

WALLER COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

WALLER COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2011

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Financial Section

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RUTLEDGE CRAIN & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS
2401 Garden Park Court, Suite B
Arlington, Texas 76013

Independent Auditors' Report on Financial Statements

To the Honorable County Judge and Commissioners Comprising the
Commissioners Court of Waller County, Texas
Hempstead, Texas

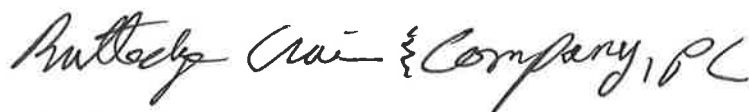
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waller County, Texas as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Waller County, Texas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Waller County, Texas as of December 31, 2011 for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the budgetary comparison schedules identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise Waller County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



May 23, 2012

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Management's Discussion and Analysis

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WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

As management of Waller County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented herein with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the fiscal year ended December 31, 2011, by \$19,757,674 (net assets). Of this amount, \$7,375,124 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by \$335,500.
- The County's governmental funds reported combined ending fund balances of \$9,978,850, an increase of \$892,365 in comparison to the previous year. This increase was a result of increases in ad valorem tax and fines and fees.
- The unassigned portion of the General Fund fund balance at the end of the year was \$6,921,184 or 48% of total General Fund expenditures and transfers out.
- Total General Obligation Debt of the County decreased by \$675,000 during the fiscal year. This decrease is due to the refunding and principal reduction on the certificates of obligation, authorized to be issued, designated for capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary financial statements, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS: The government-wide financial statements are designed to provide readers with a broad overview of Waller County's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Assets and the Statement of Activities, are utilized to provide this financial overview.

The Statement of Net Assets presents information on all of the County's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In addition, the statement of activities highlights government activities supported by taxes and intergovernmental revenues, along with program revenues classified to the corresponding government activity.

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

The government-wide financial statements can be found on pages 14 - 15 of this report.

FUND FINANCIAL STATEMENTS: The County, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

GOVERNMENTAL FUNDS: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. 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. 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 governmental funds and governmental activities.

The County maintains thirty-six individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and Road and Bridge Fund each of which are considered to be major funds. Data from the other thirty-four funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

FIDUCIARY FUNDS: Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. Private Purpose Trust funds account for assets held by the government under the terms of a formal trust agreement.

NOTES TO THE FINANCIAL STATEMENTS: The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements.

OTHER INFORMATION: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found after the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the end of fiscal year 2010, the County's net assets (assets exceeding liabilities) totaled \$19,757,674. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2).

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

NET ASSETS: The largest portion of the County's net assets, \$12,078,776 or 61 percent, reflects its investment in capital assets (land, buildings, infrastructure, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The County uses these assets to provide services to its citizen's, consequently; these assets are not available for future spending. Although the County reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net assets of \$303,774, in the debt service fund, are restricted for future debt service payments.

The remaining balance of unrestricted net assets, \$7,375,124 or 37 percent, may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1
Condensed Statement of Net Assets

	2011	2010	Increase (Decrease)
ASSETS			
Current and other assets	\$32,922,358	\$31,379,743	\$1,542,615
Capital assets, net of depreciation	13,583,539	13,495,702	87,837
Total assets	<u>46,505,897</u>	<u>44,875,445</u>	<u>1,630,452</u>
LIABILITIES			
Long-term liabilities	6,669,280	5,684,167	985,113
Other liabilities	20,078,943	19,098,104	980,839
Total liabilities	<u>26,748,223</u>	<u>24,782,271</u>	<u>1,965,952</u>
NET ASSETS			
Invested in capital assets, net of related debt	12,078,776	11,274,882	803,894
Restricted for debt service	303,774	194,600	109,174
Restricted for capital projects	0	198,176	(198,176)
Unrestricted	7,375,124	8,425,516	(1,050,392)
	<u>\$19,757,674</u>	<u>\$20,093,174</u>	<u>(\$335,500)</u>

CHANGES IN NET ASSETS: The net assets of the County decreased by \$335,500 for the fiscal year ended December 31, 2011. This was primarily the result of the reduction in collection of redemption tax and fines and fees.

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

Table 2
Changes in Net Assets

	2011	2010	Increase (Decrease)
Program Revenues:			
Charges for services	\$3,487,485	\$3,361,751	\$125,734
Operating grants and contributions	658,973	641,018	17,955
Capital grants and contributions	153,745	100,394	53,351
General Revenues:			
Property taxes	17,444,891	16,396,658	1,048,233
Interest	140,118	174,578	(34,460)
Miscellaneous	172,974	337,296	(164,322)
Gain (loss) on disposal of capital assets	0	(73,695)	73,695
Total Revenues	22,058,186	20,938,000	1,120,186
Expenses:			
General government	2,705,761	2,620,230	85,531
Financial administration	1,277,552	1,332,392	(54,840)
Public safety	5,735,046	5,587,493	147,553
Judicial	1,936,640	1,986,770	(50,130)
Legal	1,120,692	998,360	122,332
Public transportation	4,395,001	4,876,873	(481,872)
Culture and recreation	347,671	306,490	41,181
Nondepartmental	4,843,859	4,695,975	147,884
Interest & Fiscal Charges	31,464	74,754	(43,290)
Total Expenses	22,393,686	22,479,337	(85,651)
Increase (decrease) in net assets	(335,500)	(1,541,337)	1,205,837
Net assets, January 1	20,093,174	21,634,511	(1,541,337)
Net assets, December 31	\$19,757,674	\$20,093,174	(\$335,500)

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

REPORTING THE COUNTY'S MOST SIGNIFICANT FUNDS

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

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$9,978,850.

The General Fund is the main operating fund of the County. The General Fund had an increase in fund balance of \$2,207,069 and at the end of the current fiscal year unreserved fund balance was \$6,921,184. Key factors of the increase are as follows:

- Total governmental revenues increased \$1,183,882 or 7.73% compared to 2010 which was significantly due to an increase in ad valorem taxes of \$1,148,756. The increase in ad valorem taxes was the result of the tax rate allocation of maintenance and operating taxes being increased combined with the increase of taxable values.
- Total governmental expenditures increased \$252,157 or 1.79% compared to 2010.

The Road and Bridge Fund had a decrease in the fund balance of \$1,077,525 and at the end of the current fiscal year the unreserved fund balance was \$893,870. The total amount of revenues received for the Road & Bridge Fund was \$3.6 million and the expenditures were \$4.6 million. Key factors of the decrease are as follows:

- Total governmental revenues decreased \$163,673 or 4.35% compared to 2010 which was significantly due to the decrease of \$92,944 in miscellaneous revenue. During the prior fiscal year, the County received a refund from the State Comptroller in the amount of \$93,901.
- Total governmental expenditures increased \$90,188 or 1.97% compared to 2010.

GENERAL FUND BUDGETARY HIGHLIGHTS. The Commissioners' Court adopts the annual budget for the County according to State statute. Appropriated budgets are approved and employed as a management control device during the fiscal year. The County maintains strict budgetary controls and sets its appropriations at the department level. Budget amendments and transfers may be made only with the approval of Commissioners' Court. There were no material changes between the original budget and the final amended budget.

Actual revenues were more than the budgeted revenues by \$1,648,075 and the expenditure budget exceeded actual expenses by \$2,240,2415 and other financing sources (uses) exceeded the budgeted other financing sources (uses) by \$94,059 for an overall budget variance of \$3,982,549.

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS: The County's investment in capital assets as of December 31, 2011, totals \$13,583,539 (net of accumulated depreciation). Investment in capital assets includes land, buildings, and infrastructure. The total decrease in the County's investment in capital assets for the current year was 0.01 percent.

Table 3
 Capital Assets at Year End
 Net of Accumulated Depreciation

ASSETS	Governmental Activities		Percent Change
	2011	2010	
Land	\$440,812	\$440,812	0.00%
Buildings	769,756	929,648	-17.20%
Roads	9,779,742	9,363,978	4.44%
Bridges	482,519	562,934	-14.29%
Machinery and equipment	2,110,710	2,198,329	-3.99%
Total capital assets	<u>\$13,583,539</u>	<u>\$13,495,701</u>	0.65%

Additional information on the County's capital assets can be found in the notes to the financial statements

DEBT ADMINISTRATION: At the end of the current fiscal year, Waller County had total debt outstanding of \$6,669,280. Of this amount, \$1,395,000 is composed of certificates of obligation debt for public improvement, with principal due annually through 2013 with interest due semi-annually. Capital lease obligations for equipment in the amount of \$135,513 are payable from annual appropriations of the General Fund. The remainder of the debt consists of compensated absences payable of \$544,308, and a liability for unfunded other post employment benefits of \$4,620,209.

Table 4
 Outstanding Debt at Year End

Type of Debt	Governmental Activities	
	2011	2010
Certificates of obligation	\$1,395,000	\$2,070,000
Deferred loss on refunding	(25,750)	(26,670)
Capitalized lease obligations	135,513	177,490
Compensated absences	544,308	437,655
Liability for unfunded OPEB	4,620,209	3,025,692
Total	<u>\$6,669,280</u>	<u>\$5,684,167</u>

Additional information on the County's long-term debt can be found in the notes to the financial statements.

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Waller County's unemployment rate is 8.2% at December 31, 2011. The population for the 2010 census was 43,205.

For fiscal year 2012, the Commissioners' Court adopted a budget of \$22,790,884 in estimated revenues and a property tax rate of 0.695825 per hundred dollars of taxable value. This was an increase of .013794 over fiscal year 2011. This is estimated to provide an overall tax increase of \$983,439 over the 2011 budget. Reserves of the Road and Bridge Fund in the amount of \$710,062 were allocated to balance the budget for 2012 and no reserves were needed to balance the budget for the General Fund.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Waller County Auditor, 836 Austin Street, Suite 221, Hempstead, Texas, 77445.

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Basic Financial Statements

WALLER COUNTY, TEXAS

STATEMENT OF NET ASSETS

DECEMBER 31, 2011

	Governmental Activities
ASSETS	
<i>Cash and cash equivalents</i>	\$ 12,274,137
<i>Investments</i>	4,333,017
<i>Receivables (net of allowances for uncollectibles)</i>	15,847,539
<i>Inventories</i>	276,708
<i>Prepaid items</i>	166,747
<i>Deferred charges</i>	24,210
<i>Capital assets (net of accumulated depreciation)</i>	
<i>Land</i>	440,812
<i>Buildings</i>	769,756
<i>Roads</i>	9,779,742
<i>Bridges</i>	482,519
<i>Machinery and equipment</i>	2,110,710
Total Assets	<u>46,505,897</u>
LIABILITIES	
<i>Accounts payable</i>	429,269
<i>Other payables and accruals</i>	228,636
<i>Due to other governments</i>	1,030,076
<i>Due to others</i>	35,043
<i>Unearned revenue</i>	18,355,919
Noncurrent liabilities:	
<i>Due within one year</i>	965,748
<i>Due in more than one year</i>	5,703,532
Total Liabilities	<u>26,748,223</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	12,078,776
Restricted For:	
Debt Service	303,774
Unrestricted	7,375,124
Total Net Assets	<u>\$ 19,757,674</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary Government:				Governmental Activities	
Governmental activities:					
<i>General government</i>	\$ 2,705,761	\$ 385,107	\$ 38,949	\$ 17,140	\$ (2,264,565)
<i>Financial administration</i>	1,277,552	76,680	--	--	(1,200,872)
<i>Public safety</i>	5,735,046	189,014	455,024	--	(5,091,008)
<i>Judicial</i>	1,936,640	1,374,225	--	--	(562,415)
<i>Legal</i>	1,120,692	305,961	97,821	--	(716,910)
<i>Public transportation</i>	4,395,001	1,117,406	--	--	(3,277,595)
<i>Culture and recreation</i>	347,671	1,755	57,995	--	(287,921)
<i>Nondepartmental</i>	4,843,859	37,337	9,184	47,925	(4,749,413)
<i>Interest on long-term debt</i>	31,464	--	--	88,680	57,216
Total governmental activities	22,393,686	3,487,485	658,973	153,745	(18,093,483)
Total Primary Government	\$ 22,393,686	\$ 3,487,485	\$ 658,973	\$ 153,745	(18,093,483)
General Revenues:					
<i>Taxes</i>					17,444,891
<i>Unrestricted investment earnings</i>					140,118
<i>Miscellaneous</i>					172,974
Total General Revenues					17,757,983
Change in Net Assets					(335,500)
Net Assets - Beginning					20,093,174
Net Assets - Ending					\$ 19,757,674

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXASBALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
<i>Cash and cash equivalents</i>	\$ 10,943,894	\$ 1,161,393	\$ 167,938	\$ 12,273,225
<i>Investments</i>	1,280,625	903,874	2,148,518	4,333,017
Receivables (net of allowances for uncollectibles):				
<i>Taxes</i>	11,247,975	2,160,980	690,142	14,099,097
<i>Fines</i>	1,311,587	315,248	29,386	1,656,221
<i>Accounts</i>	10,392	--	--	10,392
<i>Intergovernmental</i>	57,995	--	23,834	81,829
<i>Prepaid items</i>	110,485	--	--	110,485
Total Assets	\$ 24,962,953	\$ 4,541,495	\$ 3,059,818	\$ 32,564,266
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ 285,553	\$ 123,595	\$ 20,120	\$ 429,268
<i>Other payables and accruals</i>	172,459	33,189	6,438	212,086
<i>Due to other governments</i>	1,030,076	--	--	1,030,076
<i>Due to others</i>	34,134	--	--	34,134
<i>Deferred revenue</i>	11,609,596	2,605,207	714,756	14,929,559
<i>Taxes collected in advance</i>	4,765,726	885,634	298,933	5,950,293
Total Liabilities	17,897,544	3,647,625	1,040,247	22,585,416
Fund balances:				
<i>Nonspendable</i>	110,485	--	--	110,485
<i>Restricted</i>	37,754	--	2,019,571	2,057,325
<i>Committed</i>	--	893,870	--	893,870
<i>Unassigned</i>	6,917,170	--	--	6,917,170
Total fund balances	7,065,409	893,870	2,019,571	9,978,850
Total Liabilities and Fund Balances	\$ 24,962,953	\$ 4,541,495	\$ 3,059,818	\$ 32,564,266

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 DECEMBER 31, 2011

Total fund balances - governmental funds balance sheet	\$ 9,978,850
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	13,583,540
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,732,174
Payables for bond principal which are not due in the current period are not reported in the funds.	(1,395,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(135,513)
Payables for bond interest which are not due in the current period are not reported in the funds.	(16,550)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(544,308)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	357,180
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	791,760
Ambulance receivables unavailable to pay for current period expenditures are deferred in the funds.	25,750
Payables for other post employment benefits which are not due in the current period are not reported in the funds.	(4,620,209)
Net assets of governmental activities - Statement of Net Assets	<u>\$ 19,757,674</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXASSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
Revenues:				
<i>Taxes</i>	\$ 14,195,131	\$ 2,523,639	\$ 615,069	\$ 17,333,839
<i>Licenses and permits</i>	60,232	831,815	--	892,047
<i>Intergovernmental</i>	411,624	44,710	594,083	1,050,417
<i>Charges for services</i>	425,722	--	--	425,722
<i>Fines</i>	968,952	165,844	399,569	1,534,365
<i>Interest</i>	117,122	20,079	3,053	140,254
<i>Miscellaneous</i>	322,836	8,510	192,810	524,156
Total revenues	<u>16,501,619</u>	<u>3,594,597</u>	<u>1,804,584</u>	<u>21,900,800</u>
Expenditures:				
Current:				
<i>General government</i>	2,572,613	--	55,286	2,627,899
<i>Financial administration</i>	1,261,689	--	--	1,261,689
<i>Public safety</i>	5,063,647	--	504,974	5,568,621
<i>Judicial</i>	1,890,253	--	9,311	1,899,564
<i>Legal</i>	689,919	--	423,573	1,113,492
<i>Public transportation</i>	--	4,205,602	--	4,205,602
<i>Culture and recreation</i>	299,766	--	44,900	344,666
<i>Nondepartmental</i>	2,556,504	436,092	282,526	3,275,122
Debt service:				
<i>Principal</i>	--	--	675,000	675,000
<i>Interest and fiscal charges</i>	--	--	36,780	36,780
Total expenditures	<u>14,334,391</u>	<u>4,641,694</u>	<u>2,032,350</u>	<u>21,008,435</u>
Excess (deficiency) of revenues over (under) expenditures	2,167,228	(1,047,097)	(227,766)	892,365
Other financing sources (uses):				
<i>Transfers in</i>	73,022	--	255,763	328,785
<i>Transfers out</i>	(33,181)	(30,428)	(265,176)	(328,785)
Total other financing sources (uses)	<u>39,841</u>	<u>(30,428)</u>	<u>(9,413)</u>	<u>--</u>
Net change in fund balances	2,207,069	(1,077,525)	(237,179)	892,365
Fund balances, January 1	4,858,340	1,971,395	2,256,750	9,086,485
Fund balances, December 31	<u>\$ 7,065,409</u>	<u>\$ 893,870</u>	<u>\$ 2,019,571</u>	<u>\$ 9,978,850</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Net change in fund balances - total governmental funds	\$ 892,365
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,949,144
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,861,306)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	111,050
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(488,160)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	675,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	41,977
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(6,051)
(Increase) decrease in accrued interest from beginning of period to end of period.	5,319
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(106,653)
Special termination benefits are reported as the amount earned in the SOA but as the amount paid in the funds	(1,594,517)
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	<u>46,332</u>
Change in net assets of governmental activities - Statement of Activities	<u>\$ (335,500)</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011

	Private-purpose Trust Funds	Agency Funds
ASSETS		
<i>Cash and cash equivalents</i>	\$ 1	\$ 3,890,949
<i>Investments</i>	113,914	--
<i>Capital assets</i>	1	--
Total Assets	<u>\$ 113,916</u>	<u>\$ 3,890,949</u>
LIABILITIES		
<i>Accounts payable</i>	\$ 66	\$ --
<i>Other payables and accruals</i>	--	236,671
<i>Due to other governments</i>	--	2,172,109
<i>Due to others</i>	--	1,482,169
Total Liabilities	<u>66</u>	<u>3,890,949</u>
NET ASSETS		
<i>Held in trust</i>	<u>\$ 113,850</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Private- Purpose Trusts
Additions:	
Interest	\$ 123
Miscellaneous	6,227
Total Additions	<u>6,350</u>
Deductions:	
Administrative expenses	456
Payments to schools	5,776
Total Deductions	<u>6,232</u>
Change in Net Assets	118
Net Assets-Beginning of the Year	113,732
Net Assets-End of the Year	<u>\$ 113,850</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County, a political subdivision of the State of Texas is governed by an elected judge and four county commissioners which comprise the commissioner's court. The County's operational activities include general government, financial administration, public safety, judicial, legal, public transportation, culture and recreation, and nondepartmental expenditures.

The accounting policies of Waller County, Texas, conform to generally accepted accounting principals issued by the Governmental Accounting Standards Board which is the recognized financial accounting standard setting body for governmental entities. The notes to the financial statements are an integral part of the County's basic financial statements.

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the County (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the County's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the County.

There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the basic financial statements present the County only.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. 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.

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

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 County considers revenues to be available 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 and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Fines and permits, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The County reports the following major governmental funds:

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

The *Road and Bridge Fund* accounts for the activities of the Road and Bridge department.

Additionally, the County reports the following fund types:

Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specified purposes (not including expendable trusts or major capital projects).

The Debt Service Fund accounts for the accumulation of resources to be used for the payment of principal and interest.

The *Capital Projects Construction Fund* accounts for the proceeds of the certificates of obligation, series 2003.

Private Purpose Trust Funds are used to account for resources legally held in trust for use of other governmental entities. All resources of the funds, including any earnings on invested resources, may be used.

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, and/or other funds.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The County'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.

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) - (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the County, and placed through a primary government securities dealer.

Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value which is based on quoted market prices.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter fund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes are levied on October 1 by the County based on the January 1 property values as appraised by the Waller County Central Appraisal District. Taxes are due without penalty until January 31, of the next calendar year. After January 31 the County has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the County.

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures 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 government-wide and fund financial statements.

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Buildings	20 - 30 years
Infrastructure	20 - 45 years
Machinery and Equipment	5 - 10 years

5. Compensated absences

Employees accumulate earned but unused vacation and compensatory time. All vacation and compensatory pay is accrued when incurred in the government-wide funds. A liability is reported for these amounts in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are paid in the general, road and bridge, and grant fund.

6. Long-term obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method which approximate the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

7. Fund equity

Nonspendable Fund Balance Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by the Commissioners Court through legislation, resolution or court order, unless the Commissioners Court removes or changes the specified use by taking the same type of action used to commit the amounts.

Assigned Fund Balance - Amounts that are constrained by the Commissioners Court, or by another County official or the finance division to which the Commissioners Court has delegated authority, that are to be used for specific purposes but are neither restricted nor committed.

Unassigned Fund Balance - Amounts that are available for any purpose; these amounts can be reported only in the County's General Fund.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds." The details of this \$357,180 difference are as follows:

Prepaid expense	\$ 56,262
Inventory	276,708
Bond issuance costs	<u>24,209</u>
	<u>\$357,179</u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities :

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains th at "Expenses in the Statement of Activities not requiring the use of current financial resources are not reported as expenditures in the funds." The details of this \$(488,160) difference are as follows:

Change in inventory balances	\$(496,222)
Change in prepaid insurance balances	<u>8,062</u>
	<u>\$ (488,160)</u>

III. DETAILED NOTES ON ALL FUNDS

- A. Deposits and investments

Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$16,165,087. All of the bank balance of \$18,775,876 was covered by federal deposit insurance and collateralized by the pledging financial

WALLER COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2011

institution with marketable securities held by the depository's agent in the County's name. At year end, the County's depository had pledged securities, with a par value of \$17,059,842 and fair value of \$17,947,814.

Investments

As of December 31, 2011, the County had the following investments:

Investment type	Fair Value	Years to Maturity
Government sponsored investment pool (TexPool)	\$1,272,514	N/A
MBIA Private Investment Pool	3,174,417	N/A
Total Fair Value	\$4,446,931	

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its portfolio to less than three years.

Credit Risk. State law limits investments as described previously in Note I, D. 1.

Concentration of Credit Risk. The County's investment policy does not allow for an investment in any one issuer (other than investment pools) that is in excess of five percent of the fair value of the County's total investments.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the County's depository in the County's name and held by the depository's agent.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

TexPool and MBIA are external investment pools and are not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Funds Investment Act provide for creation of public funds investments pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The fair value of investments in the pools are independently reviewed monthly. At December 31, 2011 the fair value of the County's positions in the pools approximate the fair value of the shares.

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2011

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor, and internal service fund in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Road and Bridge	NonMajor Other Funds	Total
Taxes receivable	\$11,603,604	\$2,256,878	\$708,600	\$14,569,082
Less allowance	(355,629)	(95,898)	(18,458)	(469,985)
	<u>\$11,247,975</u>	<u>\$2,160,980</u>	<u>\$690,142</u>	<u>\$14,099,097</u>
Fines receivable	\$1,740,445	\$699,726	\$64,629	\$2,504,800
Less allowance	(428,858)	(384,478)	(35,243)	(848,579)
	<u>\$1,311,587</u>	<u>\$315,248</u>	<u>\$29,386</u>	<u>\$1,656,221</u>
Accounts receivable	<u>\$10,392</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$10,392</u>
Intergovernmental	<u>\$57,995</u>	<u>\$ --</u>	<u>\$23,834</u>	<u>\$81,829</u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Fines receivable (General Fund)	\$447,126	\$ --	\$447,126
Fines receivable (Road & Bridge Fund)	315,247	--	315,247
Fines Receivable (Nonmajor Special Revenue Funds)	29,386	--	29,386
Current tax levy receivable (2011) (General Fund)	--	9,825,462	9,825,462
Current tax levy receivable (2011) (Road & Bridge Fund)	--	1,963,855	1,963,855
Current tax levy receivable (2011) (Debt Service Fund)	--	616,309	616,309
Taxes collected in advance (General Fund)	--	4,765,726	4,765,726
Taxes collected in advance (Road & Bridge Fund)	--	885,634	885,634
Taxes collected in advance (Debt Service Fund)	--	298,933	298,933
Delinquent property taxes receivable (General Fund)	1,337,008	--	1,337,008
Delinquent property taxes receivable (Road & Bridge Fund)	326,105	--	326,105
Delinquent property taxes receivable (Debt Service Fund)	69,061	--	69,061
Total deferred/unearned revenue for governmental funds	<u>\$2,523,933</u>	<u>\$18,355,919</u>	<u>\$20,879,852</u>

Reported in financial statements as:

Deferred revenue	\$14,929,559
Taxes collected in advance	<u>5,950,293</u>
Total	<u>\$20,879,852</u>

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2011

C. Capital assets

Capital asset activity for the year ended December 31, 2011:

	Balance 12/31/10	Additions	Retirements	Completed Construction	Balance 12/31/11
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$440,812	\$ --	--	\$ --	\$440,812
Construction in progress	--	--	--	--	--
Total capital assets not being depreciated	440,812	--	--	--	440,812
Capital assets, being depreciated:					
Buildings and improvements	4,980,073	--	--	--	4,980,073
Roads	15,039,961	1,269,390	(611,312)	--	15,698,039
Bridges	3,522,706	--	--	--	3,522,706
Machinery and equipment	7,249,203	679,754	(17,220)	--	7,911,737
Total capital assets being depreciated	30,791,943	1,949,144	(628,532)	--	32,112,555
Less accumulated depreciation for:					
Buildings	(4,050,425)	(159,892)	--	--	(4,210,317)
Roads	(5,675,983)	(853,626)	611,312	--	(5,918,297)
Bridges	(2,959,772)	(80,415)	--	--	(3,040,187)
Machinery and equipment	(5,050,874)	(767,373)	17,220	--	(5,801,027)
Total accumulated depreciation	(17,737,054)	(1,861,306)	628,532	--	(18,969,828)
Total capital assets being depreciated, net	13,054,889	87,838	--	--	13,142,727
Governmental activities capital assets, net	\$13,495,701	\$87,838	\$ --	\$ --	\$13,583,539

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$76,865
Financial administration	11,121
Public safety	336,764
Judicial	30,536
Legal	6,978
Public transportation	1,381,070
Culture and recreation	1,620
Nondepartmental	16,352
Total depreciation expense - governmental activities	\$1,861,306

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2011

D. Interfund Transfers

Interfund transfers:

Fund	Transfer In	Transfer Out
Major Governmental Funds		
General Fund	\$73,022	\$33,181
Road and Bridge	--	30,428
Total Major Funds	73,022	63,609
Nonmajor Governmental Funds		
Elections	--	67,000
Grant Fund	57,587	--
Capital Projects	--	198,176
Debt Service	198,176	--
Total Nonmajor governmental funds	255,763	265,176
Totals	\$328,785	\$328,785

Interfund transfers arise because of the subsidy of the Grant Fund by the General Fund and Road and Bridge Fund, a transfer of excess operating funds from the Elections Fund to the General Fund, and a transfer from the Capital Projects Fund to the Debt Service Fund in order to close out the Capital Projects Fund.

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

E. Long-term debt

The County issues general obligation bonds, certificates of obligation bonds, notes payable and capital lease obligations to provide funds for the acquisition and construction of major capital facilities. These issues are direct obligations and pledge the full faith and credit of the County.

General Debt Currently Outstanding:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 12/31/11
General Long-Term Debt Issues					
Certificates of Obligation:					
Refunding bonds	\$2,070,000	5/04/10	8/01/13	1.3% to 2.3%	\$1,395,000
Total General Long-Term Debt					<u>\$1,395,000</u>

Annual debt service requirements to maturity for general debt:

Year	General Obligation Bonds		
	Principal	Interest	Total
2012	\$690,000	\$23,460	\$713,460
2013	705,000	8,107	713,107
Total	<u>\$1,395,000</u>	<u>\$31,567</u>	<u>\$1,426,567</u>

Capital Lease Obligations Currently Outstanding:

	Original	Date of	Final	Interest	Balance
Construction equipment	\$217,965	2/05/09	2/25/14	3.650%	<u>\$135,513</u>

Capital lease obligation debt service requirements to maturity are as follows:

Year	Total
2012	\$48,565
2013	48,565
2014	<u>48,565</u>
Total payments	145,695
Less imputed interest	<u>(10,182)</u>
Total Capital Lease Obligations	<u>\$135,513</u>

WALLER COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2011

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2011 was as follows:

	Balance 12/31/10	Additions	Retirements	Balance 12/31/11	Due Within One Year
Governmental activities:					
Certificates of obligation	\$2,070,000	\$ --	(\$675,000)	\$1,395,000	\$690,000
Deferred loss on refunding	(\$26,670)	--	920	(25,750)	(1,839)
Capital lease obligations	177,490	--	(41,977)	135,513	43,535
Compensated absences	437,655	523,007	(416,354)	544,308	234,052
Liability for unfunded OPEB	3,025,692	1,594,517	--	4,620,209	--
Governmental activity Long-Term Liabilities	\$5,684,167	\$2,117,524	(\$1,132,411)	\$6,669,280	\$965,748

For the governmental activities, claims and judgements and compensated absences are generally liquidated by the general fund.

V. OTHER INFORMATION

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Contingent Liabilities and Commitments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County is defendant in various lawsuits which normally occur in governmental operations. At December 31, 2011 after consultation with the County's attorney, it appears that these legal proceedings are not likely to have a material adverse impact on the County.

The District Clerk has invested trust funds at various financial institutions in accordance with court orders. The County has a fiduciary responsibility over these funds until their final disposition.

C. Employee Retirement Systems and Pension Plans

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCERS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 618 nontraditional defined benefit pension plans. TCERS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2011

CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768-20343.

The plan provisions are adopted by the County commissioners' court, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years 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 their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the County commissioners' court within the 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 contribution and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Funding Policy

The County has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 7.26% for calendar year 2011.

The contribution rate payable by the employee members is the rate of 7% as adopted by the Commissioners' Court. The employee contribution rate and the employer contribution rate may be changed by the Commissioners' Court with the options available in the TCDRS Act.

3. Annual Pension Cost

For the County's accounting year ended December 31, 2011, the annual pension cost for the TCDRS plan for its employees was \$661,855 and the actual contributions were \$661,855.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2009, the basis for determining the contribution rates for calendar year 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2011

Actuarial Valuation Information

Actuarial valuation date	12/31/10	12/31/09	12/31/08
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	20.0	20.0	20.0
Actuarial valuation method	SAF: 10-yr smoothed value. ESF: Fund Value	SAF: 10-yr smoothed value. ESF: Fund Value	SAF: 10-yr smoothed value. ESF: Fund Value
Actuarial assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.40%	5.40%	5.30%
Inflation	3.50%	3.50%	3.50%
Cost-of-living adjustments	0.00%	0.00%	0.00%

Trend Information

Accounting year ended	12/31/11	12/31/10	12/31/09
Annual Pension Cost (APC)	\$661,855	\$697,255	\$601,833
Percentage of APC Contributed	100.00%	100.00%	100.00%
Net Pension Obligation	\$ --	\$ --	\$ --

Actuarial Valuation Information

Actuarial valuation date	12/31/10	12/31/09	12/31/08
Actuarial value of assets	\$18,069,427	\$17,812,071	\$15,788,048
Actuarial Accrued Liability (AAL)	\$20,328,878	\$19,580,004	\$17,697,086
Unfunded AAL (UAAL)	\$2,259,451	\$1,767,933	\$1,909,038
Funded Ratio	88.89%	90.97%	89.21%
Annual Covered Payroll (actuarial)	\$8,640,090	\$8,597,604	\$7,589,444
UAAL as a Percentage of Covered Payroll	26.15%	20.56%	25.15%

D. Other Post-Employment Benefits (OPEB)

1. Plan Description

General

The Waller County Retiree Health Care Plan is not a formal document detailing the specific terms of the plan, but is a *substantive* plan - loosely defined as the benefits covered by the plan as understood by the employer and plan members at the time of each actuarial valuation.

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

Beginning in FY 2008, the County implemented GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions". In connection with such implementation, the County has commissioned a biennial actuarial study from an outside consultant to quantify the amount of the County's OPEB obligations. This study indicates an unfunded actuarial accrued liability as of December 31, 2010 of approximately \$18,647,035.

OPEB Plan Eligibility

The OPEB Plan provides retiree health-care benefits for all employees (except temporary staff) must participate in TCDRS and are eligible to receive full retiree health care benefits. Members are eligible for retirement at age 60 with 8 years of service credit or at any age with 20 or 30 years of service credit or when member's age plus service credit totals 75 or 80. Members retiring under early retirement conditions are eligible for retiree health care benefits. Members who terminate employment are not eligible for retiree health care benefits until they retire and they must have left their deposits in the retirement system. Survivors of employees who die while actively employed are not eligible for coverage.

Employees who retire under a disability retirement are immediately eligible for retiree health care benefits. Employees who are not vested in the TCDRS plan cannot apply for disability retirement unless the injury was a result of their job duties. Vested members can apply for disability retirement whether the disability is job related or not. These members do not have to meet the age requirement for service retirement, but must have eight years of service. The injury or illness must keep the member from working in any job, not just his or her current job. Doctors must confirm that the employee's condition will not improve.

Spouses of retired employees are eligible to receive retiree health care benefits for a fee. Coverage continues to non-medicare eligible surviving spouses of deceased retirees for three years. Coverage becomes secondary when the spouse becomes eligible for Medicare.

Retirees are required to enroll in Medicare once eligible. Retiree pays full Medicare premiums. The County coverage becomes secondary when the retiree becomes eligible for Medicare coverage.

Retirees who decide to opt out of the health care plan will be eligible to opt back in when coverage from another entity ceases. There is no additional stipend provided for those who opt out of retiree health care.

Health Care Benefit

The health care coverage offered to active employees is available to retirees under 65 and their eligible dependents. The benefit includes medical and prescription drug. Dental coverage is offered for retirees and dependents, but retirees must pay 100% of the premium. Life insurance is offered for retirees, but retirees must pay 100% of the premium.

2. Funding Policies

The County has elected to fund the plan on a current pay as you go (PAYGO), i.e., the annual employer contributions each year are equal to the benefits that are paid on behalf of the retirees. Under this funding policy, GASB 45 requires the use of a discount rate consistent with the investment return on the employer's general assets. In the valuation, the discount rate is 4.5%.

The actuarially determined contribution requirement for the County's fiscal year is computed through an actuarial valuation performed as of December 31. The actuarial valuation is performed to determine the adequacy of the contribution rate, to describe the current financial condition of OPEB and to analyze changes in conditions.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi year trend information

WALLER COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2011

that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on the plan and include the types of benefits in force at the valuations date and the pattern of sharing benefit costs between the County and the plan members to that point. Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are as follows:

Significant Actuarial Assumptions

Actuarially assumed investment rate	4.5% per annum compounded annually net after investment expense.
Mortality rates for males and females	Retirement Plans 2000 Healthy Mortality Table
Retirement, disablement and separation rates	Graduated rates based on age (detailed in actuary's report).
Actuarial Cost Method	The projected unit credit cost method
General inflation	3.0% per annum
Payroll growth rate	3.0% per annum
Health cost increase	Graduated rates based on age (detailed in actuary report)
Method used for determining actuarial value of assets	Market value of assets
Amortization method	Level percent, closed
Remaining amortization	26

The County's annual OPEB costs, contributions, percent contributed, and net OPEB liability is as follows:

Year Ended	OPEB Plan			
	Annual			Net
	OPEB	County	Percentage	OPEB
	Cost	Contribution	Contributed	Liability
December 31, 2011	\$1,985,504	\$390,988	19.7%	\$1,594,517

E. Concentrations of Credit Risk

Taxes receivable are due from citizens and businesses within the County's boundaries. Risk of loss is immaterial due to wide dispersion of receivables and because of policies which address procedures for filing property tax liens.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

WALLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 12,860,117	\$ 12,860,117	\$ 14,195,131	\$ 1,335,014
Licenses and permits	80,000	80,000	60,232	(19,768)
Intergovernmental	409,284	423,155	411,624	(11,531)
Charges for services	407,500	407,500	425,722	18,222
Fines	701,850	701,850	968,952	267,102
Interest	102,450	102,450	117,122	14,672
Miscellaneous	90,500	278,472	322,836	44,364
Total revenues	14,651,701	14,853,544	16,501,619	1,648,075
Expenditures:				
Current:				
General Government				
Commissioners' Court	437,304	449,592	383,003	66,589
County Clerk	672,122	672,122	643,487	28,635
Veterans Services	19,856	33,356	32,701	655
All Others	1,745,033	1,624,208	1,352,430	271,778
County Court	7,000	7,000	3,710	3,290
County Judge	190,404	190,118	157,282	32,836
Total General Government	3,071,719	2,976,396	2,572,613	403,783
Financial Administration				
County Auditor	264,339	274,852	256,862	17,990
County Treasurer	208,344	208,344	202,057	6,287
Central Appraisal District	365,970	365,970	328,030	37,940
Tax Assessor Collector	541,665	541,957	474,740	67,217
Total Financial Administration	1,380,318	1,391,123	1,261,689	129,434
Public Safety				
Short Term Detention	194,803	194,803	162,593	32,210
Jail	1,520,471	1,520,471	1,486,359	34,112
Juvenile Probation	141,872	141,872	137,308	4,564
Domestic Violence Grant	69,500	69,500	50,139	19,361
Constable Precinct Number One	44,301	53,249	44,102	9,147
Constable Precinct Number Two	52,235	76,086	71,247	4,839
Constable Precinct Number Three	47,482	47,482	47,406	76
Constable Precinct Number Four	43,162	59,155	51,629	7,526
Health and Wellness Grant	82,047	82,047	75,522	6,525
Sheriff Administration	2,118,214	2,342,932	2,317,359	25,573
Sheriff Communication	435,736	435,736	423,458	12,278
Law Enforcement Vehicle Maintenance	65,000	80,000	79,972	28
Community Supervision Corrections	10,500	10,500	8,476	2,024
Juvenile Board	5,538	5,538	5,515	23
Department of Public Safety	11,500	11,500	1,441	10,059
Public Safety Other	1,000	1,000	750	250
911 Grant	111,626	111,626	100,371	11,255
Total Public Safety	4,954,987	5,243,497	5,063,647	179,850

WALLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT B-1
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Judicial</i>				
District Judge - 506th District	\$ 149,190	\$ 153,506	\$ 143,137	\$ 10,369
District Judge - 155th District	44,341	44,341	43,291	1,050
County Court at Law	288,770	288,770	283,429	5,341
District Court	60,935	59,935	51,398	8,537
Justice Court	2,000	3,000	2,330	670
District Clerk	344,681	344,681	330,640	14,041
Justice of the Peace Precinct Number One	162,709	162,709	156,076	6,633
Justice of the Peace Precinct Number Two	127,007	127,007	124,274	2,733
Justice of the Peace Precinct Number Three	118,961	122,169	119,801	2,368
Justice of the Peace Precinct Number Four	206,302	206,302	203,397	2,905
Court Expense	424,000	414,000	374,150	39,850
Judicial Order	102,000	102,000	58,330	43,670
Total Judicial	2,030,896	2,028,420	1,890,253	138,167
<i>Legal</i>				
Criminal D.A.	699,138	697,440	689,919	7,521
Total Legal	699,138	697,440	689,919	7,521
<i>Culture and Recreation</i>				
County Library	311,281	312,966	267,766	45,200
Waller County Historical Commission	15,000	15,000	15,000	--
County Museum	17,000	17,000	17,000	--
Total Culture and Recreation	343,281	344,966	299,766	45,200
<i>Nondepartmental</i>				
Maintenance of buildings	319,572	331,572	267,701	63,871
Indigent Health	1,240,658	1,240,658	299,086	941,572
Extension Service	142,734	142,734	136,328	6,406
Capital Outlay	201,000	201,000	23,189	177,811
Employee Benefits	1,977,000	1,977,000	1,830,200	146,800
Total Nondepartmental	3,880,964	3,892,964	2,556,504	1,336,460
Total expenditures	16,361,303	16,574,806	14,334,391	2,240,415
Excess (deficiency) of revenues over (under) expenditures	(1,709,602)	(1,721,262)	2,167,228	3,888,490
Other financing sources (uses):				
Transfers in	--	--	73,022	73,022
Transfers out	(45,000)	(54,218)	(33,181)	21,037
Total other financing sources (uses)	(45,000)	(54,218)	39,841	94,059
Net change in fund balances	(1,754,602)	(1,775,480)	2,207,069	3,982,549
Fund balance, January 1	4,858,340	4,858,340	4,858,340	--
Fund balance, December 31	\$ 3,103,738	\$ 3,082,860	\$ 7,065,409	\$ 3,982,549

WALLER COUNTY, TEXAS
ROAD AND BRIDGE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 2,511,411	\$ 2,511,411	\$ 2,523,639	\$ 12,228
<i>Licenses and permits</i>	1,016,000	1,016,000	831,815	(184,185)
<i>Intergovernmental</i>	29,000	29,000	44,710	15,710
<i>Fines</i>	123,000	123,000	165,844	42,844
<i>Interest</i>	32,550	32,550	20,079	(12,471)
<i>Miscellaneous</i>	10,200	10,200	8,510	(1,690)
Total revenues	<u>3,722,161</u>	<u>3,722,161</u>	<u>3,594,597</u>	<u>(127,564)</u>
Expenditures:				
Current:				
<i>Public Transportation</i>				
<i>Road and Bridge Administration</i>	427,116	450,116	446,345	3,771
<i>Road and Bridge Maintenance</i>	3,745,352	4,007,914	3,759,257	248,657
Total Public Transportation	<u>4,172,468</u>	<u>4,458,030</u>	<u>4,205,602</u>	<u>252,428</u>
<i>Nondepartmental</i>				
<i>Employee Benefits</i>	530,000	395,000	436,092	(41,092)
Total Nondepartmental	<u>530,000</u>	<u>395,000</u>	<u>436,092</u>	<u>(41,092)</u>
Total expenditures	<u>4,702,468</u>	<u>4,853,030</u>	<u>4,641,694</u>	<u>211,336</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(980,307)</u>	<u>(1,130,869)</u>	<u>(1,047,097)</u>	<u>83,772</u>
Other financing sources (uses):				
<i>Transfers out</i>	(120,000)	(75,000)	(30,428)	44,572
Total other financing sources (uses)	<u>(120,000)</u>	<u>(75,000)</u>	<u>(30,428)</u>	<u>44,572</u>
Net change in fund balances	<u>(1,100,307)</u>	<u>(1,205,869)</u>	<u>(1,077,525)</u>	<u>128,344</u>
Fund balance, January 1	<u>1,971,395</u>	<u>1,971,395</u>	<u>1,971,395</u>	<u>--</u>
Fund balance, December 31	<u>\$ 871,088</u>	<u>\$ 765,526</u>	<u>\$ 893,870</u>	<u>\$ 128,344</u>

WALLER COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS - OPEB
Year Ended December 31, 2010

EXHIBIT B-3

Valuation Date	Actuarial Valuation of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Asset (Liability) (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
(1)	(2)	(3)	(2) - (3) (4)	(2)/(3) (5)	(6)	(4)/(6) (7)
12/31/08	N/A	\$10,045,318	(\$10,045,318)	0.00%	\$7,802,152	128.75%
12/31/09 A.	N/A	\$10,045,318	(\$10,045,318)	0.00%	\$8,597,604	116.84%
12/31/10	N/A	\$18,647,035	(\$18,647,035)	0.00%	\$8,808,550	211.69%
12/31/11	N/A	\$18,647,035	(\$18,647,035)	0.00%	\$8,640,090	215.82%

A. The plan receives an actuarial valuation biennially.

WALLER COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended December 31, 2011

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on the modified accrual basis of accounting for the General Fund; certain Special Revenue Funds (Road and Bridge, Chapter 19 Voters Registration, Law Library, RPF District Clerk, RMPF County Clerk/District Clerk, RPF County Clerk, Courthouse Security, JP Technology Fund, Justice Court Security Fund, DA Pretrial Diversion, and the Grant Fund); and the Debt Service Fund.

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings when needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available fund balance.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. No amendments may be made without Commissioners' Court approval to the total budget for each department within a fund. Thus, the legal level of budgetary control is at the department level. The General Fund appropriations were increased by \$213,503 during the year, while the Road and Bridge Fund appropriations were increased by \$150,562. The additional appropriations were budgeted to be paid by additional revenues.

Encumbrance accounting is not employed by the County because it is not considered necessary to assure effective budgetary control.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2011, no funds had expenditures exceeding appropriations.

*Combining Statements and Budget Comparisons
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

WALLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
<i>Cash and cash equivalents</i>	\$ 75,991	\$ 91,947	\$ 167,938
<i>Investments</i>	1,711,592	436,926	2,148,518
Receivables (net of allowances for uncollectibles):			
<i>Taxes</i>	--	690,142	690,142
<i>Fines</i>	29,386	--	29,386
<i>Intergovernmental</i>	23,834	--	23,834
Total Assets	<u>\$ 1,840,803</u>	<u>\$ 1,219,015</u>	<u>\$ 3,059,818</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ 20,120	\$ --	\$ 20,120
<i>Other payables and accruals</i>	6,438	--	6,438
<i>Deferred revenue</i>	29,386	685,370	714,756
<i>Taxes collected in advance</i>	--	298,933	298,933
Total Liabilities	<u>55,944</u>	<u>984,303</u>	<u>1,040,247</u>
<i>Fund balances:</i>			
Restricted	<u>1,784,859</u>	<u>234,712</u>	<u>2,019,571</u>
Total fund balances	<u>1,784,859</u>	<u>234,712</u>	<u>2,019,571</u>
Total Liabilities and Fund Balances	<u>\$ 1,840,803</u>	<u>\$ 1,219,015</u>	<u>\$ 3,059,818</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Special Revenue Funds	Debt Service Fund	Capital Projects Construction	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
<i>Taxes</i>	\$ --	\$ 615,069	\$ --	\$ 615,069
<i>Intergovernmental</i>	594,083	--	--	594,083
<i>Fines</i>	399,569	--	--	399,569
<i>Interest</i>	2,544	509	--	3,053
<i>Miscellaneous</i>	192,810	--	--	192,810
Total revenues	<u>1,189,006</u>	<u>615,578</u>	<u>--</u>	<u>1,804,584</u>
Expenditures:				
Current:				
<i>General government</i>	55,286	--	--	55,286
<i>Public safety</i>	504,974	--	--	504,974
<i>Judicial</i>	9,311	--	--	9,311
<i>Legal</i>	423,573	--	--	423,573
<i>Culture and recreation</i>	44,900	--	--	44,900
<i>Nondepartmental</i>	282,526	--	--	282,526
Debt service:				
<i>Principal</i>	--	675,000	--	675,000
<i>Interest and fiscal charges</i>	--	36,780	--	36,780
Total expenditures	<u>1,320,570</u>	<u>711,780</u>	<u>--</u>	<u>2,032,350</u>
Excess (deficiency) of revenues over (under) expenditures	(131,564)	(96,202)	--	(227,766)
Other financing sources (uses):				
<i>Transfers in</i>	57,587	198,176	--	255,763
<i>Transfers out</i>	(67,000)	--	(198,176)	(265,176)
Total other financing sources (uses)	<u>(9,413)</u>	<u>198,176</u>	<u>(198,176)</u>	<u>(9,413)</u>
Net change in fund balances	(140,977)	101,974	(198,176)	(237,179)
Fund balances, January 1	1,925,836	132,738	198,176	2,256,750
Fund balances, December 31	\$ 1,784,859	\$ 234,712	\$ --	\$ 2,019,571

WALLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011

	D.A. Warrant Seizure	District Attorney Apportionment	Sheriff Forfeiture	D.A. Warrant Forfeiture
ASSETS				
<i>Cash and cash equivalents</i>	\$ 18	\$ 10,112	\$ 16,421	\$ 20,624
<i>Investments</i>	--	--	--	--
Receivables (net of allowances for uncollectibles):				
<i>Fines</i>	--	--	--	--
<i>Intergovernmental</i>	--	--	--	--
Total Assets	<u>\$ 18</u>	<u>\$ 10,112</u>	<u>\$ 16,421</u>	<u>\$ 20,624</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Other payables and accruals</i>	--	--	--	--
<i>Deferred revenue</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i>Fund balances:</i>				
Restricted	<u>18</u>	<u>10,112</u>	<u>16,421</u>	<u>20,624</u>
Total fund balances	<u>18</u>	<u>10,112</u>	<u>16,421</u>	<u>20,624</u>
Total Liabilities and Fund Balances	<u>\$ 18</u>	<u>\$ 10,112</u>	<u>\$ 16,421</u>	<u>\$ 20,624</u>

<u>D.A. Worthless Check</u>	<u>Elections</u>	<u>District Attorney Forfeiture</u>	<u>Law Library</u>	<u>Title IV Juvenile Justice</u>
\$ 1,795	\$ 1	\$ 10,693	\$ 900	\$ 1
--	69,486	--	81,567	139,605
--	--	--	--	--
--	--	--	--	--
<u>\$ 1,795</u>	<u>\$ 69,487</u>	<u>\$ 10,693</u>	<u>\$ 82,467</u>	<u>\$ 139,606</u>
\$ --	\$ --	\$ --	\$ 16,305	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	16,305	--
<u>1,795</u>	<u>69,487</u>	<u>10,693</u>	<u>66,162</u>	<u>139,606</u>
<u>1,795</u>	<u>69,487</u>	<u>10,693</u>	<u>66,162</u>	<u>139,606</u>
<u>\$ 1,795</u>	<u>\$ 69,487</u>	<u>\$ 10,693</u>	<u>\$ 82,467</u>	<u>\$ 139,606</u>

WALLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011

	RPF District Clerk	RMPF County Clerk District Clerk	RPF County Clerk	Preservation Fee Birth Death County Clerk
ASSETS				
<i>Cash and cash equivalents</i>	\$ 234	\$ 899	\$ 125	\$ 251
<i>Investments</i>	6,709	53,326	239,978	11,040
Receivables (net of allowances for uncollectibles):				
<i>Fines</i>	591	19,313	433	--
<i>Intergovernmental</i>	--	--	--	--
Total Assets	<u>\$ 7,534</u>	<u>\$ 73,538</u>	<u>\$ 240,536</u>	<u>\$ 11,291</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ 1,344	\$ --	\$ 525	\$ --
<i>Other payables and accruals</i>	--	--	401	--
<i>Deferred revenue</i>	591	19,313	432	--
Total Liabilities	<u>1,935</u>	<u>19,313</u>	<u>1,358</u>	<u>--</u>
Fund balances:				
<i>Restricted</i>	5,599	54,225	239,178	11,291
Total fund balances	<u>5,599</u>	<u>54,225</u>	<u>239,178</u>	<u>11,291</u>
Total Liabilities and Fund Balances	<u>\$ 7,534</u>	<u>\$ 73,538</u>	<u>\$ 240,536</u>	<u>\$ 11,291</u>

Courthouse Security	Graffiti Eradication	JP Technology Fee	Family Protection Fee	Court Initiated Guardianship
\$ 839	\$ --	\$ 991	\$ 525	\$ 420
47,127	591	204,887	8,904	8,364
5,984	7	2,392	--	--
--	--	--	--	--
<u>\$ 53,950</u>	<u>\$ 598</u>	<u>\$ 208,270</u>	<u>\$ 9,429</u>	<u>\$ 8,784</u>
\$ --	\$ --	\$ --	\$ --	\$ --
2,503	--	--	--	--
5,984	8	2,392	--	--
<u>8,487</u>	<u>8</u>	<u>2,392</u>	<u>--</u>	<u>--</u>
45,463	590	205,878	9,429	8,784
<u>45,463</u>	<u>590</u>	<u>205,878</u>	<u>9,429</u>	<u>8,784</u>
<u>\$ 53,950</u>	<u>\$ 598</u>	<u>\$ 208,270</u>	<u>\$ 9,429</u>	<u>\$ 8,784</u>

WALLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011

	Justice Court Security	County Clerk Technology	District Clerk Technology	CC Records Preservation Digitization
ASSETS				
<i>Cash and cash equivalents</i>	\$ 722	\$ 188	\$ 119	\$ 590
<i>Investments</i>	32,958	488	--	4,925
Receivables (net of allowances for uncollectibles):				
<i>Fines</i>	453	--	213	--
<i>Intergovernmental</i>	--	--	--	--
Total Assets	<u>\$ 34,133</u>	<u>\$ 676</u>	<u>\$ 332</u>	<u>\$ 5,515</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Other payables and accruals</i>	--	--	--	--
<i>Deferred revenue</i>	453	--	213	--
Total Liabilities	<u>453</u>	<u>--</u>	<u>213</u>	<u>--</u>
Fund balances:				
Restricted	<u>33,680</u>	<u>676</u>	<u>119</u>	<u>5,515</u>
Total fund balances	<u>33,680</u>	<u>676</u>	<u>119</u>	<u>5,515</u>
Total Liabilities and Fund Balances	<u>\$ 34,133</u>	<u>\$ 676</u>	<u>\$ 332</u>	<u>\$ 5,515</u>

DC Records Preservation Digitization	DA Pre Trial Diversion	State Criminal Alien Program	D.A. Worthless Check Trust	Hospital Trust
\$ 441	\$ --	\$ 2,916	\$ 5,805	\$ --
9,187	80,340	--	--	2,865
--	--	--	--	--
--	--	--	--	--
<u>\$ 9,628</u>	<u>\$ 80,340</u>	<u>\$ 2,916</u>	<u>\$ 5,805</u>	<u>\$ 2,865</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>9,628</u>	<u>80,340</u>	<u>2,916</u>	<u>5,805</u>	<u>2,865</u>
<u>9,628</u>	<u>80,340</u>	<u>2,916</u>	<u>5,805</u>	<u>2,865</u>
<u>\$ 9,628</u>	<u>\$ 80,340</u>	<u>\$ 2,916</u>	<u>\$ 5,805</u>	<u>\$ 2,865</u>

WALLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2011

	<u>Grant</u>	<u>Narc Program</u>
ASSETS		
<i>Cash and cash equivalents</i>	\$ --	\$ --
<i>Investments</i>	628,049	77,884
Receivables (net of allowances for uncollectibles):		
<i>Fines</i>	--	--
<i>Intergovernmental</i>	23,834	--
Total Assets	<u>\$ 651,883</u>	<u>\$ 77,884</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
<i>Accounts payable</i>	\$ 1,946	\$ --
<i>Other payables and accruals</i>	3,534	--
<i>Deferred revenue</i>	--	--
Total Liabilities	<u>5,480</u>	<u>--</u>
 <i>Fund balances:</i>		
Restricted	646,403	77,884
Total fund balances	<u>646,403</u>	<u>77,884</u>
 Total Liabilities and Fund Balances	<u>\$ 651,883</u>	<u>\$ 77,884</u>

<u>Federal Forfeiture</u>	<u>Imprest</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit C-1)</u>
\$ --	\$ 361	\$ 75,991
3,312	--	1,711,592
--	--	29,386
--	--	23,834
<u>\$ 3,312</u>	<u>\$ 361</u>	<u>\$ 1,840,803</u>
\$ --	\$ --	\$ 20,120
--	--	6,438
--	--	29,386
<u>--</u>	<u>--</u>	<u>55,944</u>
3,312	361	1,784,859
<u>3,312</u>	<u>361</u>	<u>1,784,859</u>
<u>\$ 3,312</u>	<u>\$ 361</u>	<u>\$ 1,840,803</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	D.A. Warrant Seizure	Chapter 19 Voters Registration	District Attorney Apportionment	Constable Precinct #3 LEOSE
Revenues:				
Intergovernmental	\$ --	\$ 4,804	\$ 33,196	\$ 663
Fines	4,413	--	--	--
Interest	5	--	23	--
Miscellaneous	--	--	--	--
Total revenues	<u>4,418</u>	<u>4,804</u>	<u>33,219</u>	<u>663</u>
Expenditures:				
Current:				
General government	--	4,804	--	--
Public safety	--	--	--	763
Judicial	--	--	--	--
Legal	12,014	--	34,625	--
Culture and recreation	--	--	--	--
Nondepartmental	--	--	--	--
Total expenditures	<u>12,014</u>	<u>4,804</u>	<u>34,625</u>	<u>763</u>
Excess (deficiency) of revenues over (under) expenditures	(7,596)	--	(1,406)	(100)
Other financing sources (uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(7,596)	--	(1,406)	(100)
Fund balances, January 1	7,614	--	11,518	100
Fund balances, December 31	<u>\$ 18</u>	<u>\$ --</u>	<u>\$ 10,112</u>	<u>\$ --</u>

Sheriff Forfeiture	D.A. Warrant Forfeiture	D.A. Worthless Check	Elections	District Attorney Forfeiture
\$ --	\$ --	\$ --	\$ --	\$ --
89,096	164,186	--	--	--
79	146	6	36	47
--	--	7,332	60,102	36,339
<u>89,175</u>	<u>164,332</u>	<u>7,338</u>	<u>60,138</u>	<u>36,386</u>
--	--	--	--	--
91,913	--	--	--	--
--	--	--	--	--
--	178,627	8,728	--	35,507
--	--	--	--	--
<u>91,913</u>	<u>178,627</u>	<u>8,728</u>	<u>--</u>	<u>35,507</u>
(2,738)	(14,295)	(1,390)	60,138	879
--	--	--	--	--
--	--	--	(67,000)	--
--	--	--	(67,000)	--
(2,738)	(14,295)	(1,390)	(6,862)	879
19,159	34,919	3,185	76,349	9,814
<u>\$ 16,421</u>	<u>\$ 20,624</u>	<u>\$ 1,795</u>	<u>\$ 69,487</u>	<u>\$ 10,693</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Law Library	Title IV Juvenile Justice	RPF District Clerk	RMPF County Clerk District Clerk
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ --	\$ --	\$ --
<i>Fines</i>	11,980	--	2,957	12,280
<i>Interest</i>	78	144	5	51
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>12,058</u>	<u>144</u>	<u>2,962</u>	<u>12,331</u>
Expenditures:				
Current:				
<i>General government</i>	--	--	--	7,505
<i>Public safety</i>	--	--	--	--
<i>Judicial</i>	--	--	2,017	--
<i>Legal</i>	16,305	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>16,305</u>	<u>--</u>	<u>2,017</u>	<u>7,505</u>
Excess (deficiency) of revenues over (under) expenditures	(4,247)	144	945	4,826
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(4,247)	144	945	4,826
Fund balances, January 1	70,409	139,462	4,654	49,399
Fund balances, December 31	<u>\$ 66,162</u>	<u>\$ 139,606</u>	<u>\$ 5,599</u>	<u>\$ 54,225</u>

RPF County Clerk	Preservation Fee Birth Death County Clerk	Courthouse Security	Graffiti Eradication	JP Technology Fee
\$ --	\$ --	\$ --	\$ --	\$ --
35,535	1,425	33,262	--	27,068
254	9	149	--	197
--	--	--	--	--
<u>35,789</u>	<u>1,434</u>	<u>33,411</u>	<u>--</u>	<u>27,265</u>
42,977	--	--	--	--
--	--	--	--	--
--	--	--	--	7,294
--	--	--	--	--
--	--	182,503	--	--
<u>42,977</u>	<u>--</u>	<u>182,503</u>	<u>--</u>	<u>7,294</u>
(7,188)	1,434	(149,092)	--	19,971
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
(7,188)	1,434	(149,092)	--	19,971
246,366	9,857	194,555	590	185,907
<u>\$ 239,178</u>	<u>\$ 11,291</u>	<u>\$ 45,463</u>	<u>\$ 590</u>	<u>\$ 205,878</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Family Protection Fee	Court Initiated Guardianship	Justice Court Security	County Clerk Technology
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ 2,000	\$ --	\$ --
<i>Fines</i>	2,310	--	6,528	592
<i>Interest</i>	8	8	34	--
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>2,318</u>	<u>2,008</u>	<u>6,562</u>	<u>592</u>
Expenditures:				
Current:				
<i>General government</i>	--	--	--	--
<i>Public safety</i>	--	--	5,153	--
<i>Judicial</i>	--	--	--	--
<i>Legal</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>5,153</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	2,318	2,008	1,409	592
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	2,318	2,008	1,409	592
Fund balances, January 1	7,111	6,776	32,271	84
Fund balances, December 31	<u>\$ 9,429</u>	<u>\$ 8,784</u>	<u>\$ 33,680</u>	<u>\$ 676</u>

District Clerk Technology	CC Records Preservation Digitization	DC Records Preservation Digitization	DA Pre Trial Diversion	State Criminal Alien Program
\$ --	\$ --	\$ --	\$ 50,150	\$ 3,739
87	2,670	5,180	--	--
--	4	6	63	--
--	--	--	--	--
<u>87</u>	<u>2,674</u>	<u>5,186</u>	<u>50,213</u>	<u>3,739</u>
--	--	--	--	--
--	--	--	--	823
--	--	--	25,000	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>25,000</u>	<u>823</u>
87	2,674	5,186	25,213	2,916
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
87	2,674	5,186	25,213	2,916
32	2,841	4,442	55,127	--
<u>\$ 119</u>	<u>\$ 5,515</u>	<u>\$ 9,628</u>	<u>\$ 80,340</u>	<u>\$ 2,916</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	D.A. Worthless Check Trust	Hospital Trust	Grant
Revenues:			
<i>Intergovernmental</i>	\$ --	\$ --	\$ 472,497
<i>Fines</i>	--	--	--
<i>Interest</i>	37	3	1,037
<i>Miscellaneous</i>	88,763	--	--
Total revenues	<u>88,800</u>	<u>3</u>	<u>473,534</u>
Expenditures:			
Current:			
<i>General government</i>	--	--	--
<i>Public safety</i>	--	--	354,790
<i>Judicial</i>	--	--	--
<i>Legal</i>	88,641	--	24,126
<i>Culture and recreation</i>	--	--	44,900
<i>Nondepartmental</i>	--	--	100,023
Total expenditures	<u>88,641</u>	<u>--</u>	<u>523,839</u>
Excess (deficiency) of revenues over (under) expenditures	159	3	(50,305)
Other financing sources (uses):			
<i>Transfers in</i>	--	--	57,587
<i>Transfers out</i>	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>57,587</u>
Net change in fund balances	159	3	7,282
Fund balances, January 1	5,646	2,862	639,121
Fund balances, December 31	<u>\$ 5,805</u>	<u>\$ 2,865</u>	<u>\$ 646,403</u>

Narc Program	Federal Forfeiture	Imprest	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ 27,034	\$ 594,083
--	--	--	399,569
87	3	25	2,544
274	--	--	192,810
<u>361</u>	<u>3</u>	<u>27,059</u>	<u>1,189,006</u>
--	--	--	55,286
16,656	--	34,876	504,974
--	--	--	9,311
--	--	--	423,573
--	--	--	44,900
--	--	--	282,526
<u>16,656</u>	<u>--</u>	<u>34,876</u>	<u>1,320,570</u>
(16,295)	3	(7,817)	(131,564)
--	--	--	57,587
--	--	--	(67,000)
--	--	--	(9,413)
(16,295)	3	(7,817)	(140,977)
94,179	3,309	8,178	1,925,836
<u>\$ 77,884</u>	<u>\$ 3,312</u>	<u>\$ 361</u>	<u>\$ 1,784,859</u>

WALLER COUNTY, TEXAS
 CHAPTER 19 VOTERS REGISTRATION
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-5

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 4,804	\$ 4,804	\$ --
Total revenues	<u>4,804</u>	<u>4,804</u>	<u>--</u>
Expenditures:			
Current:			
General Government			
Voter Registrar	4,804	4,804	--
Total General Government	<u>4,804</u>	<u>4,804</u>	<u>--</u>
Net change in fund balances	--	--	--
Fund balance, January 1	--	--	--
Fund balance, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

WALLER COUNTY, TEXAS
LAW LIBRARY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-6

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 72,208	\$ 11,980	\$ (60,228)
<i>Interest</i>	--	78	78
Total revenues	<u>72,208</u>	<u>12,058</u>	<u>(60,150)</u>
Expenditures:			
Current:			
<i>Legal</i>			
<i>Law Library</i>	72,208	16,305	55,903
Total Legal	<u>72,208</u>	<u>16,305</u>	<u>55,903</u>
Total expenditures	<u>72,208</u>	<u>16,305</u>	<u>55,903</u>
Net change in fund balances	--	(4,247)	(4,247)
Fund balance, January 1	70,409	70,409	--
Fund balance, December 31	<u>\$ 70,409</u>	<u>\$ 66,162</u>	<u>\$ (4,247)</u>

WALLER COUNTY, TEXAS
 RPF DISTRICT CLERK
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Fines</i>	\$ 4,653	\$ 2,957	\$ (1,696)
<i>Interest</i>	--	5	5
Total revenues	<u>4,653</u>	<u>2,962</u>	<u>(1,691)</u>
Expenditures:			
Current:			
<i>Judicial</i>			
<i>District Clerk Records Preservation</i>	4,653	2,017	2,636
Total Judicial	<u>4,653</u>	<u>2,017</u>	<u>2,636</u>
Total expenditures	<u>4,653</u>	<u>2,017</u>	<u>2,636</u>
Net change in fund balances	--	945	945
Fund balance, January 1	4,654	4,654	--
Fund balance, December 31	<u>\$ 4,654</u>	<u>\$ 5,599</u>	<u>\$ 945</u>

WALLER COUNTY, TEXAS
 RMPF COUNTY CLERK/DISTRICT CLERK
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Fines</i>	\$ 36,974	\$ 12,280	\$ (24,694)
<i>Interest</i>	--	51	51
Total revenues	<u>36,974</u>	<u>12,331</u>	<u>(24,643)</u>
Expenditures:			
Current:			
<i>General Government</i>			
<i>Records Management</i>	36,974	7,505	29,469
Total General Government	<u>36,974</u>	<u>7,505</u>	<u>29,469</u>
Total expenditures	<u>36,974</u>	<u>7,505</u>	<u>29,469</u>
Net change in fund balances	--	4,826	4,826
Fund balance, January 1	49,399	49,399	--
Fund balance, December 31	<u>\$ 49,399</u>	<u>\$ 54,225</u>	<u>\$ 4,826</u>

WALLER COUNTY, TEXAS
RPF COUNTY CLERK
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-9

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 250,000	\$ 35,535	\$ (214,465)
<i>Interest</i>	--	254	254
Total revenues	<u>250,000</u>	<u>35,789</u>	<u>(214,211)</u>
Expenditures:			
Current:			
<i>General Government</i>			
<i>Records Preservation</i>	250,000	42,977	207,023
Total General Government	<u>250,000</u>	<u>42,977</u>	<u>207,023</u>
Total expenditures	<u>250,000</u>	<u>42,977</u>	<u>207,023</u>
Net change in fund balances	--	(7,188)	(7,188)
Fund balance, January 1	246,366	246,366	--
Fund balance, December 31	<u>\$ 246,366</u>	<u>\$ 239,178</u>	<u>\$ (7,188)</u>

WALLER COUNTY, TEXAS
 COURTHOUSE SECURITY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Fines</i>	\$ 208,477	\$ 33,262	\$ (175,215)
<i>Interest</i>	--	149	149
Total revenues	<u>208,477</u>	<u>33,411</u>	<u>(175,066)</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>			
<i>Courthouse Security</i>	208,477	182,503	25,974
Total Nondepartmental	<u>208,477</u>	<u>182,503</u>	<u>25,974</u>
Total expenditures	<u>208,477</u>	<u>182,503</u>	<u>25,974</u>
Net change in fund balances	--	(149,092)	(149,092)
Fund balance, January 1	194,555	194,555	--
Fund balance, December 31	<u>\$ 194,555</u>	<u>\$ 45,463</u>	<u>\$ (149,092)</u>

WALLER COUNTY, TEXAS
JP TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-11

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 172,536	\$ 27,068	\$ (145,468)
<i>Interest</i>	--	197	197
Total revenues	<u>172,536</u>	<u>27,265</u>	<u>(145,271)</u>
Expenditures:			
Current:			
<i>Judicial</i>			
<i>Justice Court Technology</i>	172,536	7,294	165,242
Total Judicial	<u>172,536</u>	<u>7,294</u>	<u>165,242</u>
Total expenditures	<u>172,536</u>	<u>7,294</u>	<u>165,242</u>
Net change in fund balances	--	19,971	19,971
Fund balance, January 1	185,907	185,907	--
Fund balance, December 31	<u>\$ 185,907</u>	<u>\$ 205,878</u>	<u>\$ 19,971</u>

WALLER COUNTY, TEXAS
JUSTICE COURT SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-12

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Fines</i>	\$ 25,550	\$ 6,528	\$ (19,022)
<i>Interest</i>	--	34	34
Total revenues	<u>25,550</u>	<u>6,562</u>	<u>(18,988)</u>
Expenditures:			
Current:			
<i>Public Safety</i>			
<i>Juvenile Probation Grants</i>	25,550	5,153	20,397
Total Public Safety	<u>25,550</u>	<u>5,153</u>	<u>20,397</u>
Total expenditures	<u>25,550</u>	<u>5,153</u>	<u>20,397</u>
Net change in fund balances	--	1,409	1,409
Fund balance, January 1	32,271	32,271	--
Fund balance, December 31	<u>\$ 32,271</u>	<u>\$ 33,680</u>	<u>\$ 1,409</u>

WALLER COUNTY, TEXAS
DA PRETRIAL DIVERSION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-13

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 25,000	\$ 50,150	\$ 25,150
<i>Interest</i>	--	63	63
Total revenues	<u>25,000</u>	<u>50,213</u>	<u>25,213</u>
Expenditures:			
Current:			
<i>Legal</i>			
<i>Pretrial Diversion</i>	25,000	25,000	--
Total Legal	<u>25,000</u>	<u>25,000</u>	<u>--</u>
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>--</u>
Net change in fund balances	--	25,213	25,213
Fund balance, January 1	55,127	55,127	--
Fund balance, December 31	<u>\$ 55,127</u>	<u>\$ 80,340</u>	<u>\$ 25,213</u>

WALLER COUNTY, TEXAS

EXHIBIT C-14

GRANT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 724,383	\$ 472,497	\$ (251,886)
<i>Interest</i>	--	1,037	1,037
Total revenues	<u>724,383</u>	<u>473,534</u>	<u>(250,849)</u>
Expenditures:			
Current:			
<i>Public Safety</i>			
<i>Juvenile Probation Grants 2</i>	154,639	130,560	24,079
<i>Formula Equalization Grant</i>	26,802	14,240	12,562
<i>Purchase of Service Grant</i>	16,461	16,461	--
<i>TIFB</i>	27,108	27,108	--
<i>CJD Grant</i>	2,500	1,946	554
<i>Vine Grant</i>	18,283	18,283	--
<i>TJPC Grant 4</i>	229,068	57,512	171,556
<i>Texas Community Development Block Grant</i>	88,680	88,680	--
Total Public Safety	<u>563,541</u>	<u>354,790</u>	<u>208,751</u>
<i>Legal</i>			
<i>Victim's Assistance Grant</i>	30,110	24,126	5,984
Total Legal	<u>30,110</u>	<u>24,126</u>	<u>5,984</u>
<i>Culture and Recreation</i>			
<i>Lone Star Library Grant</i>	38,216	38,216	--
<i>Lone Star Library Grant 2</i>	6,684	6,684	--
Total Culture and Recreation	<u>44,900</u>	<u>44,900</u>	<u>--</u>
<i>Nondepartmental</i>			
<i>TWDB Flood Protection Plan Grant</i>	156,655	100,023	56,632
Total Nondepartmental	<u>156,655</u>	<u>100,023</u>	<u>56,632</u>
Total expenditures	<u>795,206</u>	<u>523,839</u>	<u>271,367</u>
Excess (deficiency) of revenues over (under) expenditures	(70,823)	(50,305)	20,518
Other financing sources (uses):			
<i>Transfers in</i>	86,804	57,587	(29,217)
Total other financing sources (uses)	<u>86,804</u>	<u>57,587</u>	<u>(29,217)</u>
Net change in fund balances	15,981	7,282	(8,699)
Fund balance, January 1	639,121	639,121	--
Fund balance, December 31	<u>\$ 655,102</u>	<u>\$ 646,403</u>	<u>\$ (8,699)</u>

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WALLER COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-15

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Taxes</i>	\$ 710,607	\$ 615,069	\$ (95,538)
<i>Interest</i>	300	509	209
Total revenues	<u>710,907</u>	<u>615,578</u>	<u>(95,329)</u>
Expenditures:			
Debt service:			
<i>Principal</i>	675,000	675,000	--
<i>Interest and fiscal charges</i>	36,780	36,780	--
Total Debt Service	<u>711,780</u>	<u>711,780</u>	<u>--</u>
Total expenditures	<u>711,780</u>	<u>711,780</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(873)	(96,202)	(95,329)
Other financing sources (uses):			
<i>Transfers in</i>	--	198,176	198,176
Total other financing sources (uses)	<u>--</u>	<u>198,176</u>	<u>198,176</u>
Net change in fund balances	(873)	101,974	102,847
Fund balance, January 1	132,738	132,738	--
Fund balance, December 31	<u>\$ 131,865</u>	<u>\$ 234,712</u>	<u>\$ 102,847</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

PRIVATE-PURPOSE TRUST FUNDS

DECEMBER 31, 2011

	Permanent School	Permanent School Available
ASSETS		
<i>Cash and cash equivalents</i>	\$ --	\$ 1
<i>Investments</i>	--	1
<i>Capital assets</i>	1	--
Total Assets	<u>1</u>	<u>2</u>
LIABILITIES		
<i>Accounts payable</i>	--	--
Total Liabilities	<u>--</u>	<u>--</u>
NET ASSETS		
<i>Held in trust</i>	<u>\$ 1</u>	<u>\$ 2</u>

<u>Ogg Trust</u>	<u>Dismuke Estate Trust</u>	<u>Total Private- Purpose Trust Funds (See Exhibit A-7)</u>
\$ --	\$ --	\$ 1
52,005	61,908	113,914
--	--	1
<u>52,005</u>	<u>61,908</u>	<u>113,916</u>
66	--	66
<u>66</u>	<u>--</u>	<u>66</u>
\$ <u>51,939</u>	\$ <u>61,908</u>	\$ <u>113,850</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

ALL PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2011

	Permanent School	Permanent School Available	Ogg Trust
Additions:			
Interest	\$ --	\$ 4	55
Miscellaneous	--	6,227	--
Total Additions	<u>--</u>	<u>6,231</u>	<u>55</u>
Deductions:			
Administrative expenses	--	456	--
Payments to schools	--	5,776	--
Total Deductions	<u>--</u>	<u>6,232</u>	<u>--</u>
Change in Net Assets	--	(1)	55
Net Assets-Beginning of the Year	1	3	51,884
Net Assets-End of the Year	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 51,939</u>

EXHIBIT C-17

Dismuke Estate Trust	Total Private-Purpose Trust Funds (See Exhibit A-8)
\$ 64	\$ 123
<u> --</u>	<u>6,227</u>
<u> 64</u>	<u>6,350</u>
<u> --</u>	<u>456</u>
<u> --</u>	<u>5,776</u>
<u> --</u>	<u>6,232</u>
64	118
61,844	113,732
<u>\$ 61,908</u>	<u>\$ 113,850</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2011

	<u>Agency</u>	<u>Automated Revenue</u>	<u>Merchant E Filing</u>	<u>JP1 Automated Revenue</u>
ASSETS				
<i>Cash and cash equivalents</i>	\$ 3,653,365	\$ 4	\$ 1	\$ 3
Total Assets	<u>\$ 3,653,365</u>	<u>\$ 4</u>	<u>\$ 1</u>	<u>\$ 3</u>
<i>Other payables and accruals</i>	\$ --	\$ --	\$ --	\$ --
<i>Due to other governments</i>	2,172,109	--	--	--
<i>Due to others</i>	1,481,256	4	1	3
Total Liabilities	<u>\$ 3,653,365</u>	<u>\$ 4</u>	<u>\$ 1</u>	<u>\$ 3</u>

Interchange Improvements Woods Road	Automated Revenue JP#3	Automated Revenue JP#4	Payroll Clearing Fund	Total Agency Funds (See Exhibit A-7)
\$ 882	\$ 7	\$ 16	\$ 236,671	\$ 3,890,949
<u>\$ 882</u>	<u>\$ 7</u>	<u>\$ 16</u>	<u>\$ 236,671</u>	<u>\$ 3,890,949</u>
\$ --	\$ --	\$ --	\$ 236,671	\$ 236,671
--	--	--	--	2,172,109
882	7	16	--	1,482,169
<u>\$ 882</u>	<u>\$ 7</u>	<u>\$ 16</u>	<u>\$ 236,671</u>	<u>\$ 3,890,949</u>

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