financial Institution: PLAINS STATE BANK (Depository Bank)

Total CDs, MM, and Checking Accounts:	\$700,667.65	Collateral Security Required: Yes
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: Yes
Total pledged securities:	\$2,707,673.36	Investment Policy Received: Yes
Ratio of pledged securities to investments:	600.81 %	

Financial Institution: POST OAK BANK

Total CDs, MM:	\$50,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	

Financial Institution: TEXAS CAPITAL BANK-DEBT

Total CDs, MM:	\$240,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	

Financial Institution: TEXPOOL

Total CDs, MM:	\$117,515.96	Collateral Security Required: No
Less FDIC coverage:	\$0.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	

Financial Institution: THE BANK OF RIVER OAKS

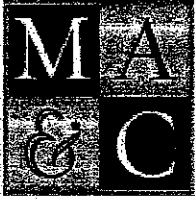
Total CDs, MM:	\$200,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	

East Montgomery County Improvement District

**District Debt Service Payments**

05/01/2012 - 12/31/2013

<u>Paying Agent</u>	<u>Series</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>
<b>Debt Service Payment Due 08/15/2012</b>						
WELLS FARGO BANK, NA	2009	08/15/2012		65,000.00	243,753.13	308,753.13
WELLS FARGO BANK, NA	2010R	08/15/2012		360,000.00	61,090.63	421,090.63
		<b>Total Due 08/15/2012</b>		<b>425,000.00</b>	<b>304,843.76</b>	<b>729,843.76</b>
<b>Debt Service Payment Due 02/15/2013</b>						
WELLS FARGO BANK, NA	2009	02/15/2013	01/25/2012	0.00	241,803.13	241,803.13
WELLS FARGO BANK, NA	2010R	02/15/2013	01/25/2012	0.00	57,490.63	57,490.63
		<b>Total Due 02/15/2013</b>		<b>0.00</b>	<b>299,293.76</b>	<b>299,293.76</b>
<b>Debt Service Payment Due 08/15/2013</b>						
WELLS FARGO BANK, NA	2009	08/15/2013		70,000.00	241,803.13	311,803.13
WELLS FARGO BANK, NA	2010R	08/15/2013		365,000.00	57,490.63	422,490.63
		<b>Total Due 08/15/2013</b>		<b>435,000.00</b>	<b>299,293.76</b>	<b>734,293.76</b>
		<b>District Total</b>		<b>\$860,000.00</b>	<b>\$903,431.28</b>	<b>\$1,763,431.28</b>



MUNICIPAL ACCOUNTS  
& CONSULTING, L.P.

# East Montgomery County Improvement District

## Supplemental Bookkeeper's Report

May 17, 2012

East Montgomery County Improvement District

Account Balances

As of May 17, 2012

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
<b>Fund: Operating</b>					
<b>Certificates of Deposit</b>					
ICON BANK (XXXX9033)	04/18/2012	07/18/2012	0.35 %	200,000.00	
BANK OF HOUSTON (XXXX0847)	04/18/2012	08/16/2012	0.50 %	200,000.00	
THE BANK OF RIVER OAKS (XXXX7310)	04/18/2012	09/15/2012	0.25 %	200,000.00	
<b>Money Market Funds</b>					
TEXPOOL (XXXX0001)	10/31/2005		0.11 %	219.25	
PLAINS STATE BANK (XXXX3271)	05/01/2011		0.21 %	270,794.81	Hotel/Motel Tax
<b>Checking Account(s)</b>					
PLAINS STATE BANK (XXXX3263)			0.21 %	481,810.00	Checking Account
<b>Totals for Operating Fund:</b>				<b>\$1,352,824.06</b>	
<b>Fund: Capital Projects</b>					
<b>Money Market Funds</b>					
TEXPOOL (XXXX0004)	05/21/2009		0.11 %	57,998.04	Series 2009
TEXPOOL (XXXX0006)	08/17/2009		0.11 %	36,573.41	Surplus
<b>Checking Account(s)</b>					
PLAINS STATE BANK (XXXX3328)			0.00 %	473.89	Checking Account
<b>Totals for Capital Projects Fund:</b>				<b>\$95,045.34</b>	
<b>Fund: Debt Service</b>					
<b>Certificates of Deposit</b>					
ALLEGIANCE BANK - DEBT (XXXX6901)	08/18/2011	08/01/2012	0.80 %	140,000.00	
GREEN BANK - DEBT (XXXX0092)	04/18/2012	08/01/2012	0.25 %	200,000.00	
ICON BANK - DEBT (XXXX9132)	04/18/2012	08/01/2012	0.35 %	120,000.00	
TEXAS CAPITAL BANK-DEBT (XXXX2877)	04/18/2012	08/01/2012	0.25 %	240,000.00	
<b>Money Market Funds</b>					
TEXPOOL (XXXX0002)	03/13/2009		0.11 %	17,451.73	
<b>Checking Account(s)</b>					
PLAINS STATE BANK (XXXX3417)			0.21 %	109,337.85	Checking Account
<b>Totals for Debt Service Fund:</b>				<b>\$826,789.58</b>	
<b>Fund: Reserve</b>					
<b>Certificates of Deposit</b>					
ICON BANK - DEBT (XXXX1844)	08/16/2011	07/11/2012	0.70 %	110,000.00	
IBC BANK (XXXX1785)	07/16/2011	07/15/2012	0.85 %	240,000.00	
ENTERPRISE BANK (XXXX8681)	07/16/2011	07/16/2012	1.20 %	240,000.00	
BANK OF HOUSTON - DEBT (XXXX0255)	02/10/2012	01/05/2013	0.35 %	200,000.00	
MEMORIAL CITY BANK (XXXX3065)	01/12/2012	01/11/2013	0.85 %	240,000.00	
<b>Money Market Funds</b>					
TEXPOOL (XXXX0005)	07/07/2009		0.11 %	4,698.53	Debt Reserve
<b>Totals for Reserve Fund:</b>				<b>\$1,034,698.53</b>	

East Montgomery County Improvement District

Account Balances

As of May 17, 2012

Financial Institution (Acct Number)	Issue Date	Maturity Date	Interest Rate	Account Balance	Notes
<b>Fund: Events Account</b>					
<b>Certificates of Deposit</b>					
POST OAK BANK (XXXX6838)	09/12/2011	09/12/2012	0.75 %	50,000.00	
<b>Checking Account(s)</b>					
PLAINS STATE BANK (XXXX3468)			0.21 %	36,820.15	Checking Account
<b>Totals for Events Account Fund:</b>				<b>\$86,820.15</b>	
<b>Grand total for East Montgomery County Improvement District:</b>				<b>\$3,396,177.66</b>	

Methods Used For Reporting Market Values

Certificates of Deposits:	Face Value Plus Accrued Interest
Securities/Direct Government Obligations:	Market Value Quoted by the Seller of the Security and Confirmed in Writing
Public Fund Investment Pool/MM Accounts:	Balance = Book Value = Current Market

## Cash Flow Report - Checking Account

As of May 17, 2012

Num	Name	Memo	Amount	Balance
BALANCE AS OF 5/11/2012				\$283,240.95
<b>Receipts</b>				
	Sales Tax Revenue		494,050.04	
	Sales Tax Revenue		55,947.41	
<b>Total Receipts</b>				549,997.45
<b>Disbursements</b>				
9587	American Express - McCrady	6310 / 6096 / 6370 / 6351/7100	(1,185.93)	
9588	American Express - Parmer	6350 / 6311 / 6359 /6312 / 7100/ 7004/6340	(1,889.45)	
9589	Bishop Pest and Termite Control	6367 · Pest Control	(215.00)	
9590	Champion Rentals, Inc. # 3	6370 - Repairs & Maint - Building	(311.51)	
9591	Complete Facilities Management LLC	6335 · Bldg. Maintenance Contract	(4,579.00)	
9592	Council of Development	6096 - Professional Memberships	(400.00)	
9593	Frank McCrady	6359 · Miscellaneous	(726.36)	
9594	Greater Cleveland Chamber of Commerce	6096 - Dues/ Professional Memberships	(1,000.00)	
9595	Houston Community Newspapers	6321 - Advertising	(1,964.00)	
9596	J. A. Costanza & Associates, Inc.	6322 / 7322 / Engineering Fees	(10,575.00)	
9597	Jack Daniels Delivery Service, Inc.	6344 · Delivery Fees	(210.70)	
9598	Kingwood Garden Center	6336 · Grounds Maintenance	(238.23)	
9599	Labor Ready Central, Inc.	6372 B · Contract Labor Maintenance	(1,651.86)	
9600	Marks, Richardson P.C.	6320 / 7106 / 7320 / Legal Fees	(18,566.52)	
9601	New Caney MUD	6352 · Utilities	(92.68)	
9602	Spartan Project Graduation	7004- Special Events	(1,000.00)	
9603	CenturyLink	6351 - Telephone	(325.00)	
9604	Community Development Council	16096-Dues & Membership	(200.00)	
9605	Community Print & Copy	16341- Printing	(145.00)	
9606	Continental Airlines - Chase Card Service	7180/6351	(77.13)	
9607	Jack Daniels Delivery Service, Inc.	6344 · Delivery Fees	(67.10)	
9608	Kingwood Garden Center	6336 · Grounds Maintenance	(108.17)	
9609	Labor Ready Central, Inc.	6372 B · Contract Labor Maintenance	(1,695.33)	
9610	Montgomery & Barnes, Inc.	17322- Engineering-Earth Quest	(2,494.43)	
9611	New Caney Project Graduation	7004 - Com Dev - Special Events	(1,000.00)	
9612	E.M.C. Scholarship Foundation	7011 · Scholarship Program Operating	(200,000.00)	
9613	E.M.C. Scholarship Foundation	7011 · Scholarship Program Endowment	(100,000.00)	
9614	Click Family Foundation	7004-Comm. Dev. -Special Events	(710.00)	
<b>Total Disbursements</b>				(351,428.40)
BALANCE AS OF 5/17/2012				<u>\$481,810.00</u>

East Montgomery County Improvement District

Summary of Pledged Securities

As of May 17, 2012

Financial Institution: ALLEGIANCE BANK - DEBT		
Total CDs, MM:	\$140,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
Financial Institution: BANK OF HOUSTON		
Total CDs, MM:	\$200,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
Financial Institution: BANK OF HOUSTON - DEBT		
Total CDs, MM:	\$200,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
Financial Institution: ENTERPRISE BANK		
Total CDs, MM:	\$240,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
Financial Institution: GREEN BANK - DEBT		
Total CDs, MM:	\$200,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
Financial Institution: IBC BANK		
Total CDs, MM:	\$240,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
Financial Institution: ICON BANK		
Total CDs, MM:	\$200,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
Financial Institution: MEMORIAL CITY BANK		
Total CDs, MM:	\$240,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	

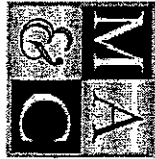
East Montgomery County Improvement District

Summary of Pledged Securities

As of May 17, 2012

<b>Financial Institution: PLAINS STATE BANK (Depository Bank)</b>		
Total CDs, MM, and Checking Accounts:	\$899,236.70	Collateral Security Required: Yes
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: Yes
Total pledged securities:	\$2,707,673.36	Investment Policy Received: Yes
Ratio of pledged securities to investments:	417.05%	
<b>Financial Institution: POST OAK BANK</b>		
Total CDs, MM:	\$50,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
<b>Financial Institution: TEXAS CAPITAL BANK-DEBT</b>		
Total CDs, MM:	\$240,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
<b>Financial Institution: TEXPOOL</b>		
Total CDs, MM:	\$116,940.96	Collateral Security Required: No
Less FDIC coverage:	\$0.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	
<b>Financial Institution: THE BANK OF RIVER OAKS</b>		
Total CDs, MM:	\$200,000.00	Collateral Security Required: No
Less FDIC coverage:	\$250,000.00	Collateral Security Agreement On File: No
Total pledged securities:	\$0.00	Investment Policy Received: Yes
Ratio of pledged securities to investments:	N/A	





MUNICIPAL ACCOUNTS  
& CONSULTING, L.P.

East Montgomery County  
Improvement District  
Quarterly Investment Inventory Report  
Period Ending March 31, 2012

BOARD OF DIRECTORS  
East Montgomery County  
Improvement District

Attached is the Quarterly Investment Inventory Report for the  
Period ending March 31, 2012.

This report and the District's investment portfolio are in compliance with the  
investment strategies expressed in the District's investment policy, and the  
Public Funds Investment Act.

Linda Floyd  
(Director)

*[Signature]*  
Mark M. Burton  
(Investment Officer)

*Katherine Turner*  
Katherine Turner  
(Investment Officer)

COMPLIANCE TRAINING

"HB 675 states the Investment Officer must attend at least one training seminar for (6) six hours  
Within twelve months of taking office and requires at least (4) four hours training within each (2)  
two year period thereafter.

INVESTMENT OFFICERS

Katherine Turner

CURRENT TRAINING

- October 1, 2005 (McCall, Gibson 6Hrs)
- October 25, 26, 2007 (University of North Texas 10Hrs)
- October 25-30, 2009 (Tespool Online 10Hrs)
- December 5, 2011 (Tespool Academy 10 Hours)

Mark M. Burton

- September 14, 2002 (McCall, Gibson 6Hrs)
- September 13, 2003 (McCall, Gibson 4Hrs)
- October 1, 2005 (McCall, Gibson 4Hrs)
- October 26, 2007 (UNT 10Hrs)
- October 26, 2009 (Tespool Academy 10Hrs)
- November 5, 2011 (Tespool Academy 10 Hours)

East Montgomery County Improvement District  
**Summary of Money Market Funds**  
 01/01/2012 - 03/31/2012

Fund: Operating		Financial Institution: PLAINS STATE BANK		Account Number: XXXX3271		Date Opened: 05/01/2011		Current Interest Rate: 0.21%	
Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance			
01/01/2012		21,594.82							
01/16/2012	Hotel/Motel Tax Revenue		4,735.20						
01/31/2012	Interest (Jan 12)				3.12				
02/09/2012	Trf from Plains State GOF		230,000.00						
02/29/2012	Hotel/Motel Tax Revenue		7,517.48						
02/29/2012	Interest (Feb 12)								
03/15/2012	Hotel/Motel Tax Revenue		6,813.54		27.45				
03/31/2012	Interest (Mar 12)				52.02				
Totals for Account XXXX3271:		\$21,594.82	\$249,066.22		\$82.59	\$270,743.63			

Financial Institution: TEXPOOL		Account Number: XXXX0001		Date Opened: 10/31/2005		Current Interest Rate: 0.12%			
Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance			
01/01/2012		219.25							
01/31/2012	Interest (Jan 12)				0.00				
02/29/2012	Interest (Feb 12)				0.00				
03/31/2012	Interest (Mar 2012)				0.00				
Totals for Account XXXX0001:		\$219.25			\$0.00	\$219.25			
Totals for Operating Fund:		\$21,814.07	\$249,066.22		\$82.59	\$270,962.88			

Methods Used For Reporting Market Values:  
 Certificate of Deposit: Face Value Plus Accrued Interest  
 Municipal/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing  
 Public Fund Investment Pool/AMM Accounts: Balance = Book Value = Current Market

East Montgomery County Improvement District  
**Summary of Money Market Funds**  
 01/01/2012 - 03/31/2012

**Fund: Capital Projects**

Financial Institution: **TEXPOOL**

Account Number: **XXXXX0004**      Date Opened: **05/21/2009**      Current Interest Rate: **0.12%**

Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance
01/01/2012		57,978.61				
01/31/2012	Interest (Jan 2012)				4.30	
02/29/2012	Interest (Feb 2012)				4.13	
03/31/2012	Interest(Mar 2012)				5.68	
<b>Totals for Account XXXXX0004:</b>		<b>\$57,978.61</b>			<b>\$14.11</b>	<b>\$57,992.72</b>

Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance
01/01/2012		36,561.14				
01/31/2012	Interest (Jan 2012)				2.72	
02/29/2012	Interest (Feb 2012)				2.65	
03/31/2012	Interest(Mar 2012)				3.55	
<b>Totals for Account XXXXX0006:</b>		<b>\$36,561.14</b>			<b>\$8.92</b>	<b>\$36,570.06</b>

**Totals for Capital Projects Fund:**

<b>\$94,539.75</b>					<b>\$23.03</b>	<b>\$94,562.78</b>
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**Methods Used For Reporting Market Values**

Certificates of Deposit:      Face Value Plus Accrued Interest  
 Securities/Direct Government Obligations:      Market Value Quoted by the Seller of the Security and Confirmed in Writing  
 Public Fund Investment Pool/AMT Accounts:      Balance = Book Value = Current Market

East Montgomery County Improvement District  
**Summary of Money Market Funds**  
 01/01/2012 - 03/31/2012

Fund: Debt Service		Financial Institution: TEXPOOL	Date Opened: 03/13/2009	Current Interest Rate: 0.12%	Account Number: XXXX0002	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance
Date	Description									
01/01/2012					2,976.75					
01/31/2012	Interest(Jan 2012)								0.23	
02/01/2012	WT FROM CB CD XXXX0032					150,000.00				
02/02/2012	WT FROM ALLEG CD XXXX6993					65,000.00				
02/29/2012	Interest (Feb 12)								15.41	
03/31/2012	Interest(Mar 2012)								21.27	
<b>Totals for Account XXXX0002:</b>						<b>\$2,976.75</b>	<b>\$215,000.00</b>		<b>\$36.91</b>	<b>\$218,013.66</b>
<b>Totals for Debt Service Fund:</b>						<b>\$2,976.75</b>	<b>\$215,000.00</b>		<b>\$36.91</b>	<b>\$218,013.66</b>

**Methods Used For Reporting Market Values**

Certificates of Deposits: Face Value Plus Accrued Interest  
 Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing  
 Public Fund Investment Pool/AMM Accounts: Balance = Book Value = Current Market

East Montgomery County Improvement District  
**Summary of Money Market Funds**  
 01/01/2012 - 03/31/2012

Fund: Reserve

Financial Institution: TEXPOOL

Account Number: XXXX0005 Date Opened: 07/07/2009 Current Interest Rate: 0.12%

Date	Description	Begin Balance	Cash Added	Cash Withdrawn	Int. Earned	End Balance
01/01/2012		4,696.95				
03/31/2012	Interest (Jan 2012)				0.38	
02/29/2012	Interest (Feb 2012)				0.31	
03/31/2012	Interest(Mar 2012)				0.44	
Totals for Account XXXX0005:		\$4,696.95			\$1.13	\$4,698.08
Totals for Reserve Fund:		\$4,696.95			\$1.13	\$4,698.08

Method Used For Reporting Market Values

Credifers of Deposits: Price Value Plus Accrued Interest  
 Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing  
 Public Fund Investment Pool/ADR Accounts: Balance = Book Value = Current Market

East Montgomery County Improvement District  
**Summary of Certificates of Deposit with Money Market**  
 01/01/2012 - 03/31/2012

Financial Institution	Investment Number	Issue Date	Maturity Date	Beginning Balance	Principal From Cash	Principal From Investment	Principal Withdrawn	Principal Reinvested	Ending Balance	Interest Rate	Beg. Acc. Interest	Interest Earned	Interest Reinvested	Interest Withdrawn	Accrued Interest																																																																																																					
<b>Fund: Operating</b>																																																																																																																				
				<b>Totals for Operating Fund:</b>																																																																																																																
				0.00	0.00	0.00	0.00	0.00	0.00	N/A	0.00	0.00	0.00	0.00	0.00																																																																																																					
<b>Beginning Balance:</b>				\$0.00																																																																																																																
<b>Plus Principal From Cash:</b>				\$0.00																																																																																																																
<b>Less Principal Withdrawn:</b>				\$0.00																																																																																																																
<b>Plus Interest Reinvested:</b>				\$0.00																																																																																																																
<b>Fixed Balance:</b>				\$0.00																																																																																																																
<b>MM Balance:</b>				\$270,962.88																																																																																																																
<b>Total Balance:</b>				\$270,962.88																																																																																																																
				<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"><b>Interest Earned:</b></td> <td style="width: 15%; text-align: right;">\$0.00</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td><b>Less Beg Accrued Interest:</b></td> <td style="text-align: right;">\$0.00</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td><b>Plus End Accrued Interest:</b></td> <td style="text-align: right;">\$0.00</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td><b>Fixed Interest Earned:</b></td> <td style="text-align: right;">\$0.00</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td><b>MM Interest Earned:</b></td> <td style="text-align: right;">\$82.59</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td><b>Total Interest Earned:</b></td> <td style="text-align: right;">\$82.59</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>												<b>Interest Earned:</b>	\$0.00															<b>Less Beg Accrued Interest:</b>	\$0.00																<b>Plus End Accrued Interest:</b>	\$0.00																<b>Fixed Interest Earned:</b>	\$0.00																<b>MM Interest Earned:</b>	\$82.59																<b>Total Interest Earned:</b>	\$82.59															
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**Methods Used For Reporting Market Values**

Certificates of Deposits: Price Value Plus Accrued Interest  
 Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing  
 Public Fund Investment Pool/MM Accounts: Balance = Book Value = Current Market

East Montgomery County Improvement District  
**Summary of Certificates of Deposit with Money Market**  
 01/01/2012 - 03/31/2012

Financial Institution	Investment Number	Issue Date	Maturity Date	Beginning Balance	Principal From Cash	Principal From Investment	Principal Withdrawn	Principal Reinvested	Ending Balance	Interest Rate	Beg. Acc. Interest	Interest Earned	Interest Reinvested	Interest Withdrawn	Accrued Interest
<b>Fund: Capital Projects</b>															
				<b>Totals for Capital Projects Fund:</b>											
				0.00	0.00	0.00	0.00	0.00	0.00	N/A	0.00	0.00	0.00	0.00	\$0.00
				Beginning Balance:				Interest Earned:	\$0.00						
				Plus Principal From Cash:	\$0.00			Less Beg. Accrued Interest:	\$0.00						
				Less Principal Withdrawn:	\$0.00			Plus End Accrued Interest:	\$0.00						
				Plus Interest Reinvested:	\$0.00			Fixed Interest Earned:	\$0.00						
				Fixed Balance:	\$0.00			MM Interest Earned:	\$23.03						
				MM Balance:	\$94,562.78			Total Interest Earned:	\$23.03						
				Total Balance:	\$94,562.78										

**Methods Used For Reporting Market Values**

Certificates of Deposit: Face Value Plus Accrued Interest

Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing

Public Fund Investment Pool/MM Accounts: Balance = Book Value = Current Market

East Montgomery County Improvement District  
**Summary of Certificates of Deposit with Money Market**  
 01/01/2012 - 03/31/2012

Financial Institution	Investment Number	Issue Date	Maturity Date	Beginning Balance	Principal From Cash	Principal From Investment	Principal From Withdrawal	Principal Reinvested	Ending Balance	Interest Rate	Beg. Acc. Interest	Interest Earned	Interest Reinvested	Interest Withdrawn	Accrued Interest
<b>Fund: Debt Service</b>															
<b>Certificates of Deposit</b>															
ALLEGIANCE BANK - DEBT	XXXX6993	08/18/11	02/01/12	65,000.00	0.00	0.00	65,000.00	0.00	0.00	0.65%	156.27	177.29	0.00	177.29	0.00
WT FROM TXPL XXXX00002 / CLOSED TO TEXPOOL MM XXXX0002															
ALLEGIANCE BANK - DEBT	XXXX6901	08/18/11	08/01/12	140,000.00	0.00	0.00	0.00	0.00	140,000.00	0.80%	-14.25	0.00	0.00	0.00	693.48
WT FROM TXPL XXXX0002															
GREEN BANK - DEBT	XXXX0032	10/05/11	02/01/12	150,000.00	0.00	0.00	150,000.00	0.00	0.00	0.35%	125.14	171.17	0.00	171.17	0.00
WT FROM CHECKING / CLOSED TO TEXPOOL MM XXXX0002															
TEXAS CAPITAL BANK-DEBT	XXXX2126	08/18/11	01/16/12	240,000.00	0.00	0.00	240,000.00	0.00	0.00	0.25%	221.92	248.33	0.00	248.33	0.00
CLOSED TO CHECKING															
<b>Totals for Debt Service Fund:</b>				595,000.00	0.00	0.00	455,000.00	0.00	140,000.00	N/A	917.58	596.79	0.00	596.79	\$693.48
<b>Methods Used For Reporting Market Values</b>															
Beginning Balance:										Interest Earned:					
Plus Principal From Cash:										Less Beg Accrued Interest:					
Less Principal Withdrawn:										Plus End Accrued Interest:					
Plus Interest Reinvested:										Fixed Interest Earned:					
Fixed Balance:										MM Interest Earned:					
MM Balance:										Total Interest Earned:					
Total Balance:															

Face Value Plus Accrued Interest  
 Market Value Quoted by the Seller of the Security and Confirmed in Writing  
 Balance = Book Value = Current Market

Methods Used For Reporting Market Values  
 Certificates of Deposits:  
 Securities/Direct Government Obligations:  
 Public Fund Investment Pool/MM Accounts:



East Montgomery County Improvement District  
 Summary of Certificates of Deposit with Money Market  
 01/01/2012 - 03/31/2012

Financial Institution	Investment Number	Issue Date	Maturity Date	Beginning Balance	Principal From Cash	Principal From Investment	Principal Withdrawn	Principal Reinvested	Ending Balance	Interest Rate	Reg. Acc. Interest	Interest Earned	Interest Reinvested	Interest Withdrawn	Accrued Interest	
Certificates of Deposit																
BANK OF HOUSTON	XXXXX0255	02/01/11	02/10/12	200,000.00	0.00	0.00	0.00	200,000.00	0.00	0.80%	1,459.72	1,600.00	0.00	1,600.00	0.00	
Rolled over FROM CD XXXX2322																
BANK OF HOUSTON	XXXXX0255	02/10/12	01/05/13	0.00	0.00	200,000.00	0.00	0.00	200,000.00	0.35%	0.00	0.00	0.00	0.00	95.89	
ENTERPRISE BANK	XXXXX8681	07/16/11	07/16/12	240,000.00	0.00	0.00	0.00	0.00	240,000.00	1.20%	1,325.59	0.00	0.00	0.00	2,043.62	
IBC BANK	XXXXX1785	07/16/11	07/15/12	240,000.00	0.00	0.00	0.00	0.00	240,000.00	0.85%	938.96	0.00	0.00	0.00	1,447.56	
ICON BANK	XXXXX1844	08/16/11	07/11/12	110,000.00	0.00	0.00	0.00	0.00	110,000.00	0.70%	289.01	0.00	0.00	0.00	480.99	
W/T FROM TXPL XXXX0605																
MEMORIAL CITY BANK	XXXXX3065	03/18/11	01/12/12	240,000.00	0.00	0.00	0.00	240,000.00	0.00	1.00%	1,893.70	1,972.59	0.00	1,972.59	0.00	
MEMORIAL CITY BANK	XXXXX3065	01/12/12	01/11/13	0.00	0.00	240,000.00	0.00	0.00	240,000.00	0.85%	0.00	0.00	0.00	0.00	441.53	
Totals for Reserve Fund:				1,030,000.00	0.00	440,000.00	0.00	440,000.00	1,030,000.00	N/A	5,906.98	3,572.59	0.00	3,572.59	\$4,509.59	
Beginning Balance:				\$1,030,000.00												
Plus Principal From Cash:				\$0.00												
Less Principal Withdrawn:				\$0.00												
Plus Interest Reinvested:				\$0.00												
Fixed Balance:				\$1,030,000.00												
MM Balance:				\$4,509.08												
Total Balance:				\$1,034,698.08												
Interest Earned:				\$3,572.59												
Less Reg Accrued Interest:				\$5,906.98												
Plus End Accrued Interest:				\$4,509.59												
Fixed Interest Earned:				\$2,175.20												
MM Interest Earned:				\$1.13												
Total Interest Earned:				\$2,176.33												

**Methods Used For Reporting Market Values**

Certificate of Deposits: Face Value Plus Accrued Interest

Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing

Public Fund Investment Pool/MAF Account: Balance = Book Value = Current Market

East Montgomery County Improvement District  
**Summary of Certificates of Deposit with Money Market**  
 01/01/2012 - 03/31/2012

Financial Institution	Investment Number	Issue Date	Maturity Date	Beginning Balance	Principal From Cash	Principal From Investment	Principal From	Principal Withdrawn	Principal Reinvested	Ending Balance	Interest Rate	Beg. Acc. Interest	Interest Earned	Interest Reinvested	Interest Withdrawn	Accrued Interest
Fund: Events Account																
Certificates of Deposit																
POST OAK BANK	XXXXX6838	09/12/11	09/12/12	50,000.00	0.00	0.00	0.00	0.00	0.00	50,000.00	0.75%	113.01	0.00	0.00	0.00	206.51
	WT FROM CHECKING															
	Totals for Events Account Fund:															
				50,000.00	0.00	0.00	0.00	0.00	0.00	50,000.00	N/A	113.01	0.00	0.00	0.00	\$206.51
	Beginning Balance:	\$50,000.00														
	Plus Principal From Cash:	\$0.00								\$0.00						
	Less Principal Withdrawn:	\$0.00								\$113.01						
	Plus Interest Reinvested:	\$0.00								\$206.51						
	Fixed Balance:	\$50,000.00								\$93.50						
	MM Balance:	\$0.00								\$0.00						
	Total Balance:	\$50,000.00								\$93.50						
	Totals for District:															
				1,675,000.00	0.00	440,000.00	455,000.00	440,000.00	1,220,000.00	N/A	6,937.57	4,169.38	0.00	4,169.38	0.00	\$5,409.58

Interest Earned: \$0.00  
 Less Beg. Accrued Interest: \$113.01  
 Plus End Accrued Interest: \$206.51  
 Fixed Interest Earned: \$93.50  
 MM Interest Earned: \$0.00  
 Total Interest Earned: \$93.50

Methods Used For Reporting Market Values  
 Certificates of Deposits: Face Value Plus Accrued Interest  
 Securities/Direct Government Obligations: Market Value Quoted by the Seller of the Security and Confirmed in Writing  
 Public Fund Investment Pool/MM Accounts: Balance = Book Value = Current Market