

WALLER COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

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WALLER COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
FINANCIAL SECTION		
Independent Auditors' Report.....	1	
Management's Discussion and Analysis (Required Supplementary Information).....	5	
 <u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	14	A-1
Statement of Activities.....	15	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	16	A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	19	A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	20	A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	23	A-6
Statement of Fiduciary Net Position - Fiduciary Funds.....	24	A-7
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	25	A-8
Notes to the Financial Statements	27	
 <u>Required Supplementary Information</u>		
Budgetary Comparison Schedules:		
General Fund.....	48	B-1
Road and Bridge.....	50	B-2
Schedule of Changes in the County's Net Pension Liability and Related Ratios		
Waller County Pension Plan.....	51	B-3
Schedule of County's Contributions - Waller County Pension Plan.....	52	B-4
Schedule of Funding Progress - OPEB Plan.....	53	B-5
Notes to Required Supplementary Information.....	54	
 <u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	56	C-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	57	C-2
 Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	58	C-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	68	C-4

WALLER COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2017

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Budgetary Comparison Schedules:		
Elections.....	78	C-5
Law Library.....	79	C-6
Title IV Juvenile Justice.....	80	C-7
RPF District Clerk.....	81	C-8
RMPF County Clerk/District Clerk.....	82	C-9
RPF County Clerk.....	83	C-10
Preservation Fee Birth/Death County Clerk.....	84	C-11
Courthouse Security.....	85	C-12
Graffiti Eradication.....	86	C-13
JP Technology Fund.....	87	C-14
Family Protection Fee.....	88	C-15
Court Initiated Guardianship.....	89	C-16
Justice Court Security Fund.....	90	C-17
County Clerk Technology Fund.....	91	C-18
District Clerk Technology Fund.....	92	C-19
CC Records Preservation Digitization Fund.....	93	C-20
DC Records Preservation Digitization Fund.....	94	C-21
DA PreTrial Diversion.....	95	C-22
Juvenile Case Manager.....	96	C-23
Fire Marshall Service.....	97	C-24
Federal Forfeiture.....	98	C-25
SCAAP.....	99	C-26
JAG Patrol Vehicles.....	100	C-27
VAW Grant #3343601.....	101	C-28
HSGP Tactical Robot #3346101.....	102	C-29
Formula Grant.....	103	C-30
TSLAC Library 2016.....	104	C-31
Debt Service Funds:		
Budgetary Comparison Schedule:		
Debt Service Fund.....	105	C-32
Fiduciary Funds:		
Private-Purpose Trust Funds:		
Combining Statement of Fiduciary Net Position.....	106	C-33
Combining Statement of Changes in Fiduciary Net Position.....	108	C-34
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities.....	110	C-35

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

To the Honorable County Judge and Commissioners Comprising the
Commissioners' Court of Waller County, 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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Waller County, Texas, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension disclosures on pages 5–11, 48–50, and 51-52, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Rutledge Crain & Company, PC

July 17, 2018

Management's Discussion and Analysis

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WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017
(Unaudited)

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, 2017. We encourage readers to consider the information presented herein with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended December 31, 2017, by \$31,079,299 (net position). Of this amount, \$8,243,725 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$2,597,637.
- The County's governmental funds reported combined ending fund balances of \$30,670,743 an increase of \$10,402,317 in comparison to the previous year. The issuance of a portion of the Jail Bonds accounts for \$9,326,952 of the increase.
- The unassigned portion of the General Fund balance at the end of the year was \$12,464,632 or 55.82% of total General Fund expenditures and transfers out.
- Total General Obligation Debt of the County increased by \$9,375,000 during the fiscal year with the 2017 issuance of General Obligation Bonds to begin construction on the new Justice Center.

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 Position and the Statement of Activities, are utilized to provide this financial overview.

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

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

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.

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

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017
(Unaudited)

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 forty - eight 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, Road and Bridge Fund and Capital Projects Fund, Series 2017, each of which are considered to be major funds. Data from the other forty-eight 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 2017, the County's net position (assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources) totaled \$31,079,299. This analysis focuses on the net position (Table 1) and changes in net position (Table 2).

NET POSITION: The largest portion of the County's net position, \$22,051,869 or 70.95 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.

Restricted net assets totaling \$378,344 or 1.22 percent, are restricted for future debt service payments.

The remaining balance of unrestricted net position, \$8,649,086 or 27.83 percent, may be used to meet the government's ongoing obligations to citizens and creditors.

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017
(Unaudited)

Table 1
Condensed Statement of Net Position

	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>Increase (Decrease)</u>
ASSETS			
Current and other assets	\$ 63,809,579	\$ 51,291,832	\$ 12,517,747
Capital assets	<u>25,983,815</u>	<u>23,100,229</u>	<u>2,883,586</u>
Total assets	<u>89,793,394</u>	<u>74,392,061</u>	<u>15,401,333</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>3,364,592</u>	<u>3,936,088</u>	<u>(571,496)</u>
LIABILITIES			
Other liabilities	3,768,072	3,382,324	385,748
Long-term liabilities	<u>31,711,413</u>	<u>21,260,867</u>	<u>10,450,546</u>
Total liabilities	<u>35,479,485</u>	<u>24,643,191</u>	<u>10,836,294</u>
DEFERRED INFLOWS OF RESOURCES	<u>26,599,202</u>	<u>25,203,296</u>	<u>1,395,906</u>
NET POSITION			
Invested in capital assets, net	22,051,869	19,185,885	2,865,984
Restricted for debt service	378,344	325,596	52,748
Unrestricted	<u>8,649,086</u>	<u>8,970,181</u>	<u>(321,095)</u>
Total Net Position	<u>\$ 31,079,299</u>	<u>\$ 28,481,662</u>	<u>\$ 2,597,637</u>

CHANGES IN NET POSITION: The net position of the County increased by \$2,597,637 for the fiscal year ended December 31, 2017. See page 15 for a detailed list of the items that contributed to current year increase in net position.

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017
(Unaudited)

Table 2
Changes in Net Position

	12/31/2017	12/31/2016	Increase (Decrease)
Revenues:			
Program revenues			
Charges for services	\$ 3,570,806	\$ 3,142,707	\$ 428,099
Operating grants and contributions	425,798	240,275	185,523
Capital grants and contributions	1,630,547	1,367,899	262,648
General revenues			
Taxes	25,390,908	23,595,486	1,795,422
Interest	408,490	368,296	40,194
Miscellaneous	1,173,151	523,059	650,092
Gain/Loss sale of capital assets	(89,624)	-	(89,624)
Total revenues	<u>32,510,076</u>	<u>29,237,722</u>	<u>3,272,354</u>
Expenses:			
General government	3,431,368	3,071,801	359,567
Financial administration	1,545,906	1,405,370	140,536
Public safety	8,055,454	7,445,131	610,323
Judicial	2,749,860	2,447,987	301,873
Legal	1,576,164	1,286,155	290,009
Public transportation	5,867,437	5,899,184	(31,747)
Health and welfare	291,027	115,793	175,234
Culture and recreation	624,962	431,312	193,650
Non departmental	5,580,825	5,180,407	400,418
Interest on long-term debt	189,436	109,870	79,566
Total expenses	<u>29,912,439</u>	<u>27,393,010</u>	<u>2,519,429</u>
Increase (decrease) in net position	2,597,637	1,844,712	752,925
Net position - beginning of year	28,481,662	27,272,374	1,209,288
Prior period adjustment	-	(635,424)	635,424
Net position - end of year	<u>\$ 31,079,299</u>	<u>\$ 28,481,662</u>	<u>\$ 2,597,637</u>

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017
(Unaudited)

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 \$30,670,743.

The General Fund is the main operating fund of the County. The General Fund had an increase in fund balance of \$1,343,250 and at the end of the current fiscal year unassigned fund balance was \$12,464,632. Key factors of the increase are as follows:

- Total governmental revenues increased \$1,315,046 or 5.91% compared to 2016 and was primarily due to an increase in ad valorem taxes of \$1,007,769. The increase in ad valorem taxes was the result of the increase of taxable values, and the construction of new improvements.
- Total governmental expenditures increased \$1,978,299 or 10.41% compared to 2016.

The Road & Bridge Fund had an increase in the fund balance of \$15,883 and at the end of the current fiscal year and the committed fund balance was \$15,883. The total amount of revenues received for the Road & Bridge Fund was \$6,111,460 and the expenditures were \$7,742,990. Key factors of the changes are as follows:

- Total governmental revenues increased \$984,516 or 19.20% compared to 2016 and was significantly due to the increase in property tax revenue.
- Total governmental expenditures increased \$558,045 or 7.77 % compared to 2016.
- The General Fund transferred \$1,351,429 to the Road & Bridge Fund to subsidize fund operations.

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 \$811,142 and the expenditure budget exceeded actual expenses by \$2,724,174 for an overall positive budget variance of \$3,535,316 (excluding other financing sources (uses)).

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS: The County's investment in capital assets as of December 31, 2017, totals \$25,983,815 (net of accumulated depreciation). Investment in capital assets includes land, buildings, and infrastructure. The total increase in the County's investment in capital assets for the current year was 12.48 percent.

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017
(Unaudited)

Table 3
Capital Assets at Year End
Net of Accumulated Depreciation

Asset	12/31/2017	12/31/2016	Increase (Decrease)
Land	\$ 1,311,595	\$ 440,812	\$ 870,783
Construction in progress	513,047	1,264,443	(751,396)
Buildings	1,904,474	791,406	1,113,068
Roads	16,663,150	14,443,270	2,219,880
Bridges	2,126,695	2,278,460	(151,765)
Machinery and equipment	3,464,854	3,881,838	(416,984)
	<u>\$ 25,983,815</u>	<u>\$ 23,100,229</u>	<u>\$ 2,883,586</u>

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 \$31,711,413. Certificates of Obligations issued for capital renovations in the amount of \$3,623,000 and General Obligation bonds issued for the construction of a new Justice Center in the amount of \$9,375,000 are payable from annual appropriations of the Debt Service Fund. Capital lease obligations for equipment in the amount of \$411,660 are payable from annual appropriations of the General Fund. The remainder of the debt consists of compensated absences payable of \$390,806, a liability for unfunded other post-employment benefits of \$14,703,923 and a liability for net pension benefits of \$2,979,403.

Table 4
Outstanding Debt at Year End

Type of Debt	12/31/2017	12/31/2016	Increase (Decrease)
Certificates of obligation	\$ 3,623,000	\$ 4,093,000	\$ (470,000)
General obligation bonds - net	9,602,621	-	9,602,621
Capital lease obligations	411,660	410,133	1,527
Compensated absences	390,806	380,912	9,894
Liability for unfunded OPEB	14,703,923	13,542,274	1,161,649
Net pension liability	2,979,403	2,834,548	144,855
	<u>\$ 31,711,413</u>	<u>\$ 21,260,867</u>	<u>\$ 10,450,546</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, 2017
(Unaudited)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For fiscal year 2018, the Commissioners' Court adopted a budget of \$41,238,445 in estimated revenues and a property tax rate of \$0.617330 per hundred dollars of taxable value. This rate was \$.016430 lower than fiscal year 2017. This is estimated to provide an overall tax increase of \$1,548,419 over the 2017 budget. Reserves of the General Fund in the amount of \$6,000,000 were allocated to balance the budget for 2018.

There are two major construction projects and one capital renovation project scheduled to begin in 2018. The construction projects include the Waller County Law Enforcement Center and the Precinct 4 Building and the capital renovation project is the Waller County Library located in Hempstead.

The Waller County Law Enforcement Center will be financed using the bond proceeds approved by county voters in the November, 2017 election.

The Waller County Precinct 4 building will be financed using a portion of the committed fund balance that has been accumulating over the last few fiscal years.

The Waller County Library located in Hempstead will be financed using a combination of the remaining Certificates of Obligation, Series 2014 and budgeted Capital Outlay funds.

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 POSITION
DECEMBER 31, 2017

	Governmental Activities
ASSETS	
<i>Cash and cash equivalents</i>	\$ 7,776,294
<i>Investments</i>	32,903,156
<i>Receivables (net of allowances for uncollectibles)</i>	22,247,211
<i>Inventories</i>	471,367
<i>Prepaid items</i>	411,551
Capital assets (net of accumulated depreciation)	
<i>Land</i>	1,311,597
<i>Buildings</i>	1,904,473
<i>Roads</i>	16,663,150
<i>Bridges</i>	2,126,695
<i>Machinery and equipment</i>	3,464,853
<i>Construction in progress</i>	513,047
Total Assets	<u>89,793,394</u>
DEFERRED OUTFLOWS OF RESOURCES	
<i>Deferred charges</i>	3,364,592
Total Deferred Outflows of Resources	<u>3,364,592</u>
LIABILITIES	
<i>Accounts payable</i>	1,670,737
<i>Other payables and accruals</i>	579,213
<i>Due to other governments</i>	1,253,676
<i>Due to others</i>	264,446
Noncurrent liabilities:	
<i>Due within one year</i>	768,115
<i>Due in more than one year</i>	30,943,298
Total Liabilities	<u>35,479,485</u>
DEFERRED INFLOW OF RESOURCES	
<i>Unearned revenue</i>	26,599,202
Total Deferred Inflows of Resources	<u>26,599,202</u>
NET POSITION:	
<i>Net Investment in Capital Assets</i>	22,051,869
Restricted For:	
<i>Debt Service</i>	378,344
<i>Unrestricted</i>	8,649,086
Total Net Position	<u>\$ 31,079,299</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 3,431,368	\$ 552,363	\$ 30,358	\$ --	\$ (2,848,647)
Financial administration	1,545,906	22,253	--	--	(1,523,653)
Public Safety	8,055,454	117,166	154,867	132,784	(7,650,637)
Judicial	2,749,860	1,470,716	59,615	--	(1,219,529)
Legal	1,576,164	45,114	114,505	--	(1,416,545)
Public transportation	5,867,437	1,309,724	--	1,259,781	(3,297,932)
Health and welfare	291,027	--	--	234,800	(56,227)
Culture and recreation	624,962	5,800	66,453	3,182	(549,527)
Nondepartmental	5,580,825	47,670	--	--	(5,533,155)
Interest on long-term debt	189,436	--	--	--	(189,436)
Total governmental activities	<u>29,912,439</u>	<u>3,570,806</u>	<u>425,798</u>	<u>1,630,547</u>	<u>(24,285,288)</u>
Total Primary Government	<u>\$ 29,912,439</u>	<u>\$ 3,570,806</u>	<u>\$ 425,798</u>	<u>\$ 1,630,547</u>	<u>(24,285,288)</u>
General Revenues:					
Taxes					25,390,908
Unrestricted Investment Earnings					408,490
Miscellaneous					1,173,151
Loss on Disposal of Capital Assets					(89,624)
Total General Revenues					<u>26,882,925</u>
Change in Net Position					2,597,637
Net Position - Beginning					28,481,662
Net Position - Ending					<u>\$ 31,079,299</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2017

	<u>General Fund</u>	<u>Road and Bridge</u>
ASSETS		
<i>Cash and cash equivalents</i>	\$ 4,805,348	\$ 941,064
<i>Investments</i>	22,781,828	--
Receivables (net of allowances for uncollectibles):		
<i>Taxes</i>	15,855,500	3,239,332
<i>Fines</i>	2,029,936	442,233
<i>Intergovernmental</i>	66,453	--
<i>Due from other funds</i>	--	1,244,846
<i>Prepaid items</i>	411,551	--
Total Assets	\$ 45,950,616	\$ 5,867,475
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
<i>Accounts payable</i>	\$ 631,550	\$ 705,610
<i>Other payables and accruals</i>	440,774	94,239
<i>Due to other funds</i>	1,274,871	--
<i>Due to other governments</i>	1,253,676	--
<i>Due to others</i>	264,446	--
Total Liabilities	3,865,317	799,849
Deferred Inflows of Resources		
<i>Deferred revenue</i>	16,406,274	3,667,584
<i>Taxes collected in advance</i>	6,777,842	1,384,159
Total Deferred Inflows of Resources	23,184,116	5,051,743
Fund balances:		
<i>Nonspendable</i>	411,551	--
<i>Restricted</i>	25,000	--
<i>Committed to construction</i>	6,000,000	--
<i>Committed to road and bridge maintenance</i>	--	15,883
<i>Committed to justice administration</i>	--	--
<i>Unassigned</i>	12,464,632	--
Total fund balances	18,901,183	15,883
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 45,950,616	\$ 5,867,475

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

Capital Projects Series 2017	Other Governmental Funds	Total Governmental Funds
\$ 3,528	\$ 2,026,351	\$ 7,776,291
9,475,710	645,618	32,903,156
--	451,262	19,546,094
--	44,758	2,516,927
--	117,737	184,190
--	66,344	1,311,190
--	--	411,551
<u>\$ 9,479,238</u>	<u>\$ 3,352,070</u>	<u>\$ 64,649,399</u>
\$ 152,286	\$ 181,291	\$ 1,670,737
--	6,210	541,223
--	36,319	1,311,190
--	--	1,253,676
--	--	264,446
<u>152,286</u>	<u>223,820</u>	<u>5,041,272</u>
--	513,228	20,587,086
--	188,297	8,350,298
<u>--</u>	<u>701,525</u>	<u>28,937,384</u>
--	--	411,551
9,326,952	2,471,549	11,823,501
--	--	6,000,000
--	--	15,883
--	11,403	11,403
--	(56,227)	12,408,405
<u>9,326,952</u>	<u>2,426,725</u>	<u>30,670,743</u>
<u>\$ 9,479,238</u>	<u>\$ 3,352,070</u>	<u>\$ 64,649,399</u>

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WALLER COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2017

Total fund balances - governmental funds balance sheet	\$ 30,670,743
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	25,983,815
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,506,247
Payables for bond principal which are not due in the current period are not reported in the funds.	(13,225,621)
Payables for capital leases which are not due in the current period are not reported in the funds.	(411,660)
Payables for bond interest which are not due in the current period are not reported in the funds.	(37,990)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(390,806)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	471,367
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	1,137,178
Liability for unfunded retiree insurance benefits which is not due in current period is not reported in the funds.	(14,703,923)
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(2,979,403)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(305,240)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	<u>3,364,592</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 31,079,299</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	General Fund	Road and Bridge
Revenues:		
<i>Taxes</i>	\$ 20,566,883	\$ 4,073,412
<i>Licenses and permits</i>	76,775	1,078,034
<i>Intergovernmental</i>	453,179	411,288
<i>Charges for services</i>	528,084	--
<i>Fines</i>	1,007,840	160,327
<i>Interest</i>	372,629	8,112
<i>Miscellaneous</i>	547,202	380,287
Total revenues	<u>23,552,592</u>	<u>6,111,460</u>
Expenditures:		
Current:		
<i>General government</i>	3,193,664	--
<i>Financial administration</i>	1,492,254	--
<i>Public safety</i>	7,170,949	--
<i>Judicial</i>	2,655,262	--
<i>Legal</i>	1,101,285	--
<i>Public transportation</i>	--	7,223,313
<i>Health and welfare</i>	--	--
<i>Culture and recreation</i>	446,995	--
<i>Nondepartmental</i>	4,919,137	519,677
Debt service:		
<i>Principal</i>	--	--
<i>Interest and fiscal charges</i>	--	--
<i>Bond issuance cost</i>	--	--
Total expenditures	<u>20,979,546</u>	<u>7,742,990</u>
Excess (deficiency) of revenues over (under) expenditures	2,573,046	(1,631,530)
Other financing sources (uses):		
<i>Transfers in</i>	121,633	1,351,429
<i>Transfers out</i>	(1,351,429)	--
<i>Proceeds of bond issue</i>	--	--
<i>Premium on bonds issued</i>	--	--
<i>Discount on bonds issued</i>	--	--
<i>Proceeds from capital lease</i>	--	295,984
Total other financing sources (uses)	<u>(1,229,796)</u>	<u>1,647,413</u>
Net change in fund balances	1,343,250	15,883
Fund balances, January 1	17,557,933	--
Fund balances, December 31	<u>\$ 18,901,183</u>	<u>\$ 15,883</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

Capital Projects Series 2017	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 609,596	\$ 25,249,891
--	--	1,154,809
--	557,434	1,421,901
--	11,914	539,998
--	238,755	1,406,922
1,539	26,211	408,491
--	317,513	1,245,002
<u>1,539</u>	<u>1,761,423</u>	<u>31,427,014</u>
--	123,709	3,317,373
--	--	1,492,254
--	234,950	7,405,899
--	3,185	2,658,447
--	409,239	1,510,524
--	--	7,223,313
--	291,027	291,027
--	62,797	509,792
175,794	236,831	5,851,439
--	470,000	470,000
--	91,820	91,820
107,250	--	107,250
<u>283,044</u>	<u>1,923,558</u>	<u>30,929,138</u>
(281,505)	(162,135)	497,876
--	10,648	1,483,710
--	(132,281)	(1,483,710)
9,375,000	--	9,375,000
306,841	--	306,841
(73,384)	--	(73,384)
--	--	295,984
<u>9,608,457</u>	<u>(121,633)</u>	<u>9,904,441</u>
9,326,952	(283,768)	10,402,317
--	2,710,493	20,268,426
<u>\$ 9,326,952</u>	<u>\$ 2,426,725</u>	<u>\$ 30,670,743</u>

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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, 2017*

Net change in fund balances - total governmental funds	\$ 10,402,317
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	4,362,123
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,638,613)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.	(89,624)
Donations of capital assets increase net position in the SOA but not in the funds.	1,249,700
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	141,018
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	248,537
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	470,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	294,457
(Increase) decrease in accrued interest from beginning of period to end of period.	15,470
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(9,894)
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	162,134
Certain assessment revenues are deferred in the funds. This is the change in these amounts this year.	(380,169)
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(9,375,000)
Bond premiums are reported in the funds but not in the SOA.	(306,841)
Bond discounts are reported in the funds but not in the SOA.	73,384
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(295,984)
Retiree insurance contributions are reported as amount earned in the SOA but as amount paid in the funds.	(1,161,649)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(563,729)
Change in net position of governmental activities - Statement of Activities	<u>\$ 2,597,637</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

	Private-purpose Trust Funds	Agency Funds
ASSETS		
<i>Cash and cash equivalents</i>	\$ 53,238	\$ 14,455,383
<i>Investments</i>	62,860	--
<i>Capital assets</i>	1	--
Total Assets	<u>\$ 116,099</u>	<u>\$ 14,455,383</u>
LIABILITIES		
<i>Accounts payable</i>	\$ --	\$ 293,374
<i>Other payables and accruals</i>	--	16,490
<i>Due to other governments</i>	--	10,024,666
<i>Due to others</i>	--	4,120,853
Total Liabilities	<u>--</u>	<u>14,455,383</u>
NET POSITION		
<i>Held in trust</i>	<u>\$ 116,099</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Private- Purpose Trusts
Additions:	
<i>Interes</i>	\$ 1,158
<i>Miscellaneous</i>	5,027
Total Additions	<u>6,185</u>
Deductions:	
<i>Administrative expenses</i>	548
<i>Payments to schools</i>	7,652
Total Deductions	<u>8,200</u>
Change in Net Position	(2,015)
<i>Net Position-Beginning of the Year</i>	118,114
<i>Net Position-End of the Year</i>	<u>\$ 116,099</u>

The accompanying notes are an integral part of this statement.

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WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

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*, are normally supported by taxes and intergovernmental revenues.

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, 2017

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.

The *Capital Projects Fund Series 2018* accounts for construction or acquisition of major capital facilities primarily from the proceeds of debt issues.

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 Funds account for construction or acquisition of major capital facilities primarily from the proceeds of debt issues.

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.

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

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

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.

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.

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

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 bond insurance, 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, and bond insurance 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 insurance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. The County fund balance classifications include non-spendable resources, restricted, and non-restricted (committed, assigned and unassigned) amounts. When the County incurs an expenditure and both restricted and unrestricted amounts are available, the County considers restricted amounts to have been spent. When the County incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

	General Fund	Road & Bridge	Capital Projects Series 2017	Other Funds	Total
Fund Balances					
Nonspendable for:					
Prepays	\$411,551	\$ --	\$ --	\$ --	\$411,551
Restricted for:					
Debt service	--	--	--	334,417	334,417
Justice administration	--	--	--	1,030,821	1,030,821
Grants	--	--	--	602,094	602,094
Construction	--	--	9,326,952	378,383	9,705,335
Other	25,000	--	--	125,834	150,834
	<u>25,000</u>	<u>--</u>	<u>9,326,952</u>	<u>2,471,549</u>	<u>11,823,501</u>
Committed to:					
Construction	6,000,000	--	--	--	6,000,000
Road and bridge	--	15,883	--	--	15,883
Justice administration	--	--	--	11,403	11,403
OPEB funding	--	--	--	--	--
	<u>6,000,000</u>	<u>15,883</u>	<u>--</u>	<u>11,403</u>	<u>6,027,286</u>
Unassigned	12,464,632	--	--	(56,227)	12,408,405
	<u>\$18,901,183</u>	<u>\$15,883</u>	<u>\$9,326,952</u>	<u>\$2,426,725</u>	<u>\$30,670,743</u>

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 position:

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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 \$471,367 difference are as follows:

Inventory \$ 471,367

- 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 that “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 \$248,537 difference are as follows:

Change in inventory balances \$248,537

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

III. DETAILED NOTES ON ALL FUND

A. Deposits and investments

Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$22,284,915, including \$14,508,621 in Fiduciary Funds. All of the bank balance of \$212,833,849 was covered by federal deposit insurance or collateralized by the pledging financial 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 \$44,593,869 and fair value \$45,164,065. This pledge includes cash on hand and First National Bank Savings reflected in the financial statements as savings.

Investments

As of December 31, 2017, the County had the following investments:

Investment type:	Fair Value	Years to Maturity
Government sponsored investment pool (TexPool)	\$65,767	<60 days
First National Bank Savings	12,785,410	<60 days
Texas Class	20,114,839	<60 days
Total Fair Value	<u>\$32,966,016</u>	

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 is an external investment pools and is 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, 2017 the fair value of the County's positions in the pool approximate the fair value of the shares.

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

B. Receivables

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

	General	Road and Bridge	NonMajor Other Funds	Total
Taxes receivable	\$16,182,620	\$3,306,138	\$463,043	\$19,951,801
Less allowance	(327,120)	(66,806)	(11,781)	(405,707)
	<u>\$15,855,500</u>	<u>\$3,239,332</u>	<u>\$451,262</u>	<u>\$19,546,094</u>
Fines receivable	\$2,691,538	\$979,684	\$100,173	\$3,771,395
Less allowance	(661,602)	(537,451)	(55,415)	(1,254,468)
	<u>\$2,029,936</u>	<u>\$442,233</u>	<u>\$44,758</u>	<u>\$2,516,927</u>
Intergovernmental	<u>\$66,453</u>	<u>\$ --</u>	<u>\$117,737</u>	<u>\$184,190</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)	\$650,182	\$ --	\$650,182
Fines receivable (Road & Bridge Fund)	442,234	--	442,234
Fines Receivable (Nonmajor Special Revenue Funds)	44,761	--	44,761
Current tax levy receivable (2017) (General Fund)	--	14,547,019	14,547,019
Current tax levy receivable (2017) (Road & Bridge Fund)	--	2,972,102	2,972,102
Current tax levy receivable (2017) (Debt Service Fund)	--	404,135	404,135
Taxes collected in advance (General Fund)	--	6,777,842	6,777,842
Taxes collected in advance (Road & Bridge Fund)	--	1,384,159	1,384,159
Taxes collected in advance (Debt Service Fund)	--	188,297	188,297
Grant receivable (SCAAP Fund)	--	20,406	20,406
Delinquent property taxes receivable (General Fund)	1,209,074	--	1,209,074
Delinquent property taxes receivable (Road & Bridge Fund)	253,247	--	253,247
Delinquent property taxes receivable (Debt Service Fund)	43,926	--	43,926
Total deferred/unearned revenue for governmental funds	<u>\$2,646,425</u>	<u>\$26,293,961</u>	<u>\$28,937,384</u>

Reported in financial statements as:

Deferred revenue	\$20,587,086
Taxes collected in advance	<u>8,350,298</u>
Total	<u>\$28,937,384</u>

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

C. Capital assets

Capital asset activity for the year ended December 31, 2017

	Balance 12/31/16	Additions	Retirements	Completed Construction	Balance 12/31/17
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$440,812	\$870,783	--	\$ --	\$1,311,595
Construction in progress	1,264,443	381,556	--	(1,132,952)	513,047
Total capital assets not being depreciated	1,705,255	1,252,339	--	(1,132,952)	1,824,642
Capital assets, being depreciated:					
Buildings and improvements	5,350,855	206,616	--	1,132,952	6,690,423
Roads	21,473,926	3,465,152	(1,215,929)	--	23,723,149
Bridges	5,615,305	--	--	--	5,615,305
Machinery and equipment	11,834,652	687,716	(1,312,690)	--	11,209,678
Total capital assets being depreciated	44,274,738	4,359,484	(2,528,619)	1,132,952	47,238,555
Less accumulated depreciation for:					
Buildings	(4,559,450)	(226,499)	--	--	(4,785,949)
Roads	(7,030,656)	(1,245,272)	1,215,929	--	(7,059,999)
Bridges	(3,336,845)	(151,765)	--	--	(3,488,610)
Machinery and equipment	(7,952,813)	(1,015,077)	1,223,066	--	(7,744,824)
Total accumulated depreciation	(22,879,764)	(2,638,613)	2,438,995	--	(23,079,382)
Total capital assets being depreciated, net	21,394,974	1,720,872	(89,624)	--	24,159,173
Governmental activities capital assets, net	<u>\$23,100,229</u>	<u>\$2,973,210</u>	<u>(\$89,624)</u>	<u>\$ --</u>	<u>\$25,983,815</u>

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

Governmental activities:

General government	\$63,077
Financial administration	9,934
Public safety	700,461
Judicial	24,408
Legal	26,760
Public transportation	1,702,530
Culture and recreation	98,522
Nondepartmental	12,921
Total depreciation expense - governmental activities	<u>\$2,638,613</u>

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

D. Interfund Receivables/Payables and Transfers In/Out

Interfund receivables:

Fund	Due From	Due To
Major Governmental Funds		
General Fund	\$ --	\$1,274,871
Road and Bridge	1,244,846	--
Total Major Funds	1,244,846	1,274,871
Nonmajor Governmental Funds		
Law Library	66,344	--
VOCA Grant	--	5,921
VAW Grant	--	6,146
Formula Grant	--	24,252
Total Nonmajor governmental funds	66,344	36,319
Totals	\$1,311,190	\$1,311,190

Interfund receivables/payables arise due to temporary overdrafts in pooled cash.

Interfund transfers:

Fund	Transfer In	Transfer Out
Major Governmental Funds		
General Fund	\$121,633	\$ 1,351,429
Road and Bridge	1,351,429	--
Total Major Funds	1,473,062	1,351,429
Nonmajor Governmental Funds		
Courthouse Security	--	9,229
JP Technology Fund	--	13,757
DA Pre Trial Diversion	--	10,000
Victim's Assistance (VOCA)	10,648	--
Juvenile Case Manager	--	22,477
Fire Marshall	--	66,170
Grant	--	10,648
Total Nonmajor governmental funds	10,648	132,281
Totals	\$1,483,710	\$1,483,710

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

Interfund transfers are made from the General Fund to the Road and Bridge Fund because the court only allocates \$0.07 of the approved total tax rate to this fund. The Road and Bridge Fund approved expenditures budget exceeds the tax revenue and other revenue generated in this fund and therefore requires a year end transfer.

The transfers from the various Special Revenue Funds to the General Fund are approved budget transfers for supplemental pay, office security and technology.

The transfer from the Grant Fund to the Victim's Assistance (VOCA) is for the required local match that was approved in the grant.

The transfer from the Fire Marshall Fund to the General Fund is due to the creation of a Fire Marshall's office and the budget is now in the General Fund.

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.

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 12/31/17
General Long-Term Debt Issues					
Certificates of Obligation:					
Series 2014	\$5,000,000	2/13/14	2/15/24	2.380%	\$3,623,000
General Obligation Bonds					
Series 2017	9,375,000	12/01/17	2/15/38	3.00%-3.25%	<u>9,375,000</u>
Total General Long-Term Debt					<u><u>\$12,998,000</u></u>

Annual debt service requirements to maturity for general debt:

Year	General Obligation Bonds		
	Principal	Interest	Total
2018	\$481,000	\$259,298	\$740,298
2019	808,000	347,738	1,155,738
2020	840,000	326,112	1,166,112
2021	887,000	303,375	1,190,375
2022	915,000	279,591	1,194,591
2023-2027	3,192,000	1,079,888	4,271,888
2028-2032	2,430,000	714,700	3,144,700
2033-2037	2,825,000	321,100	3,146,100
2038	620,000	10,075	630,075
Total	<u><u>\$12,998,000</u></u>	<u><u>\$3,641,877</u></u>	<u><u>\$16,639,877</u></u>

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

Capital Lease Obligations Currently Outstanding:

Purpose	Original Amount	Date of Lease	Final Maturity	Interest Rate	Balance 12/31/17
Dump truck	\$295,984	12/13/17	1/16/21	2.318%	\$156,006
Gradall excavator	378,335	5/11/16	5/01/19	3.297%	255,654
					<u>\$411,660</u>

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

Year	Total
2018	\$186,530
2019	186,530
472020	<u>52,037</u>
Total payments	425,097
Less imputed interest	<u>(13,437)</u>
Total Capital Lease Obligations	<u>\$411,660</u>

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2017 was as follows:

	Balance 12/31/16	Additions	Retirements	Balance 12/31/17	Due Within One Year
Governmental activities:					
Certificates of obligation	\$4,093,000	\$ --	(\$470,000)	\$3,623,000	\$481,000
General obligation bonds	--	9,375,000	--	9,375,000	--
Bond premium	--	306,841	(7,671)	299,170	15,342
Bond discount	--	(73,384)	1,835	(71,549)	(3,669)
	<u>4,093,000</u>	<u>9,608,457</u>	<u>(475,836)</u>	<u>13,225,621</u>	<u>492,673</u>
Capital lease obligations	410,133	295,984	(294,457)	411,660	177,740
Compensated absences	380,912	105,122	(95,228)	390,806	97,702
Liability for unfunded OPEB	13,542,274	1,161,649	--	14,703,923	--
Net pension liability	2,834,548	144,855	--	2,979,403	--
Governmental activity Long-Term Liabilities	<u>\$21,260,867</u>	<u>\$11,316,067</u>	<u>(\$865,521)</u>	<u>\$31,711,413</u>	<u>\$768,115</u>

For the governmental activities, claims and judgements are generally liquidated by the General Fund. Compensated absences are liquidated by the General Fund, Road and Bridge Fund, and Grant Fund.

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

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, 2017 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. Tax Abatements

The County negotiates property tax abatement agreements on an individual basis. The County has a tax abatement agreements with several manufacturing facilities under the authority of the Texas Property Redevelopment Act. The County has established an abatement policy for the value of eligible improvements, and a requirement for creating or preventing the loss of 10 jobs. The tax abatement amount is determined by the Waller County Central Appraisal District (WCCAD) under the terms of the abatement agreement. An abatement factor (given by WCCAD's Tax Abatement Registry) is used to determine the portion of assessed taxable value excluded to determine the taxable value subject to the County's tax rate. If a default of the abatement agreement occurs during the agreement period, the County may apply established procedures to recapture abated taxes. Generally, abatement recipients agree to make eligible improvements and meet proposed employment targets.

Certain property improvements made during the improvement period are exempt from property taxes according to a multiyear abatement schedule with decreasing amounts abated over a 10 year period. Property taxes assessed October 1, 2016 for fiscal year 2017 amounted to a 100% abatement or \$825,650.

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

D. Retirement Commitments

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 TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, 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. Benefits

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees (or their beneficiaries) currently receiving benefits	141
Inactive employees entitled to but not yet receiving benefits	170
Active employees	251
	<u>562</u>

3. Contributions

The contribution rate for employees in TCDRS is 7% of employee gross earnings, and the County percentages is 8.61%, both as adopted by the governing body of the County. Under the state law governing TCDRS, the contribution rate for each County is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The County's contributions to TCDRS for the year ended December 31, 2017, were \$968,388 and were equal to the required contributions.

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

Actuarial assumptions used in the December 31, 2016, valuation were based on the results of actuarial experience studies. These assumptions were first used in the December 31, 2014 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2015 valuation. The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	13.50%	4.70%
Private Equity	16.00%	7.70%
Global Equities	1.50%	5.00%
International Equities - Developed	10.00%	4.70%
International Equities - Emerging	7.00%	5.70%
Investment - Grade Bonds	3.00%	0.60%
High-Yield Bonds	3.00%	3.70%
Opportunistic Credit	2.00%	3.83%
Direct Lending	10.00%	8.15%
Distressed Debt	3.00%	6.70%
REIT Equities	2.00%	3.85%
Master Limited Partnerships (MLPs)	3.00%	5.60%
Private Real Estate Partnerships	6.00%	7.20%
Hedge Funds	20.00%	3.85%
	100.00%	

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability (Asset).

Changes in the net pension liability

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liability(Asset) [a] - (b)
Balance at 12/31/15	\$39,401,255	\$36,566,707	\$2,834,548
Changes for the year:			
Service cost	1,359,446	--	1,359,446
Interest on total pension liability	3,175,239	--	3,175,239
Effect of plan changes	--	--	--
Effect of economic/demographic gains or losses	53,227	--	53,227
Effect of of assumptions changes or inputs	--	--	--
Refund of contributions	(168,468)	(168,468)	--
Benefit payments	(1,600,490)	(1,600,490)	--
Administrative expenses	--	(29,379)	29,379
Member contributions	--	808,573	(808,573)
Net investment income	--	2,695,767	(2,695,767)
Employer contributions	--	986,458	(986,458)
Other	--	(18,362)	18,362
Net changes	2,818,954	2,674,099	144,855
Balance at 12/31/16	\$42,220,209	\$39,240,806	\$2,979,403

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.1%) or 1 percentage point higher (9.1%) than the current rate:

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

	1% Decrease 7.1%	Current Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$47,635,876	\$42,220,209	\$37,710,085
Fiduciary net position	39,240,806	39,240,806	39,240,806
Net Pension Liability (Asset)	<u>\$8,395,070</u>	<u>\$2,979,403</u>	<u>(\$1,530,721)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.org.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the County recognized pension expense of \$1,532,120. At December 31, 2016, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 12/31/16 Expense	Balance of Deferred Inflows 12/31/16	Balance of Deferred Outflows 12/31/2016
Investment (gains) or losses	\$265,276	12/31/2016	5.0	\$53,055	\$ --	\$212,221
	2,869,952	12/31/2015	5.0	573,990	--	1,721,971
	423,563	12/31/2014	5.0	84,713	--	169,425
Economic/demographic gains or losses	53,227	12/31/2016	4.0	13,307	--	39,920
	(610,479)	12/31/2015	4.0	(152,620)	305,240	--
	164,247	12/31/2014	4.0	41,062	--	41,062
Assumptions changes or inputs	--	12/31/2016	4.0	--	--	--
	423,210	12/31/2015	4.0	105,802	--	211,605
	--	12/31/2014	4.0	--	--	--
Employer contributions made subsequent to measurement date				--	--	968,388
				<u>\$125,775</u>	<u>\$305,240</u>	<u>\$3,364,592</u>

For the County \$968,388 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

Deferred Inflows/outflows to Be Recognized in Future Years

Year ended December 31,	
2017	\$719,309
2018	678,247
2019	640,352
2020	53,055
2021	--
	\$2,090,963

E. 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.

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 January 1, 2016 of approximately \$16,295,524.

OPEB Plan Eligibility

The OPEB Plan provides retiree health-care benefits for all employees (except temporary staff) who 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 30 years of service credit or when member's age plus service credit totals 75. 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. 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 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.

There is no additional stipend provided for those who opt out of retiree health care.

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

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 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	21 years

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

3. Annual OPEB Cost

The County's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

Year Ended	OPEB Plan			Net Change in OPEB Obligation
	Annual OPEB Cost	County Contribution	Percentage Contributed	
December 31, 2015	\$2,561,498	\$543,426	20.8%	\$2,018,072
December 31, 2016	\$1,605,908	\$444,259	20.8%	\$1,161,649
December 31, 2017	\$1,605,908	\$444,259	20.8%	\$1,161,649

4. Net OPEB Liability

The County's net OPEB liability for fiscal years ended December 31, 2017, 2016 and 2015 follows:

	12/31/17	12/31/16	12/31/15
Annual Required Contribution (ARC)	\$1,564,995	\$1,564,995	\$2,533,922
Interest on net OPEB (NOPEB)	557,128	557,128	375,502
Adjustment to ARC	(516,215)	(516,215)	(347,926)
Annual OPEB cost	1,605,908	1,605,908	2,561,498
Employer contributions	(444,259)	(444,259)	(543,426)
Change in OPEB	1,161,649	1,161,649	2,018,072
NOPEB - January 1	13,542,274	12,380,625	10,362,553
NOPEB - December 31	<u>\$14,703,923</u>	<u>\$13,542,274</u>	<u>\$12,380,625</u>

F. 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.

G. Subsequent Event

On June 6, 2018, the County issued \$28,930,000 General Obligation Bonds to be used (1) for the construction and equipping of a new Waller County Law Enforcement Center, including a county jail facility, Sheriff's office and other law enforcement facilities, courtrooms, and the acquisition of a site therefor and demolition of the existing facility; and (2) to pay the costs of professional services and the cost of issuance of the Bonds.

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2017

H. Contingencies

The government participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

I. Reclassifications

Certain December 31, 2016 expenses and expenditures were reclassified to conform to December 31, 2017 classifications.

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, 2017

EXHIBIT B-1
Page 1 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 20,435,865	\$ 20,435,865	\$ 20,566,883	\$ 131,018
<i>Licenses and permits</i>	78,373	78,373	76,775	(1,598)
<i>Intergovernmental</i>	399,340	404,750	453,179	48,429
<i>Charges for services</i>	490,784	490,784	528,084	37,300
<i>Fines</i>	971,913	971,913	1,007,840	35,927
<i>Interest</i>	227,635	227,635	372,629	144,994
<i>Miscellaneous</i>	73,585	132,130	547,202	415,072
Total revenues	<u>22,677,495</u>	<u>22,741,450</u>	<u>23,552,592</u>	<u>811,142</u>
Expenditures:				
Current:				
<i>General Government</i>				
<i>Commissioners' Court</i>	352,778	352,778	338,168	14,610
<i>County Clerk</i>	439,779	439,779	405,186	34,593
<i>Veterans Services</i>	38,845	39,345	33,144	6,201
<i>All Others</i>	2,380,533	2,155,035	2,045,984	109,051
<i>County Court</i>	6,000	6,000	2,110	3,890
<i>County Judge</i>	381,134	381,134	369,072	12,062
Total General Government	<u>3,599,069</u>	<u>3,374,071</u>	<u>3,193,664</u>	<u>180,407</u>
<i>Financial Administration</i>				
<i>County Auditor</i>	353,655	353,655	345,805	7,850
<i>County Treasurer</i>	251,029	251,029	247,620	3,409
<i>Central Appraisal District</i>	387,844	387,844	382,115	5,729
<i>Tax Assessor Collector</i>	533,290	533,290	516,714	16,576
Total Financial Administration	<u>1,525,818</u>	<u>1,525,818</u>	<u>1,492,254</u>	<u>33,564</u>
<i>Public Safety</i>				
<i>Short Term Detention</i>	196,800	196,800	186,773	10,027
<i>Jail</i>	2,082,568	2,161,068	2,069,156	91,912
<i>Juvenile Probation</i>	141,029	141,029	137,412	3,617
<i>Domestic Violence Grant</i>	69,500	69,500	31,182	38,318
<i>Fire Marshall</i>	--	72,000	76,491	(4,491)
<i>Courthouse Security</i>	173,123	173,123	163,732	9,391
<i>Constable Precinct Number One</i>	63,818	68,170	56,641	11,529
<i>Constable Precinct Number Two</i>	76,996	107,644	82,183	25,461
<i>Constable Precinct Number Three</i>	70,998	117,149	108,448	8,701
<i>Constable Precinct Number Four</i>	69,788	74,794	63,299	11,495
<i>Health and Wellness Grant</i>	139,927	140,746	128,568	12,178
<i>Sheriff Administration</i>	3,290,794	3,237,115	3,205,954	31,161
<i>Sheriff Communication</i>	666,539	651,539	675,367	(23,828)
<i>Law Enforcement Vehicle Maintenance</i>	125,000	155,000	163,957	(8,957)
<i>Community Supervision Corrections</i>	9,000	9,000	6,852	2,148
<i>Juvenile Board</i>	4,171	4,171	3,956	215
<i>Department of Public Safety</i>	2,000	2,000	1,928	72
<i>911 Grant</i>	79,281	79,767	74,874	4,893
Total Public Safety	<u>7,261,332</u>	<u>7,460,615</u>	<u>7,236,773</u>	<u>223,842</u>

WALLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B-1
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Judicial</i>				
<i>District Judge - 506th District</i>	191,616	191,616	180,779	10,837
<i>County Court at Law</i>	348,231	317,172	314,122	3,050
<i>District Court</i>	26,000	36,000	35,197	803
<i>Justice Court</i>	2,000	3,000	2,970	30
<i>District Clerk</i>	410,451	410,451	399,398	11,053
<i>Justice of the Peace Precinct Number One</i>	210,273	210,273	201,960	8,313
<i>Justice of the Peace Precinct Number Two</i>	207,663	207,663	188,537	19,126
<i>Justice of the Peace Precinct Number Three</i>	209,251	209,251	205,083	4,168
<i>Justice of the Peace Precinct Number Four</i>	302,503	302,503	297,801	4,702
<i>Court Expense</i>	646,173	753,523	699,282	54,241
<i>Judicial Order</i>	105,000	105,000	130,133	(25,133)
<i>Total Judicial</i>	<u>2,659,161</u>	<u>2,746,452</u>	<u>2,655,262</u>	<u>91,190</u>
<i>Legal</i>				
<i>Criminal D.A.</i>	1,151,596	1,156,578	1,101,285	55,293
<i>Total Legal</i>	<u>1,151,596</u>	<u>1,156,578</u>	<u>1,101,285</u>	<u>55,293</u>
<i>Culture and Recreation</i>				
<i>County Library</i>	413,753	414,853	414,995	(142)
<i>Waller County Historical Commission</i>	15,000	15,000	15,000	--
<i>County Museum</i>	17,000	17,000	17,000	--
<i>Total Culture and Recreation</i>	<u>445,753</u>	<u>446,853</u>	<u>446,995</u>	<u>(142)</u>
<i>Health and Welfare</i>				
<i>Recycle Center</i>	99,418	99,418	97,908	1,510
<i>Total Health and Welfare</i>	<u>99,418</u>	<u>99,418</u>	<u>97,908</u>	<u>1,510</u>
<i>Nondepartmental</i>				
<i>Elections Administration</i>	473,045	473,045	354,115	118,930
<i>Maintenance of buildings</i>	454,441	537,961	508,419	29,542
<i>Indigent Health</i>	1,750,881	1,750,881	130,683	1,620,198
<i>Extension Service</i>	169,245	169,245	156,635	12,610
<i>Capital Outlay</i>	1,500,000	1,500,000	1,161,714	338,286
<i>Employee Benefits</i>	2,512,783	2,462,783	2,443,839	18,944
<i>Total Nondepartmental</i>	<u>6,860,395</u>	<u>6,893,915</u>	<u>4,755,405</u>	<u>2,138,510</u>
Total expenditures	<u>23,602,542</u>	<u>23,703,720</u>	<u>20,979,546</u>	<u>2,724,174</u>
Excess (deficiency) of revenues over (under) expenditures	(925,047)	(962,270)	2,573,046	3,535,316
Other financing sources (uses):				
<i>Transfers in</i>	2,948,852	3,143,187	121,633	(3,021,554)
<i>Transfers out</i>	<u>(2,023,805)</u>	<u>(2,180,917)</u>	<u>(1,351,429)</u>	<u>829,488</u>
Total other financing sources (uses)	<u>925,047</u>	<u>962,270</u>	<u>(1,229,796)</u>	<u>(2,192,066)</u>
Net change in fund balances	--	--	1,343,250	1,343,250
Fund balance, January 1	<u>17,557,933</u>	<u>17,557,933</u>	<u>17,557,933</u>	<u>--</u>
Fund balance, December 31	<u>\$ 17,557,933</u>	<u>\$ 17,557,933</u>	<u>\$ 18,901,183</u>	<u>\$ 1,343,250</u>

WALLER COUNTY, TEXAS
ROAD AND BRIDGE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
<i>Taxes</i>	\$ 4,123,179	\$ 4,123,179	\$ 4,073,412	\$ (49,767)
<i>Licenses and permits</i>	958,871	958,871	1,078,034	119,163
<i>Intergovernmental</i>	33,347	166,974	411,288	244,314
<i>Fines</i>	142,598	142,598	160,327	17,729
<i>Interest</i>	6,446	6,446	8,112	1,666
<i>Miscellaneous</i>	44,629	139,318	380,287	240,969
Total revenues	<u>5,309,070</u>	<u>5,537,386</u>	<u>6,111,460</u>	<u>574,074</u>
Expenditures:				
Current:				
<i>Public Transportation</i>				
<i>Road and Bridge Administration</i>	774,460	801,774	735,301	66,473
<i>Road and Bridge Maintenance</i>	6,078,007	6,543,160	6,488,012	55,148
Total Public Transportation	<u>6,852,467</u>	<u>7,344,934</u>	<u>7,223,313</u>	<u>121,621</u>
<i>Nondepartmental</i>				
<i>Employee Benefits</i>	480,408	530,408	519,677	10,731
Total Nondepartmental	<u>480,408</u>	<u>530,408</u>	<u>519,677</u>	<u>10,731</u>
Total expenditures	<u>7,332,875</u>	<u>7,875,342</u>	<u>7,742,990</u>	<u>132,352</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,023,805)</u>	<u>(2,337,956)</u>	<u>(1,631,530)</u>	<u>706,426</u>
Other financing sources (uses):				
<i>Transfers in</i>	2,023,805	2,180,917	1,351,429	(829,488)
<i>Proceeds from capital lease</i>	--	157,039	295,984	138,945
Total other financing sources (uses)	<u>2,023,805</u>	<u>2,337,956</u>	<u>1,647,413</u>	<u>(690,543)</u>
Net change in fund balances	<u>--</u>	<u>--</u>	<u>15,883</u>	<u>15,883</u>
Fund balance, January 1	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 15,883</u>	<u>\$ 15,883</u>

WALLER COUNTY, TEXAS
**SCHEDULE OF CHANGES IN THE COUNTY'S
 NET PENSION LIABILITY AND RELATED RATIOS
 WALLER COUNTY PENSION FUND
 LAST TEN PLAN YEARS ***

	Plan Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total pension liability:										
Service cost	\$ 1,359,446	\$ 1,175,789	\$ 1,124,034	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Interest	3,175,239	3,015,428	2,811,471	--	--	--	--	--	--	--
Changes of benefit terms	--	(198,135)	--	--	--	--	--	--	--	--
Differences between expected and actual experience	53,227	(610,479)	164,247	--	--	--	--	--	--	--
Changes of assumptions	--	423,210	--	--	--	--	--	--	--	--
Benefit payments, including refunds of employee contributions	(1,768,958)	(1,854,442)	(1,585,763)	--	--	--	--	--	--	--
Net change in total pension liability	2,818,954	1,951,371	2,513,989	--	--	--	--	--	--	--
Total pension liability - beginning	39,401,255	37,449,884	34,935,895	--	--	--	--	--	--	--
Total pension liability - ending (a)	<u>\$ 42,220,209</u>	<u>\$ 39,401,255</u>	<u>\$ 37,449,884</u>	<u>\$ --</u>						
Plan fiduciary net position:										
Contributions - employer	\$ 986,458	\$ 899,974	\$ 843,133	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions - employee	808,573	731,684	678,384	--	--	--	--	--	--	--
Net investment income	2,695,767	119,932	2,388,736	--	--	--	--	--	--	--
Benefit payments, including refunds of employee contributions	(1,768,958)	(1,854,442)	(1,585,763)	--	--	--	--	--	--	--
Administrative expense	(29,379)	(26,344)	(27,389)	--	--	--	--	--	--	--
Other	(18,362)	(25,780)	(3,806)	--	--	--	--	--	--	--
Net change in plan fiduciary net position	2,674,099	(154,976)	2,293,295	--	--	--	--	--	--	--
Plan fiduciary net position - beginning	36,566,707	36,721,683	34,428,388	--	--	--	--	--	--	--
Plan fiduciary net position - ending (b)	<u>\$ 39,240,806</u>	<u>\$ 36,566,707</u>	<u>\$ 36,721,683</u>	<u>\$ --</u>						
County's net pension liability - ending (a) - (b)	<u>\$ 2,979,403</u>	<u>\$ 2,834,548</u>	<u>\$ 728,201</u>	<u>\$ --</u>						
Plan fiduciary net position as a percentage of the total pension liability	92.94%	92.81%	98.06%	--	--	--	--	--	--	--
Covered-employee payroll	\$ 11,551,047	\$ 10,452,630	\$ 9,691,202	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
County's net pension liability as a percentage of covered-employee payroll	25.79%	27.12%	7.51%	--	--	--	--	--	--	--

Notes to Schedule:

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

WALLER COUNTY, TEXAS
SCHEDULE OF COUNTY CONTRIBUTIONS
WALLER COUNTY PENSION PLAN
LAST TEN FISCAL YEARS

	December 31,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 938,388	\$ 986,458	\$ 899,973	\$ 843,133	\$ 725,029	\$ 674,422	\$ 623,950	\$ 648,871	\$ 533,911	\$ 475,858
Contributions in relation to the actuarially determined contribution	(938,388)	(986,458)	(899,973)	(843,133)	(725,029)	(674,422)	(623,950)	(648,871)	(601,832)	(531,261)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ (67,921)	\$ (55,403)
Covered-employee payroll	\$ 12,479,218	\$ 11,551,047	\$ 10,452,647	\$ 9,691,202	\$ 8,928,955	\$ 8,624,341	\$ 8,594,368	\$ 8,640,090	\$ 8,597,604	\$ 7,589,444
Contributions as a percentage of covered-employee payroll	7.52%	8.54%	8.61%	8.70%	8.12%	7.82%	7.26%	7.51%	6.21%	6.27%

Notes to Schedule

Valuation date: December 31

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	14.0 years (based on contribution rate calculated in 12/31/16 valuation)
Asset valuation method	5-year smoothed market
Inflation	3.0%
Salary increases	Varies by age and service. 4.9% average over career including inflation.
Investment rate of return	8.0%, net of pension plan investment expenses, including inflation.
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	No changes in plan provisions are reflected in the Schedule of Employer Contributions.

WALLER COUNTY, TEXAS
 SCHEDULE OF FUNDING PROGRESS
 Year Ended December 31, 2017

EXHIBIT B-5

Other Post-Employment Benefits (OPEB)

	Actuarial Valuation Information		
Actuarial valuation date	12/31/17	12/31/16	12/31/15
Actuarial value of assets	N/A	N/A	N/A
Actuarial Accrued Liability (AAL)	\$16,295,524	\$16,295,524	\$23,967,365
Unfunded AAL (UAAL)	\$16,295,524	\$16,295,524	\$23,967,365
Funded Ratio	0.00%	0.00%	0.00%
Annual Covered Payroll (actuarial)	\$12,479,218	\$11,551,047	\$10,452,647
UAAL as a Percentage of Covered Payroll	130.58%	141.07%	229.29%

The plan receives an actuarial valuation biennially.

WALLER COUNTY, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2017

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, Elections, Law Library, Title IV Juvenile Justice, RPF District Clerk, RMPF County Clerk/District Clerk, RPF County Clerk, Preservation Fee Birth/Death County Clerk, Courthouse Security, Graffiti Eradication, JP Technology Fund, Family Protection Fee, Court Initiated Guardianship, Justice Court Security Fund, County Clerk Technology Fund, District Clerk Technology Fund, CC Records Preservation Digitization Fund, DC Records Preservation Digitization Fund, DA Pretrial Diversion, Juvenile Case Manager, Fire Marshall Service, Federal Forfeiture, SCAAP, JAG Patrol Vehicles, VAW Grant, HSBP Tactical Robot, Formula Grant, TSLAC Library 2016), 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 \$101,178 during the year, and the Road and Bridge Fund appropriations were increased by \$542,4672. The additional appropriations were budgeted to be paid by additional revenues, and available fund balance.

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, 2017, the following fund had expenditures exceeding appropriations:

Special Revenue Fund	
Formula Grant	\$12,464

C. Deficit Fund Balances

For the year ended December 31, 2017, the following fund had a deficit fund balance:

Special Revenue Fund	
Texas Community Development Block Grant	\$56,227

*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, 2017

	Special Revenue Funds	Debt Service Fund	Capital Projects Series 2014	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
<i>Cash and cash equivalents</i>	\$ 1,762,364	\$ 218,407	\$ 45,580	\$ 2,026,351
<i>Investments</i>	2,907	301,107	341,604	645,618
Receivables (net of allowances for uncollectibles):				
<i>Taxes</i>	--	451,262	--	451,262
<i>Fines</i>	44,758	--	--	44,758
<i>Intergovernmental</i>	117,737	--	--	117,737
<i>Due from other funds</i>	66,344	--	--	66,344
Total Assets	\$ 1,994,110	\$ 970,776	\$ 387,184	\$ 3,352,070
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ 172,490	\$ --	\$ 8,801	\$ 181,291
<i>Other payables and accruals</i>	6,210	--	--	6,210
<i>Due to other funds</i>	36,319	--	--	36,319
Total Liabilities	215,019	--	8,801	223,820
Deferred Inflows of Resources				
<i>Deferred revenue</i>	65,166	448,062	--	513,228
<i>Taxes collected in advance</i>	--	188,297	--	188,297
Total Deferred Inflows of Resources	65,166	636,359	--	701,525
Fund balances:				
<i>Restricted</i>	1,758,749	334,417	378,383	2,471,549
<i>Committed to justice administration</i>	11,403	--	--	11,403
<i>Unassigned</i>	(56,227)	--	--	(56,227)
Total fund balances	1,713,925	334,417	378,383	2,426,725
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,994,110	\$ 970,776	\$ 387,184	\$ 3,352,070

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Special Revenue Funds	Debt Service Fund	Capital Projects Series 2014	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
<i>Taxes</i>	\$ --	\$ 609,596	\$ --	\$ 609,596
<i>Intergovernmental</i>	557,434	--	--	557,434
<i>Charges for services</i>	11,914	--	--	11,914
<i>Fines</i>	238,755	--	--	238,755
<i>Interest</i>	18,158	3,518	4,535	26,211
<i>Miscellaneous</i>	317,513	--	--	317,513
Total revenues	<u>1,143,774</u>	<u>613,114</u>	<u>4,535</u>	<u>1,761,423</u>
Expenditures:				
Current:				
<i>General government</i>	123,709	--	--	123,709
<i>Public safety</i>	234,950	--	--	234,950
<i>Judicial</i>	3,185	--	--	3,185
<i>Legal</i>	409,239	--	--	409,239
<i>Health and welfare</i>	291,027	--	--	291,027
<i>Culture and recreation</i>	62,797	--	--	62,797
<i>Nondepartmental</i>	21,890	--	214,941	236,831
Debt service:				
<i>Principal</i>	--	470,000	--	470,000
<i>Interest and fiscal charges</i>	--	91,820	--	91,820
Total expenditures	<u>1,146,797</u>	<u>561,820</u>	<u>214,941</u>	<u>1,923,558</u>
Excess (deficiency) of revenues over (under) expenditures	(3,023)	51,294	(210,406)	(162,135)
Other financing sources (uses):				
<i>Transfers in</i>	10,648	--	--	10,648
<i>Transfers out</i>	(132,281)	--	--	(132,281)
Total other financing sources (uses)	<u>(121,633)</u>	<u>--</u>	<u>--</u>	<u>(121,633)</u>
Net change in fund balances	(124,656)	51,294	(210,406)	(283,768)
Fund balances, January 1	1,838,581	283,123	588,789	2,710,493
Fund balances, December 31	<u>\$ 1,713,925</u>	<u>\$ 334,417</u>	<u>\$ 378,383</u>	<u>\$ 2,426,725</u>

WALLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	D.A. Warrant Seizure	Chapter 19 Voter's Registration	District Attorney Apportionment	Sheriff Forfeiture
ASSETS				
<i>Cash and cash equivalents</i>	\$ 4,783	\$ 5,540	\$ 4,219	\$ 13,398
<i>Investments</i>	--	--	--	--
Receivables (net of allowances for uncollectibles):				
<i>Fines</i>	--	--	--	--
<i>Intergovernmental</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
Total Assets	<u>\$ 4,783</u>	<u>\$ 5,540</u>	<u>\$ 4,219</u>	<u>\$ 13,398</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Other payables and accruals</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Deferred Inflows of Resources				
<i>Deferred revenue</i>	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:				
<i>Restricted</i>	4,783	5,540	4,219	13,398
<i>Committed to justice administration</i>	--	--	--	--
<i>Unassigned</i>	--	--	--	--
Total fund balances (deficits)	<u>4,783</u>	<u>5,540</u>	<u>4,219</u>	<u>13,398</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,783</u>	<u>\$ 5,540</u>	<u>\$ 4,219</u>	<u>\$ 13,398</u>

D.A. Warrant Forfeiture	D.A. Worthless Check	Elections	District Attorney Forfeiture	Law Library
\$ 92	\$ 462	\$ 75,774	\$ 6,834	\$ 42,106
--	--	--	--	--
--	--	--	--	192
--	--	--	--	66,344
<u>\$ 92</u>	<u>\$ 462</u>	<u>\$ 75,774</u>	<u>\$ 6,834</u>	<u>\$ 108,642</u>
\$ --	\$ --	\$ --	\$ --	\$ 578
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>578</u>
--	--	--	--	192
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>192</u>
92	462	75,774	6,834	107,872
--	--	--	--	--
--	--	--	--	--
<u>92</u>	<u>462</u>	<u>75,774</u>	<u>6,834</u>	<u>107,872</u>
<u>\$ 92</u>	<u>\$ 462</u>	<u>\$ 75,774</u>	<u>\$ 6,834</u>	<u>\$ 108,642</u>

WALLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	Title IV Juvenile Justice	RPF District Clerk	RMPF County Clerk District Clerk	RPF County Clerk
ASSETS				
<i>Cash and cash equivalents</i>	\$ 144,204	\$ 42,609	\$ 26,706	\$ 188,686
<i>Investments</i>	--	--	--	--
Receivables (net of allowances for uncollectibles):				
<i>Fines</i>	--	824	29,162	1,643
<i>Intergovernmental</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
Total Assets	<u>\$ 144,204</u>	<u>\$ 43,433</u>	<u>\$ 55,868</u>	<u>\$ 190,329</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Other payables and accruals</i>	--	--	--	1,556
<i>Due to other funds</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,556</u>
 Deferred Inflows of Resources				
<i>Deferred revenue</i>	--	824	29,162	1,643
Total Deferred Inflows of Resources	<u>--</u>	<u>824</u>	<u>29,162</u>	<u>1,643</u>
 Fund balances:				
<i>Restricted</i>	144,204	42,609	26,706	187,130
<i>Committed to justice administration</i>	--	--	--	--
<i>Unassigned</i>	--	--	--	--
Total fund balances (deficits)	<u>144,204</u>	<u>42,609</u>	<u>26,706</u>	<u>187,130</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 144,204</u>	<u>\$ 43,433</u>	<u>\$ 55,868</u>	<u>\$ 190,329</u>

Preservation Fee Birth Death County Clerk	Courthouse Security	Graffiti Eradication	JP Technology Fee	Child Abuse Prevention
\$ 19,311	\$ 108,886	\$ 608	\$ 233,103	\$ 548
--	--	--	--	--
--	8,054	7	2,692	--
--	--	--	--	--
<u>\$ 19,311</u>	<u>\$ 116,940</u>	<u>\$ 615</u>	<u>\$ 235,795</u>	<u>\$ 548</u>
\$ --	\$ 8,630	\$ --	\$ 210	\$ --
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>8,630</u>	<u>--</u>	<u>210</u>	<u>--</u>
--	8,054	8	2,692	--
<u>--</u>	<u>8,054</u>	<u>8</u>	<u>2,692</u>	<u>--</u>
19,311	100,256	607	232,893	548
--	--	--	--	--
--	--	--	--	--
<u>19,311</u>	<u>100,256</u>	<u>607</u>	<u>232,893</u>	<u>548</u>
<u>\$ 19,311</u>	<u>\$ 116,940</u>	<u>\$ 615</u>	<u>\$ 235,795</u>	<u>\$ 548</u>

WALLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	Family Protection Fee	Court Initiated Guardianship	Justice Court Security	County Clerk Technology
ASSETS				
<i>Cash and cash equivalents</i>	\$ 24,966	\$ 25,961	\$ 66,209	\$ 4,006
<i>Investments</i>	--	--	--	--
Receivables (net of allowances for uncollectibles):				
<i>Fines</i>	102	--	592	--
<i>Intergovernmental</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
Total Assets	<u>\$ 25,068</u>	<u>\$ 25,961</u>	<u>\$ 66,801</u>	<u>\$ 4,006</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Other payables and accruals</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Deferred Inflows of Resources				
<i>Deferred revenue</i>	102	--	593	--
Total Deferred Inflows of Resources	<u>102</u>	<u>--</u>	<u>593</u>	<u>--</u>
Fund balances:				
<i>Restricted</i>	24,966	25,961	66,208	4,006
<i>Committed to justice administration</i>	--	--	--	--
<i>Unassigned</i>	--	--	--	--
Total fund balances (deficits)	<u>24,966</u>	<u>25,961</u>	<u>66,208</u>	<u>4,006</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 25,068</u>	<u>\$ 25,961</u>	<u>\$ 66,801</u>	<u>\$ 4,006</u>

District Clerk Technology	CC Records Preservation Digitization	DC Records Preservation Digitization	DA Pre Trial Diversion	Juvenile Case Manager
\$ 2,024	\$ 20,740	\$ 24,389	\$ 6,456	\$ 11,403
--	--	--	--	--
1,394	--	96	--	--
--	--	--	--	--
--	--	--	--	--
<u>\$ 3,418</u>	<u>\$ 20,740</u>	<u>\$ 24,485</u>	<u>\$ 6,456</u>	<u>\$ 11,403</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	472	--
--	--	--	--	--
--	--	--	472	--
1,394	--	96	--	--
<u>1,394</u>	<u>--</u>	<u>96</u>	<u>--</u>	<u>--</u>
2,024	20,740	24,389	5,984	--
--	--	--	--	11,403
--	--	--	--	--
<u>2,024</u>	<u>20,740</u>	<u>24,389</u>	<u>5,984</u>	<u>11,403</u>
<u>\$ 3,418</u>	<u>\$ 20,740</u>	<u>\$ 24,485</u>	<u>\$ 6,456</u>	<u>\$ 11,403</u>

WALLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	D.A. Worthless Check Trust	Hospital Trust	Grant	Narc Program
ASSETS				
<i>Cash and cash equivalents</i>	\$ 6,232	\$ --	\$ 564,925	\$ 11
<i>Investments</i>	--	2,907	--	--
Receivables (net of allowances for uncollectibles):				
<i>Fines</i>	--	--	--	--
<i>Intergovernmental</i>	--	--	--	--
<i>Due from other funds</i>	--	--	--	--
Total Assets	<u>\$ 6,232</u>	<u>\$ 2,907</u>	<u>\$ 564,925</u>	<u>\$ 11</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Other payables and accruals</i>	--	--	--	--
<i>Due to other funds</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Deferred Inflows of Resources				
<i>Deferred revenue</i>	--	--	--	--
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:				
<i>Restricted</i>	6,232	2,907	564,925	11
<i>Committed to justice administration</i>	--	--	--	--
<i>Unassigned</i>	--	--	--	--
Total fund balances (deficits)	<u>6,232</u>	<u>2,907</u>	<u>564,925</u>	<u>11</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,232</u>	<u>\$ 2,907</u>	<u>\$ 564,925</u>	<u>\$ 11</u>

Federal Forfeiture	Imprest	SCAAP	VOCA Grant 2016-17	Texas Community Development Block Grant
\$ 35,155	\$ 2,003	\$ 20,406	\$ --	\$ 29,609
--	--	--	--	--
--	--	--	--	--
--	--	--	7,523	39,744
--	--	--	--	--
<u>\$ 35,155</u>	<u>\$ 2,003</u>	<u>\$ 20,406</u>	<u>\$ 7,523</u>	<u>\$ 69,353</u>
\$ --	\$ --	\$ --	\$ --	\$ 125,580
--	--	--	1,602	--
--	--	--	5,921	--
--	--	--	7,523	125,580
--	--	20,406	--	--
--	--	20,406	--	--
35,155	2,003	--	--	--
--	--	--	--	--
--	--	--	--	(56,227)
<u>35,155</u>	<u>2,003</u>	<u>--</u>	<u>--</u>	<u>(56,227)</u>
<u>\$ 35,155</u>	<u>\$ 2,003</u>	<u>\$ 20,406</u>	<u>\$ 7,523</u>	<u>\$ 69,353</u>

WALLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	VAW Grant #3343601	HSGP Tactical Robot #3346101	Formula Grant	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS				
<i>Cash and cash equivalents</i>	\$ --	\$ --	\$ --	\$ 1,762,364
<i>Investments</i>	--	--	--	2,907
Receivables (net of allowances for uncollectibles):				
<i>Fines</i>	--	--	--	44,758
<i>Intergovernmental</i>	8,726	37,492	24,252	117,737
<i>Due from other funds</i>	--	--	--	66,344
Total Assets	<u>\$ 8,726</u>	<u>\$ 37,492</u>	<u>\$ 24,252</u>	<u>\$ 1,994,110</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ 37,492	\$ --	\$ 172,490
<i>Other payables and accruals</i>	2,580	--	--	6,210
<i>Due to other funds</i>	6,146	--	24,252	36,319
Total Liabilities	<u>8,726</u>	<u>37,492</u>	<u>24,252</u>	<u>215,019</u>
Deferred Inflows of Resources				
<i>Deferred revenue</i>	--	--	--	65,166
Total Deferred Inflows of Resources	<u>--</u>	<u>--</u>	<u>--</u>	<u>65,166</u>
Fund balances:				
<i>Restricted</i>	--	--	--	1,758,749
<i>Committed to justice administration</i>	--	--	--	11,403
<i>Unassigned</i>	--	--	--	(56,227)
Total fund balances (deficits)	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,713,925</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,726</u>	<u>\$ 37,492</u>	<u>\$ 24,252</u>	<u>\$ 1,994,110</u>

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WALLER COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	D.A. Warrant Seizure	Chapter 19 Voter's Registration	District Attorney Apportionment	Sheriff Forfeiture
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ --	\$ 32,668	\$ --
<i>Charges for services</i>	--	--	--	--
<i>Fines</i>	20	--	--	19,458
<i>Interest</i>	32	68	82	157
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>52</u>	<u>68</u>	<u>32,750</u>	<u>19,615</u>
Expenditures:				
Current:				
<i>General government</i>	--	--	--	--
<i>Public safety</i>	--	--	--	12,793
<i>Judicial</i>	--	--	--	--
<i>Legal</i>	--	--	29,489	--
<i>Health and welfare</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>29,489</u>	<u>12,793</u>
Excess (deficiency) of revenues over (under) expenditures	52	68	3,261	6,822
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	52	68	3,261	6,822
Fund balances, January 1	4,731	5,472	958	6,576
Fund balances, December 31	<u><u>\$ 4,783</u></u>	<u><u>\$ 5,540</u></u>	<u><u>\$ 4,219</u></u>	<u><u>\$ 13,398</u></u>

<u>D.A. Warrant Forfeiture</u>	<u>D.A. Worthless Check</u>	<u>Elections</u>	<u>District Attorney Forfeiture</u>	<u>Law Library</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	60	--	--	12,880
1	4	847	62	1,298
--	527	17,396	32,169	--
<u>1</u>	<u>591</u>	<u>18,243</u>	<u>32,231</u>	<u>14,178</u>
--	--	--	--	--
--	--	--	--	--
--	507	--	26,337	6,952
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>507</u>	<u>--</u>	<u>26,337</u>	<u>6,952</u>
1	84	18,243	5,894	7,226
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
1	84	18,243	5,894	7,226
91	378	57,531	940	100,646
<u>\$ 92</u>	<u>\$ 462</u>	<u>\$ 75,774</u>	<u>\$ 6,834</u>	<u>\$ 107,872</u>

WALLER COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Title IV Juvenile Justice	RPF District Clerk	RMPF County Clerk District Clerk	RPF County Clerk
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ --	\$ --	\$ --
<i>Charges for services</i>	--	--	--	--
<i>Fines:</i>	--	8,527	15,584	99,152
<i>Interes</i>	1,769	478	538	2,389
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>1,769</u>	<u>9,005</u>	<u>16,122</u>	<u>101,541</u>
Expenditures:				
Current:				
<i>General government</i>	--	--	30,000	93,709
<i>Public safety</i>	--	--	--	--
<i>Judicia</i>	--	--	--	--
<i>Legal</i>	--	--	--	--
<i>Health and welfare</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>30,000</u>	<u>93,709</u>
Excess (deficiency) of revenues over (under) expenditures	1,769	9,005	(13,878)	7,832
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	1,769	9,005	(13,878)	7,832
Fund balances, January 1	142,435	33,604	40,584	179,298
Fund balances, December 31	<u><u>\$ 144,204</u></u>	<u><u>\$ 42,609</u></u>	<u><u>\$ 26,706</u></u>	<u><u>\$ 187,130</u></u>

Preservation Fee Birth Death County Clerk	Courthouse Security	Graffiti Eradication	JP Technology Fee	Child Abuse Prevention
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
1,313	30,275	--	19,647	310
229	1,360	7	2,945	6
--	--	--	--	--
<u>1,542</u>	<u>31,635</u>	<u>7</u>	<u>22,592</u>	<u>316</u>
--	--	--	--	--
--	--	--	3,185	--
--	--	--	--	--
--	--	--	--	--
--	21,890	--	--	--
--	<u>21,890</u>	--	<u>3,185</u>	--
1,542	9,745	7	19,407	316
--	--	--	--	--
--	(9,229)	--	(13,757)	--
--	<u>(9,229)</u>	--	<u>(13,757)</u>	--
1,542	516	7	5,650	316
17,769	99,740	600	227,243	232
<u>\$ 19,311</u>	<u>\$ 100,256</u>	<u>\$ 607</u>	<u>\$ 232,893</u>	<u>\$ 548</u>

WALLER COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Family Protection Fee	Court Initiated Guardianship	Justice Court Security	County Clerk Technology
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ 2,974	\$ --	\$ --
<i>Charges for services</i>	--	--	--	--
<i>Fines</i>	2,460	--	4,875	559
<i>Interest</i>	294	303	787	47
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>2,754</u>	<u>3,277</u>	<u>5,662</u>	<u>606</u>
Expenditures:				
Current:				
<i>General government</i>	--	--	--	--
<i>Public safety</i>	--	--	--	--
<i>Judicial</i>	--	--	--	--
<i>Legal</i>	--	--	--	--
<i>Health and welfare</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,754</u>	<u>3,277</u>	<u>5,662</u>	<u>606</u>
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	<u>2,754</u>	<u>3,277</u>	<u>5,662</u>	<u>606</u>
Fund balances, January 1	<u>22,212</u>	<u>22,684</u>	<u>60,546</u>	<u>3,400</u>
Fund balances, December 31	<u>\$ 24,966</u>	<u>\$ 25,961</u>	<u>\$ 66,208</u>	<u>\$ 4,006</u>

District Clerk Technology	CC Records Preservation Digitization	DC Records Preservation Digitization	DA Pre Trial Diversion	Juvenile Case Manager
\$ --	\$ --	\$ --	\$ 24,500	\$ --
--	--	--	--	11,914
404	2,520	8,450	--	--
23	240	254	402	356
--	--	--	--	--
<u>427</u>	<u>2,760</u>	<u>8,704</u>	<u>24,902</u>	<u>12,270</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	12,252	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>12,252</u>	<u>--</u>
427	2,760	8,704	12,650	12,270
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>(10,000)</u>	<u>(22,477)</u>
--	--	--	<u>(10,000)</u>	<u>(22,477)</u>
427	2,760	8,704	2,650	(10,207)
1,597	17,980	15,685	3,334	21,610
<u>\$ 2,024</u>	<u>\$ 20,740</u>	<u>\$ 24,389</u>	<u>\$ 5,984</u>	<u>\$ 11,403</u>

WALLER COUNTY, TEXAS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Fire Marshall Service	D.A. Worthless Check Trust	Hospital Trust	Grant
Revenues:				
<i>Intergovernmental</i>	\$ --	\$ --	\$ --	\$ --
<i>Charges for services</i>	--	--	--	--
<i>Fines</i>	12,261	--	--	--
<i>Interest</i>	441	1,186	25	817
<i>Miscellaneous</i>	--	267,421	--	--
Total revenues	<u>12,702</u>	<u>268,607</u>	<u>25</u>	<u>817</u>
Expenditures:				
Current:				
<i>General government</i>	--	--	--	--
<i>Public safety</i>	3,800	--	--	--
<i>Judicial</i>	--	--	--	--
<i>Legal</i>	--	267,891	--	--
<i>Health and welfare</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
<i>Nondepartmental</i>	--	--	--	--
Total expenditures	<u>3,800</u>	<u>267,891</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	8,902	716	25	817
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	<u>(66,170)</u>	<u>--</u>	<u>--</u>	<u>(10,648)</u>
Total other financing sources (uses)	<u>(66,170)</u>	<u>--</u>	<u>--</u>	<u>(10,648)</u>
Net change in fund balances	(57,268)	716	25	(9,831)
Fund balances, January 1	<u>57,268</u>	<u>5,516</u>	<u>2,882</u>	<u>574,756</u>
Fund balances, December 31	<u>\$ --</u>	<u>\$ 6,232</u>	<u>\$ 2,907</u>	<u>\$ 564,925</u>

<u>Narc Program</u>	<u>Federal Forfeiture</u>	<u>Imprest</u>	<u>VOCA Grant 2016-17</u>	<u>JAG Patrol Vehicles</u>
\$ --	\$ --	\$ 3,022	\$ 55,163	\$ 95,292
--	--	--	--	--
--	--	--	--	--
11	676	24	--	--
--	--	--	--	--
<u>11</u>	<u>676</u>	<u>3,046</u>	<u>55,163</u>	<u>95,292</u>
--	--	--	--	--
2,511	71,901	2,435	--	95,292
--	--	--	--	--
--	--	--	65,811	--
--	--	--	--	--
--	--	--	--	--
<u>2,511</u>	<u>71,901</u>	<u>2,435</u>	<u>65,811</u>	<u>95,292</u>
(2,500)	(71,225)	611	(10,648)	--
--	--	--	10,648	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>10,648</u>	<u>--</u>
(2,500)	(71,225)	611	--	--
2,511	106,380	1,392	--	--
<u>\$ 11</u>	<u>\$ 35,155</u>	<u>\$ 2,003</u>	<u>\$ --</u>	<u>\$ --</u>

WALLER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Texas Community Development Block Grant	VAW Grant #3343601
Revenues:		
<i>Intergovernmental</i>	\$ 234,800	\$ 8,726
<i>Charges for services</i>	--	--
<i>Fines</i>	--	--
<i>Interest</i>	--	--
<i>Miscellaneous</i>	--	--
Total revenues	<u>234,800</u>	<u>8,726</u>
Expenditures:		
Current:		
<i>General government</i>	--	--
<i>Public safety</i>	--	8,726
<i>Judicial</i>	--	--
<i>Legal</i>	--	--
<i>Health and welfare</i>	291,027	--
<i>Culture and recreation</i>	--	--
<i>Nondepartmental</i>	--	--
Total expenditures	<u>291,027</u>	<u>8,726</u>
Excess (deficiency) of revenues over (under) expenditures	(56,227)	--
Other financing sources (uses):		
<i>Transfers in</i>	--	--
<i>Transfers out</i>	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>
Net change in fund balances	(56,227)	--
Fund balances, January 1	--	--
Fund balances, December 31	<u>\$ (56,227)</u>	<u>\$ --</u>

HSGP Tactical Robot #3346101	Formula Grant	TSLAC Library 2016	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ 37,492	\$ 59,615	\$ 3,182	\$ 557,434
--	--	--	11,914
--	--	--	238,755
--	--	--	18,158
--	--	--	317,513
<u>37,492</u>	<u>59,615</u>	<u>3,182</u>	<u>1,143,774</u>
--	--	--	123,709
37,492	--	--	234,950
--	--	--	3,185
--	--	--	409,239
--	--	--	291,027
--	59,615	3,182	62,797
--	--	--	21,890
<u>37,492</u>	<u>59,615</u>	<u>3,182</u>	<u>1,146,797</u>
--	--	--	(3,023)
--	--	--	10,648
--	--	--	(132,281)
--	--	--	(121,633)
--	--	--	(124,656)
--	--	--	1,838,581
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,713,925</u>

WALLER COUNTY, TEXAS
ELECTIONS
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Interest</i>	\$ --	\$ 847	\$ 847
<i>Miscellaneous</i>	<u>62,751</u>	<u>17,396</u>	<u>(45,355)</u>
Total revenues	<u>62,751</u>	<u>18,243</u>	<u>(44,508)</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>			
<i>Elections</i>	<u>94,242</u>	<u>--</u>	<u>94,242</u>
Total Nondepartmental	<u>94,242</u>	<u>--</u>	<u>94,242</u>
Total expenditures	<u>94,242</u>	<u>--</u>	<u>94,242</u>
Excess (deficiency) of revenues over (under) expenditures	(31,491)	18,243	49,734
Other financing sources (uses):			
<i>Transfers in</i>	<u>31,491</u>	<u>--</u>	<u>(31,491)</u>
Total other financing sources (uses)	<u>31,491</u>	<u>--</u>	<u>(31,491)</u>
Net change in fund balances	--	18,243	18,243
Fund balance, January 1	57,531	57,531	--
Fund balance, December 31	<u>\$ 57,531</u>	<u>\$ 75,774</u>	<u>\$ 18,243</u>

WALLER COUNTY, TEXAS
LAW LIBRARY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-6

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 12,978	\$ 12,880	\$ (98)
<i>Interest</i>	--	1,298	1,298
Total revenues	<u>12,978</u>	<u>14,178</u>	<u>1,200</u>
Expenditures:			
Current:			
<i>Legal</i>			
<i>Law Library</i>	106,529	6,952	99,577
Total Legal	<u>106,529</u>	<u>6,952</u>	<u>99,577</u>
Total expenditures	<u>106,529</u>	<u>6,952</u>	<u>99,577</u>
Excess (deficiency) of revenues over (under) expenditures	(93,551)	7,226	100,777
Other financing sources (uses):			
<i>Transfers in</i>	93,551	--	(93,551)
Total other financing sources (uses)	<u>93,551</u>	<u>--</u>	<u>(93,551)</u>
Net change in fund balances	--	7,226	7,226
Fund balance, January 1	100,646	100,646	--
Fund balance, December 31	<u>\$ 100,646</u>	<u>\$ 107,872</u>	<u>\$ 7,226</u>

WALLER COUNTY, TEXAS
TITLE IV JUVENILE JUSTICE
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Interest</i>	\$ --	\$ 1,769	\$ 1,769
Total revenues	<u> --</u>	<u> 1,769</u>	<u> 1,769</u>
Expenditures:			
Current:			
<i>Judicial</i>			
<i>Title V Juvenile Justice</i>	140,897	--	140,897
Total Judicial	<u>140,897</u>	<u> --</u>	<u>140,897</u>
Total expenditures	<u>140,897</u>	<u> --</u>	<u>140,897</u>
Excess (deficiency) of revenues over (under) expenditures	(140,897)	1,769	142,666
Other financing sources (uses):			
<i>Transfers in</i>	140,897	--	(140,897)
Total other financing sources (uses)	<u>140,897</u>	<u> --</u>	<u>(140,897)</u>
Net change in fund balances	--	1,769	1,769
Fund balance, January 1	142,435	142,435	--
Fund balance, December 31	<u>\$ 142,435</u>	<u>\$ 144,204</u>	<u>\$ 1,769</u>

WALLER COUNTY, TEXAS
RPF DISTRICT CLERK
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-8

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 8,255	\$ 8,527	\$ 272
<i>Interest</i>	--	478	478
Total revenues	<u>8,255</u>	<u>9,005</u>	<u>750</u>
Expenditures:			
Current:			
<i>Judicial</i>			
<i>District Clerk Records Preservation</i>	33,008	--	33,008
Total Judicial	<u>33,008</u>	<u>--</u>	<u>33,008</u>
Total expenditures	<u>33,008</u>	<u>--</u>	<u>33,008</u>
Excess (deficiency) of revenues over (under) expenditures	(24,753)	9,005	33,758
Other financing sources (uses):			
<i>Transfers in</i>	24,753	--	(24,753)
Total other financing sources (uses)	<u>24,753</u>	<u>--</u>	<u>(24,753)</u>
Net change in fund balances	--	9,005	9,005
Fund balance, January 1	33,604	33,604	--
Fund balance, December 31	<u>\$ 33,604</u>	<u>\$ 42,609</u>	<u>\$ 9,005</u>

WALLER COUNTY, TEXAS
RMPF COUNTY CLERK/DISTRICT CLERK
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-9

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 15,146	\$ 15,584	\$ 438
<i>Interest</i>	--	538	538
Total revenues	<u>15,146</u>	<u>16,122</u>	<u>976</u>
Expenditures:			
Current:			
<i>General Government</i>			
<i>Records Management</i>	45,094	30,000	15,094
Total General Government	<u>45,094</u>	<u>30,000</u>	<u>15,094</u>
Total expenditures	<u>45,094</u>	<u>30,000</u>	<u>15,094</u>
Excess (deficiency) of revenues over (under) expenditures	(29,948)	(13,878)	16,070
Other financing sources (uses):			
<i>Transfers in</i>	29,948	--	(29,948)
Total other financing sources (uses)	<u>29,948</u>	<u>--</u>	<u>(29,948)</u>
Net change in fund balances	--	(13,878)	(13,878)
Fund balance, January 1	40,584	40,584	--
Fund balance, December 31	<u>\$ 40,584</u>	<u>\$ 26,706</u>	<u>\$ (13,878)</u>

WALLER COUNTY, TEXAS
RPF COUNTY CLERK
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-10

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 91,550	\$ 99,152	\$ 7,602
<i>Interest</i>	--	2,389	2,389
Total revenues	<u>91,550</u>	<u>101,541</u>	<u>9,991</u>
Expenditures:			
Current:			
<i>General Government</i>			
<i>Records Preservation</i>	260,513	93,709	166,804
Total General Government	<u>260,513</u>	<u>93,709</u>	<u>166,804</u>
Total expenditures	<u>260,513</u>	<u>93,709</u>	<u>166,804</u>
Excess (deficiency) of revenues over (under) expenditures	(168,963)	7,832	176,795
Other financing sources (uses):			
<i>Transfers in</i>	168,963	--	(168,963)
Total other financing sources (uses)	<u>168,963</u>	<u>--</u>	<u>(168,963)</u>
Net change in fund balances	--	7,832	7,832
Fund balance, January 1	179,298	179,298	--
Fund balance, December 31	<u>\$ 179,298</u>	<u>\$ 187,130</u>	<u>\$ 7,832</u>

WALLER COUNTY, TEXAS
PRESERVATION FEE BIRTH/DEATH COUNTY CLERK
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
Revenues:			
<i>Fines</i>	\$ 1,278	\$ 1,313	\$ 35
<i>Interest</i>	--	229	229
Total revenues	<u>1,278</u>	<u>1,542</u>	<u>264</u>
Expenditures:			
Current:			
<i>General Government</i>			
<i>Preservation Fee Birth/Death County Clerk</i>	17,775	--	17,775
Total General Government	<u>17,775</u>	<u>--</u>	<u>17,775</u>
Total expenditures	<u>17,775</u>	<u>--</u>	<u>17,775</u>
Excess (deficiency) of revenues over (under) expenditures	(16,497)	1,542	18,039
Other financing sources (uses):			
<i>Transfers in</i>	16,497	--	(16,497)
Total other financing sources (uses)	<u>16,497</u>	<u>--</u>	<u>(16,497)</u>
Net change in fund balances	--	1,542	1,542
Fund balance, January 1	17,769	17,769	--
Fund balance, December 31	<u>\$ 17,769</u>	<u>\$ 19,311</u>	<u>\$ 1,542</u>

WALLER COUNTY, TEXAS
COURTHOUSE SECURITY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-12

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 31,623	\$ 30,275	\$ (1,348)
<i>Interes</i>	--	1,360	1,360
Total revenues	<u>31,623</u>	<u>31,635</u>	<u>12</u>
Expenditures:			
Current:			
<i>Nondepartmental</i>			
<i>Courthouse Security</i>	93,667	21,890	71,777
Total Nondepartmental	<u>93,667</u>	<u>21,890</u>	<u>71,777</u>
Total expenditures	<u>93,667</u>	<u>21,890</u>	<u>71,777</u>
Excess (deficiency) of revenues over (under) expenditures	(62,044)	9,745	71,789
Other financing sources (uses):			
<i>Transfers in</i>	92,044	--	(92,044)
<i>Transfers out</i>	(30,000)	(9,229)	20,771
Total other financing sources (uses)	<u>62,044</u>	<u>(9,229)</u>	<u>(71,273)</u>
Net change in fund balances	--	516	516
Fund balance, January 1	99,740	99,740	--
Fund balance, December 31	<u>\$ 99,740</u>	<u>\$ 100,256</u>	<u>\$ 516</u>

WALLER COUNTY, TEXAS
GRAFFITI ERADICATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-13

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Interest</i>	\$ --	\$ 7	\$ 7
Total revenues	<u> --</u>	<u> 7</u>	<u> 7</u>
Expenditures:			
Current:			
<i>Public Safety</i>			
<i>Graffiti Eradication</i>	594	--	594
Total Public Safety	<u> 594</u>	<u> --</u>	<u> 594</u>
Total expenditures	<u> 594</u>	<u> --</u>	<u> 594</u>
Excess (deficiency) of revenues over (under) expenditures	(594)	7	601
Other financing sources (uses):			
<i>Transfers in</i>	594	--	(594)
Total other financing sources (uses)	<u> 594</u>	<u> --</u>	<u> (594)</u>
Net change in fund balances	--	7	7
Fund balance, January 1	600	600	--
Fund balance, December 31	<u>\$ 600</u>	<u>\$ 607</u>	<u>\$ 7</u>

WALLER COUNTY, TEXAS
JP TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-14

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 23,642	\$ 19,647	\$ (3,995)
<i>Interest</i>	--	2,945	2,945
Total revenues	<u>23,642</u>	<u>22,592</u>	<u>(1,050)</u>
Expenditures:			
Current:			
<i>Judicial</i>			
<i>Justice Court Technology</i>	227,620	3,185	224,435
Total Judicial	<u>227,620</u>	<u>3,185</u>	<u>224,435</u>
Total expenditures	<u>227,620</u>	<u>3,185</u>	<u>224,435</u>
Excess (deficiency) of revenues over (under) expenditures	(203,978)	19,407	223,385
Other financing sources (uses):			
<i>Transfers in</i>	223,978	--	(223,978)
<i>Transfers out</i>	(20,000)	(13,757)	6,243
Total other financing sources (uses)	<u>203,978</u>	<u>(13,757)</u>	<u>(217,735)</u>
Net change in fund balances	--	5,650	5,650
Fund balance, January 1	227,243	227,243	--
Fund balance, December 31	<u>\$ 227,243</u>	<u>\$ 232,893</u>	<u>\$ 5,650</u>

WALLER COUNTY, TEXAS
FAMILY PROTECTION FEE
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-15

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 2,543	\$ 2,460	\$ (83)
<i>Interest</i>	--	294	294
Total revenues	<u>2,543</u>	<u>2,754</u>	<u>211</u>
Expenditures:			
Current:			
<i>Judicial</i>			
<i>Docket Management</i>	21,754	--	21,754
Total Judicial	<u>21,754</u>	<u>--</u>	<u>21,754</u>
Total expenditures	<u>21,754</u>	<u>--</u>	<u>21,754</u>
Excess (deficiency) of revenues over (under) expenditures	(19,211)	2,754	21,965
Other financing sources (uses):			
<i>Transfers in</i>	19,211	--	(19,211)
Total other financing sources (uses)	<u>19,211</u>	<u>--</u>	<u>(19,211)</u>
Net change in fund balances	--	2,754	2,754
Fund balance, January 1	22,212	22,212	--
Fund balance, December 31	<u>\$ 22,212</u>	<u>\$ 24,966</u>	<u>\$ 2,754</u>

WALLER COUNTY, TEXAS
COURT INITIATED GUARDIANSHIP
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-16

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Intergovernmental</i>	\$ 2,826	\$ 2,974	\$ 148
<i>Interest</i>	--	303	303
Total revenues	<u>2,826</u>	<u>3,277</u>	<u>451</u>
Expenditures:			
Current:			
<i>Judicial</i>			
<i>Special Revenue Support Court Initiative</i>	21,813	--	21,813
Total Judicial	<u>21,813</u>	<u>--</u>	<u>21,813</u>
Total expenditures	<u>21,813</u>	<u>--</u>	<u>21,813</u>
Excess (deficiency) of revenues over (under) expenditures	(18,987)	3,277	22,264
Other financing sources (uses):			
<i>Transfers in</i>	18,987	--	(18,987)
Total other financing sources (uses)	<u>18,987</u>	<u>--</u>	<u>(18,987)</u>
Net change in fund balances	--	3,277	3,277
Fund balance, January 1	22,684	22,684	--
Fund balance, December 31	<u>\$ 22,684</u>	<u>\$ 25,961</u>	<u>\$ 3,277</u>

WALLER COUNTY, TEXAS
JUSTICE COURT SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-17

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
<i>Fines</i>	\$ 5,761	\$ 4,875	\$ (886)
<i>Interest</i>	--	787	787
Total revenues	<u>5,761</u>	<u>5,662</u>	<u>(99)</u>
Expenditures:			
Current:			
<i>Public Safety</i>			
<i>Juvenile Probation Grants</i>	62,779	--	62,779
Total Public Safety	<u>62,779</u>	<u>--</u>	<u>62,779</u>
Total expenditures	<u>62,779</u>	<u>--</u>	<u>62,779</u>
Excess (deficiency) of revenues over (under) expenditures	(57,018)	5,662	62,680
Other financing sources (uses):			
<i>Transfers in</i>	57,018	--	(57,018)
Total other financing sources (uses)	<u>57,018</u>	<u>--</u>	<u>(57,018)</u>
Net change in fund balances	--	5,662	5,662
Fund balance, January 1	60,546	60,546	--
Fund balance, December 31	<u>\$ 60,546</u>	<u>\$ 66,208</u>	<u>\$ 5,662</u>

WALLER COUNTY, TEXAS
COUNTY CLERK TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-18

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 633	\$ 559	\$ (74)
<i>Interest</i>	--	47	47
Total revenues	<u>633</u>	<u>606</u>	<u>(27)</u>
Expenditures:			
Current:			
<i>General Government</i>			
<i>County Clerk Technology</i>	3,600	--	3,600
Total General Government	<u>3,600</u>	<u>--</u>	<u>3,600</u>
Total expenditures	<u>3,600</u>	<u>--</u>	<u>3,600</u>
Excess (deficiency) of revenues over (under) expenditures	(2,967)	606	3,573
Other financing sources (uses):			
<i>Transfers in</i>	2,967	--	(2,967)
Total other financing sources (uses)	<u>2,967</u>	<u>--</u>	<u>(2,967)</u>
Net change in fund balances	--	606	606
Fund balance, January 1	3,400	3,400	--
Fund balance, December 31	<u>\$ 3,400</u>	<u>\$ 4,006</u>	<u>\$ 606</u>

WALLER COUNTY, TEXAS
DISTRICT CLERK TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-19

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 351	\$ 404	\$ 53
<i>Interest</i>	--	23	23
Total revenues	<u>351</u>	<u>427</u>	<u>76</u>
Expenditures:			
Current:			
<i>Judicial</i>			
<i>District Clerk Preservation and Digitization</i>	1,517	--	1,517
Total Judicial	<u>1,517</u>	<u>--</u>	<u>1,517</u>
Total expenditures	<u>1,517</u>	<u>--</u>	<u>1,517</u>
Excess (deficiency) of revenues over (under) expenditures	(1,166)	427	1,593
Other financing sources (uses):			
<i>Transfers in</i>	1,166	--	(1,166)
Total other financing sources (uses)	<u>1,166</u>	<u>--</u>	<u>(1,166)</u>
Net change in fund balances	--	427	427
Fund balance, January 1	1,597	1,597	--
Fund balance, December 31	<u>\$ 1,597</u>	<u>\$ 2,024</u>	<u>\$ 427</u>

WALLER COUNTY, TEXAS
CC RECORDS PRESERVATION DIGITIZATION FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-20

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 2,590	\$ 2,520	\$ (70)
<i>Interest</i>	--	240	240
Total revenues	<u>2,590</u>	<u>2,760</u>	<u>170</u>
Expenditures:			
Current:			
<i>General Government</i>			
<i>County Clerk Preservation and Digitization</i>	17,739	--	17,739
Total General Government	<u>17,739</u>	<u>--</u>	<u>17,739</u>
Total expenditures	<u>17,739</u>	<u>--</u>	<u>17,739</u>
Excess (deficiency) of revenues over (under) expenditures	(15,149)	2,760	17,909
Other financing sources (uses):			
<i>Transfers in</i>	15,149	--	(15,149)
Total other financing sources (uses)	<u>15,149</u>	<u>--</u>	<u>(15,149)</u>
Net change in fund balances	--	2,760	2,760
Fund balance, January 1	17,980	17,980	--
Fund balance, December 31	<u>\$ 17,980</u>	<u>\$ 20,740</u>	<u>\$ 2,760</u>

WALLER COUNTY, TEXAS
DC RECORDS PRESERVATION DIGITIZATION FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-21

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 8,685	\$ 8,450	\$ (235)
<i>Interest</i>	--	254	254
Total revenues	<u>8,685</u>	<u>8,704</u>	<u>19</u>
Expenditures:			
Current:			
<i>Judicial</i>			
<i>District Clerk Records Preservation</i>	23,373	--	23,373
Total Judicial	<u>23,373</u>	<u>--</u>	<u>23,373</u>
Total expenditures	<u>23,373</u>	<u>--</u>	<u>23,373</u>
Excess (deficiency) of revenues over (under) expenditures	(14,688)	8,704	23,392
Other financing sources (uses):			
<i>Transfers in</i>	14,688	--	(14,688)
Total other financing sources (uses)	<u>14,688</u>	<u>--</u>	<u>(14,688)</u>
Net change in fund balances	--	8,704	8,704
Fund balance, January 1	15,685	15,685	--
Fund balance, December 31	<u>\$ 15,685</u>	<u>\$ 24,389</u>	<u>\$ 8,704</u>

WALLER COUNTY, TEXAS
DA PRETRIAL DIVERSION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-22

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
<i>Intergovernmental</i>	\$ 24,909	\$ 24,500	\$ (409)
<i>Interest</i>	--	402	402
Total revenues	<u>24,909</u>	<u>24,902</u>	<u>(7)</u>
Expenditures:			
Current:			
<i>Legal</i>			
<i>D.A. Pre Trial Diversion</i>	17,317	12,252	5,065
Total Legal	<u>17,317</u>	<u>12,252</u>	<u>5,065</u>
Total expenditures	<u>17,317</u>	<u>12,252</u>	<u>5,065</u>
Excess (deficiency) of revenues over (under) expenditures	7,592	12,650	5,058
Other financing sources (uses):			
<i>Transfers out</i>	(7,592)	(10,000)	(2,408)
Total other financing sources (uses)	<u>(7,592)</u>	<u>(10,000)</u>	<u>(2,408)</u>
Net change in fund balances	--	2,650	2,650
Fund balance, January 1	3,334	3,334	--
Fund balance, December 31	<u>\$ 3,334</u>	<u>\$ 5,984</u>	<u>\$ 2,650</u>

WALLER COUNTY, TEXAS
JUVENILE CASE MANAGER
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-23

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Charges for services</i>	\$ 14,111	\$ 11,914	\$ (2,197)
<i>Interest</i>	--	356	356
Total revenues	<u>14,111</u>	<u>12,270</u>	<u>(1,841)</u>
Excess (deficiency) of revenues over (under) expenditures	14,111	12,270	(1,841)
Other financing sources (uses):			
<i>Transfers in</i>	8,366	--	(8,366)
<i>Transfers out</i>	<u>(22,477)</u>	<u>(22,477)</u>	--
Total other financing sources (uses)	<u>(14,111)</u>	<u>(22,477)</u>	<u>(8,366)</u>
Net change in fund balances	--	(10,207)	(10,207)
Fund balance, January 1	21,610	21,610	--
Fund balance, December 31	<u>\$ 21,610</u>	<u>\$ 11,403</u>	<u>\$ (10,207)</u>

WALLER COUNTY, TEXAS
FIRE MARSHALL SERVICE
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-24

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Fines</i>	\$ 43,282	\$ 12,261	\$ (31,021)
<i>Interes</i>	--	441	441
Total revenues	<u>43,282</u>	<u>12,702</u>	<u>(30,580)</u>
Expenditures:			
Current:			
<i>Public Safety</i>			
<i>Fire Marshall</i>	80,939	3,800	77,139
Total Public Safety	<u>80,939</u>	<u>3,800</u>	<u>77,139</u>
Total expenditures	<u>80,939</u>	<u>3,800</u>	<u>77,139</u>
Excess (deficiency) of revenues over (under) expenditures	(37,657)	8,902	46,559
Other financing sources (uses):			
<i>Transfers in</i>	37,657	--	(37,657)
<i>Transfers out</i>	--	(66,170)	(66,170)
Total other financing sources (uses)	<u>37,657</u>	<u>(66,170)</u>	<u>(103,827)</u>
Net change in fund balances	--	(57,268)	(57,268)
Fund balance, January 1	57,268	57,268	--
Fund balance, December 31	<u>\$ 57,268</u>	<u>\$ --</u>	<u>\$ (57,268)</u>

WALLER COUNTY, TEXAS
FEDERAL FORFEITURE
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-25

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Intergovernmental</i>	\$ 106,000	\$ --	\$ (106,000)
<i>Interest</i>	--	676	676
Total revenues	<u>106,000</u>	<u>676</u>	<u>(105,324)</u>
Expenditures:			
Current:			
<i>Public Safety</i>			
<i>Narc Program Income Grant</i>	106,000	71,901	34,099
Total Public Safety	<u>106,000</u>	<u>71,901</u>	<u>34,099</u>
Total expenditures	<u>106,000</u>	<u>71,901</u>	<u>34,099</u>
Net change in fund balances	--	(71,225)	(71,225)
Fund balance, January 1	106,380	106,380	--
Fund balance, December 31	<u>\$ 106,380</u>	<u>\$ 35,155</u>	<u>\$ (71,225)</u>

WALLER COUNTY, TEXAS
SCAAP
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-26

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Intergovernmental</i>	\$ 20,406	\$ --	\$ (20,406)
Total revenues	<u>20,406</u>	<u>--</u>	<u>(20,406)</u>
Expenditures:			
Current:			
<i>Public Safety</i>			
<i>WSNTF Grant</i>	20,406	--	20,406
Total Public Safety	<u>20,406</u>	<u>--</u>	<u>20,406</u>
Total expenditures	<u>20,406</u>	<u>--</u>	<u>20,406</u>
Net change in fund balances	--	--	--
Fund balance, January 1	--	--	--
Fund balance, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

WALLER COUNTY, TEXAS
JAG PATROL VEHICLES
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-27

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Intergovernmental</i>	\$ 96,134	\$ 95,292	\$ (842)
Total revenues	<u>96,134</u>	<u>95,292</u>	<u>(842)</u>
Expenditures:			
Current:			
<i>Public Safety</i>			
<i>JAG/Patrol Vehicles</i>	96,134	95,292	842
Total Public Safety	<u>96,134</u>	<u>95,292</u>	<u>842</u>
Total expenditures	<u>96,134</u>	<u>95,292</u>	<u>842</u>
Net change in fund balances	--	--	--
Fund balance, January 1	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

WALLER COUNTY, TEXAS
VAW GRANT #3343601
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-28

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Intergovernmental</i>	\$ 58,131	\$ 8,726	\$ (49,405)
Total revenues	<u>58,131</u>	<u>8,726</u>	<u>(49,405)</u>
Expenditures:			
Current:			
<i>Public Safety</i>			
<i>Violence Against Women</i>	81,875	8,726	73,149
Total Public Safety	<u>81,875</u>	<u>8,726</u>	<u>73,149</u>
Total expenditures	<u>81,875</u>	<u>8,726</u>	<u>73,149</u>
Excess (deficiency) of revenues over (under) expenditures	(23,744)	--	23,744
Other financing sources (uses):			
<i>Transfers in</i>	23,744	--	(23,744)
Total other financing sources (uses)	<u>23,744</u>	<u>--</u>	<u>(23,744)</u>
Net change in fund balances	--	--	--
Fund balance, January 1	--	--	--
Fund balance, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

WALLER COUNTY, TEXAS
HSGP TACTICAL ROBOT #3346101
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-29

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Intergovernmental</i>	\$ 37,492	\$ 37,492	\$ --
Total revenues	<u>37,492</u>	<u>37,492</u>	<u>--</u>
Expenditures:			
Current:			
<i>Public Safety</i>			
<i>Homeland Security</i>	37,492	37,492	--
Total Public Safety	<u>37,492</u>	<u>37,492</u>	<u>--</u>
Total expenditures	<u>37,492</u>	<u>37,492</u>	<u>--</u>
Net change in fund balances	--	--	--
Fund balance, January 1	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

WALLER COUNTY, TEXAS
FORMULA GRANT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-30

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Intergovernmental</i>	\$ 47,151	\$ 59,615	\$ 12,464
Total revenues	<u>47,151</u>	<u>59,615</u>	<u>12,464</u>
Expenditures:			
Current:			
<i>Culture and Recreation</i>			
<i>Lone Star Library Grant</i>	47,151	59,615	(12,464)
Total Culture and Recreation	<u>47,151</u>	<u>59,615</u>	<u>(12,464)</u>
Total expenditures	<u>47,151</u>	<u>59,615</u>	<u>(12,464)</u>
Net change in fund balances	--	--	--
Fund balance, January 1	--	--	--
Fund balance, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

WALLER COUNTY, TEXAS
TSLAC LIBRARY 2016
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-31

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Intergovernmental</i>	\$ 3,182	\$ 3,182	\$ --
Total revenues	<u>3,182</u>	<u>3,182</u>	<u>--</u>
Expenditures:			
Current:			
<i>Culture and Recreation</i>			
<i>County Library</i>	3,182	3,182	--
Total Culture and Recreation	<u>3,182</u>	<u>3,182</u>	<u>--</u>
Total expenditures	<u>3,182</u>	<u>3,182</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
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C-32

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
<i>Taxes</i>	\$ 561,821	\$ 609,596	\$ 47,775
<i>Interest</i>	--	3,518	3,518
Total revenues	<u>561,821</u>	<u>613,114</u>	<u>51,293</u>
Expenditures:			
Debt service:			
<i>Principal</i>	470,000	470,000	--
<i>Interest and fiscal charges</i>	91,821	91,820	1
Total Debt Service	<u>561,821</u>	<u>561,820</u>	<u>1</u>
Total expenditures	<u>561,821</u>	<u>561,820</u>	<u>1</u>
Net change in fund balances	--	51,294	51,294
Fund balance, January 1	283,123	283,123	--
Fund balance, December 31	<u>\$ 283,123</u>	<u>\$ 334,417</u>	<u>\$ 51,294</u>

WALLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
DECEMBER 31, 2017

	<u>Permanent School</u>	<u>Permanent School Available</u>
ASSETS		
<i>Cash and cash equivalents</i>	\$ --	\$ 7
<i>Investments</i>	--	--
<i>Capital assets</i>	1	--
Total Assets	<u>\$ 1</u>	<u>\$ 7</u>
 LIABILITIES		
 NET POSITION		
<i>Held in trust</i>	<u>\$ 1</u>	<u>\$ 7</u>

<u>Ogg Trust</u>	<u>Dismuke Estate Trust</u>	<u>Total Private- Purpose Trust Funds (See Exhibit A-7)</u>
\$ 53,231	\$ --	\$ 53,238
--	62,860	62,860
--	--	1
<u>\$ 53,231</u>	<u>\$ 62,860</u>	<u>\$ 116,099</u>
<u>\$ 53,231</u>	<u>\$ 62,860</u>	<u>\$ 116,099</u>

WALLER COUNTY, TEXAS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL PRIVATE-PURPOSE TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Permanent School	Permanent School Available	Ogg Trust
Additions:			
<i>Interest</i>	\$ --	\$ 37	581
<i>Miscellaneous</i>	--	5,027	--
Total Additions	<u> --</u>	<u> 5,064</u>	<u> 581</u>
Deductions:			
<i>Administrative expenses</i>	--	548	--
<i>Payments to schools</i>	--	7,652	--
Total Deductions	<u> --</u>	<u> 8,200</u>	<u> --</u>
Change in Net Position	--	(3,136)	581
<i>Net Position-Beginning of the Year</i>	<u> 1</u>	<u> 3,143</u>	<u> 52,650</u>
<i>Net Position-End of the Year</i>	<u>\$ 1</u>	<u>\$ 7</u>	<u>\$ 53,231</u>

EXHIBIT C-34

Dismuke Estate Trust	Total Private-Purpose Trust Funds (See Exhibit A-8)
\$ 540	\$ 1,158
--	5,027
<u>540</u>	<u>6,185</u>
--	548
--	7,652
--	<u>8,200</u>
540	(2,015)
62,320	118,114
<u>\$ 62,860</u>	<u>\$ 116,099</u>

WALLER COUNTY, TEXAS*COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**AGENCY FUNDS**DECEMBER 31, 2017*

	Officers Agency Fund	Interchange Improvements Woods Road	Payroll Clearing Fund	Total Agency Funds (See Exhibit A-7)
ASSETS				
<i>Cash and cash equivalents</i>	\$ 14,144,547	\$ 972	\$ 309,864	\$ 14,455,383
Total Assets	<u>\$ 14,144,547</u>	<u>\$ 972</u>	<u>\$ 309,864</u>	<u>\$ 14,455,383</u>
<i>Accounts payable</i>	\$ --	\$ --	\$ 293,374	\$ 293,374
<i>Other payables and accruals</i>	--	--	16,490	16,490
<i>Due to other governments</i>	10,024,666	--	--	10,024,666
<i>Due to others</i>	4,119,881	972	--	4,120,853
Total Liabilities	<u>\$ 14,144,547</u>	<u>\$ 972</u>	<u>\$ 309,864</u>	<u>\$ 14,455,383</u>