

WALLER COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009



**WALLER COUNTY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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## Financial Section

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

**Independent Auditors' Report on Financial Statements**

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waller County, Texas as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Waller County, Texas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Waller County, Texas as of December 31, 2009 for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

*Rutledge Crain & Company, PC*

June 25, 2010

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## Management's Discussion and Analysis

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**WALLER COUNTY, TEXAS**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS*  
*DECEMBER 31, 2009*

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, 2009. We encourage readers to consider the information presented herein with the County's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The assets of the County exceeded its liabilities at the close of the fiscal year ended December 31, 2009, by \$21,658,015 (net assets). Of this amount, \$9,358,985 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by \$195,743.
- The County's governmental funds reported combined ending fund balances of \$8,914,912, a decrease of \$718,221 in comparison to the previous year. This decrease was a result of reduction of collections in redemption tax and fines and fees.
- The unreserved portion of the General Fund fund balance at the end of the year was \$3,605,433 or 26% of total General Fund expenditures and transfers out.
- Total General Obligation Debt of the County decreased by \$605,000 during the fiscal year. This decrease is due to the annual principal reduction on the certificates of obligation, authorized to be issued, designated for capital projects.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

## **WALLER COUNTY, TEXAS**

### *MANAGEMENT'S DISCUSSION AND ANALYSIS*

*DECEMBER 31, 2009*

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

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

**GOVERNMENTAL FUNDS:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains thirty three individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and Road and Bridge Fund each of which are considered to be major funds. Data from the other thirty one 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 2009, the County's net assets (assets exceeding liabilities) totaled \$21,658,015. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2).

**NET ASSETS:** The largest portion of the County's net assets, \$12,065,578 or 55 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

**WALLER COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2009**

County reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net assets of \$228,122, in the debt service fund, are restricted for future debt service payments. Net assets of \$5,330, in the capital projects fund are restricted for capital projects.

The remaining balance of unrestricted net assets, \$9,358,985 or 43 percent, may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1  
Condensed Statement of Net Assets

	2009	2008	Increase (Decrease)
<b>ASSETS</b>			
Current and other assets	\$29,773,375	\$29,817,024	(\$43,649)
Capital assets, net of depreciation	14,282,941	13,826,231	456,710
Total assets	<u>44,056,316</u>	<u>43,643,255</u>	<u>413,061</u>
<b>LIABILITIES</b>			
Long-term liabilities	4,640,732	4,444,548	196,184
Other liabilities	17,757,569	17,344,949	412,620
Total liabilities	<u>22,398,301</u>	<u>21,789,497</u>	<u>608,804</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	12,065,578	11,056,283	1,009,295
Restricted for debt service	228,122	217,527	10,595
Restricted for capital projects	5,330	20,461	(15,131)
Unrestricted	9,358,985	10,559,487	(1,200,502)
	<u>\$21,658,015</u>	<u>\$21,853,758</u>	<u>(\$195,743)</u>

**CHANGES IN NET ASSETS:** The net assets of the County decreased by \$195,148 for the fiscal year ended December 31, 2009.

**GOVERNMENTAL ACTIVITIES:** Governmental activities decreased the County's net assets by \$195,743 from the prior year. This was primarily the result of the reduction in collection of redemption tax and fines and fees.

**WALLER COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2009**

Table 2  
Changes in Net Assets

	2009	2008	Increase (Decrease)
<b>Program Revenues:</b>			
Charges for services	\$3,486,580	\$3,884,977	(\$398,397)
Operating grants and contributions	567,010	485,542	81,468
Capital grants and contributions	414,796	37,198	377,598
<b>General Revenues:</b>			
Property taxes	15,315,033	14,164,691	1,150,342
Interest	107,299	488,599	(381,300)
Miscellaneous	275,819	258,446	17,373
Gain (loss) on disposal of capital assets	23,916	(10,000)	33,916
<b>Total Revenues</b>	<b>20,190,453</b>	<b>19,309,453</b>	<b>881,000</b>
<b>Expenses:</b>			
General government	2,419,410	2,324,147	95,263
Financial administration	1,295,428	1,164,812	130,616
Public safety	5,425,335	5,036,432	388,903
Judicial	1,874,108	1,801,157	72,951
Legal	870,957	708,627	162,330
Public transportation	4,601,401	3,763,491	837,910
Culture and recreation	344,943	326,260	18,683
Nondepartmental	3,431,069	3,364,000	67,069
Interest & Fiscal Charges	123,545	178,459	(54,914)
<b>Total Expenses</b>	<b>20,386,196</b>	<b>18,667,385</b>	<b>1,718,811</b>
Increase (decrease) in net assets	(195,743)	642,068	(837,811)
Net assets, January 1	21,853,758	21,211,690	642,068
Net assets, December 31	\$21,658,015	\$21,853,758	(\$195,743)

## **WALLER COUNTY, TEXAS**

### *MANAGEMENT'S DISCUSSION AND ANALYSIS*

*DECEMBER 31, 2009*

## **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 \$8,914,912.

The General Fund is the main operating fund of the County. The General Fund had a decrease in fund balance of \$1,245,747 and at the end of the current fiscal year unreserved fund balance was \$3,605,433. Key factors of the decrease are as follows:

- A decrease in interest earnings of \$261,601 due to a decrease in the interest rate.
- A decrease in delinquent taxes of \$197,782 from the previous year 2008.
- An increase in expenditures such as the final payment for the telephone equipment system of \$147,032.
- An increase in expenditures of \$59,407 due to an increase from the appraisal district allocation.
- An increase in public safety expenditures partially due to the purchase of new uniforms and eight additional vehicles.
- Implemented two additional departments in animal control and recycling center (solid waste).
- Increase in indigent health care costs.

The Road and Bridge Fund had an increase in the fund balance of \$739,805 and at the end of the current fiscal year the unreserved fund balance was \$2,795,059. The total amount of revenues received for the Road & Bridge Fund was \$5.7 million and the expenditures were \$5.3 million. Key factors of the increases are as follows:

- An increase in ad valorem tax revenue of \$667,080.
- Increase in allocation of the maintenance and operating tax rate.
- Receipt of \$184,873 from WCF/LLC Company for road repairs for Cardiff Road.

**WALLER COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2009**

**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.

During the year there was a \$148,597 increase in estimated revenues between the original and final amended budget.

Following are the main components of the increase:

- LEOSE monies for Sheriff and Constables of \$8,214.
- Grimes County reimbursement of funds paid for 506th District Judge office \$51,368.
- District Attorney longevity of \$5,320.
- HGAC Agreement (911) Rural Addressing of \$52,877.

There was a positive variance between the final amended budget appropriations and the actual expenditures and transfers of \$1,707,001. Key highlights of the variance are as follows:

<u>Function</u>	<u>Final/Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
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**General Government**

All Others	\$1,687,017	\$1,208,590	\$478,427
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Positive variance caused by lower than projected expense for legal fees, mental commitments, and decreases in liability insurance and Trinity Health Clinic appropriations that were not expended.

**Public Safety**

Jail	\$1,581,763	\$1,519,342	\$62,421
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Positive variance caused by open jailer positions.

Sheriff Administration	\$2,150,909	\$2,087,679	\$63,230
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Positive variance caused by lower operating expenditures such as less out of state transports and less fuel and oil costs.

**Judicial**

Court Expense	\$487,271	\$333,915	\$153,356
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Positive variance caused by the utilization of formula grant funds in lieu of County funds.

# WALLER COUNTY, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2009

### Non-departmental

Indigent Health	\$960,238	\$501,980	\$458,258
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Budget based upon 8% of County General revenue tax levy by law. Balance of expenses incurred on inpatient hospital, prescriptions and physician services.

Health Insurance	\$1,664,673	\$1,340,913	\$323,760
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Positive variance caused by unexpected credits from T A C for health insurance and over budgeting of workers compensation expenditures.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**CAPITAL ASSETS:** The County's investment in capital assets as of December 31, 2009, totals \$14,282,941 (net of accumulated depreciation). Investment in capital assets includes land, buildings, and infrastructure. The total decrease in the County's investment in capital assets for the current year was 3 percent.

Table 3  
Capital Assets at Year End  
Net of Accumulated Depreciation

ASSETS	Governmental Activities		Percent Change
	2009	2008	
Land	\$440,814	\$440,814	0.00%
Buildings	1,034,195	982,328	5.28%
Roads	9,604,713	9,427,417	1.88%
Bridges	645,415	727,914	-11.33%
Machinery and equipment	2,557,804	2,247,760	13.79%
Total capital assets	<u>\$14,282,941</u>	<u>\$13,826,233</u>	3.30%

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 \$4,640,732. Of this amount, \$2,675,000 is composed of certificates of obligation debt for public improvement, with principal due annually through 2013 with interest due semi-annually. Capital lease obligations for equipment in the amount of \$217,965 are payable from annual appropriations of the General Fund. The remainder of the debt consists of compensated absences payable of \$401,687, and a liability for unfunded other post employment benefits of \$1,346,080.

**WALLER COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2009**

Table 4  
 Outstanding Debt at Year End

Type of Debt	Governmental Activities	
	2009	2008
Certificates of obligation	\$2,675,000	\$3,280,000
Capitalized lease obligations	217,965	143,014
Compensated absences	401,687	348,494
Liability for unfunded OPEB	1,346,080	673,040
Total	<u>\$4,640,732</u>	<u>\$4,444,548</u>

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Waller County's unemployment rate is 8.2% at December 31, 2009. The population for the 2000 census was 32,663, and the estimated population at December 31, 2009 is 36,530.

For fiscal year 2010, the Commissioners' Court adopted a budget of \$22,856,552 in estimated revenues and a property tax rate of 0.657000 per hundred dollars of taxable value. This was an increase of .014469 over fiscal year 2009. This is estimated to provide an overall tax increase of \$1,064,972 over the 2009 budget. \$2,413,952 of the reserves were allocated to balance the budget for 2010.

**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.

## Basic Financial Statements

**WALLER COUNTY, TEXAS**

## STATEMENT OF NET ASSETS

DECEMBER 31, 2009

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 8,980,572
Investments	5,480,614
Receivables (net of allowances for uncollectibles)	14,429,555
Inventories	820,970
Prepaid items	40,620
Deferred charges	21,044
Capital assets (net of accumulated depreciation)	
Land	440,814
Buildings	1,034,195
Roads	9,604,713
Bridges	645,415
Machinery and equipment	2,557,804
Total Assets	<u>44,056,316</u>
<b>LIABILITIES</b>	
Accounts payable	197,940
Other payables and accruals	393,718
Due to other governments	863,894
Due to others	31,392
Unearned revenue	16,270,625
Noncurrent liabilities:	
Due within one year	804,371
Due in more than one year	3,836,361
Total Liabilities	<u>22,398,301</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	12,065,578
Restricted For:	
Debt Service	228,122
Capital Projects	5,330
Unrestricted	9,358,985
Total Net Assets	<u>\$ 21,658,015</u>

The accompanying notes are an integral part of this statement.

**WALLER COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 2,419,410	\$ 450,750	\$ 138,212	\$ --	\$ (1,830,448)
Financial administration	1,295,428	93,241	--	--	(1,202,187)
Public Safety	5,425,335	119,242	269,074	92,526	(4,944,493)
Judicial	1,874,108	1,266,012	44,259	--	(563,837)
Legal	870,957	247,477	64,097	--	(559,383)
Public transportation	4,601,401	1,264,852	--	308,452	(3,028,097)
Culture and recreation	344,943	4,873	51,368	13,818	(274,884)
Nondepartmental	3,431,069	40,133	--	--	(3,390,936)
Interest on long-term debt	123,545	--	--	--	(123,545)
Total governmental activities	<u>20,386,196</u>	<u>3,486,580</u>	<u>567,010</u>	<u>414,796</u>	<u>(15,917,810)</u>
Total Primary Government	<u>\$ 20,386,196</u>	<u>\$ 3,486,580</u>	<u>\$ 567,010</u>	<u>\$ 414,796</u>	<u>(15,917,810)</u>
General Revenues:					
Taxes					15,315,033
Unrestricted Investment Earnings					107,299
Miscellaneous					275,819
Gain on Disposal of Capital Assets					23,916
Total General Revenues					<u>15,722,067</u>
Change in Net Assets					(195,743)
Net Assets - Beginning					21,853,758
Net Assets - Ending					<u>\$ 21,658,015</u>

The accompanying notes are an integral part of this statement.

**WALLER COUNTY, TEXAS**

## BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2009

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,695,795	\$ 2,025,886	\$ 258,011	\$ 8,979,692
Investments	1,317,065	1,717,811	2,445,738	5,480,614
Receivables (net of allowances for uncollectibles):				
Taxes	10,262,405	2,139,413	543,316	12,945,134
Fines	1,069,748	307,296	23,456	1,400,500
Accounts	3,360	--	--	3,360
Intergovernmental	51,368	--	29,193	80,561
Due from other funds	170,991	--	--	170,991
Total Assets	<u>\$ 19,570,732</u>	<u>\$ 6,190,406</u>	<u>\$ 3,299,714</u>	<u>\$ 29,060,852</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 153,068	\$ 31,055	\$ 13,817	\$ 197,940
Other payables and accruals	311,728	27,103	4,289	343,120
Due to other funds	--	144,398	26,593	170,991
Due to other governments	863,894	--	--	863,894
Due to others	30,514	--	--	30,514
Deferred revenue	10,590,500	2,419,937	563,250	13,573,687
Taxes collected in advance	3,981,471	772,854	211,469	4,965,794
Total Liabilities	<u>15,931,175</u>	<u>3,395,347</u>	<u>819,418</u>	<u>20,145,940</u>
<b>Fund balances:</b>				
<b>Reserved for:</b>				
Debt service	--	--	168,757	168,757
Other purposes	34,124	--	--	34,124
<b>Unreserved, reported in</b>				
General fund	3,605,433	--	--	3,605,433
Special revenue funds	--	2,795,059	2,113,859	4,908,918
Capital projects funds	--	--	197,680	197,680
Total fund balances	<u>3,639,557</u>	<u>2,795,059</u>	<u>2,480,296</u>	<u>8,914,912</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 19,570,732</u>	<u>\$ 6,190,406</u>	<u>\$ 3,299,714</u>	<u>\$ 29,060,852</u>

The accompanying notes are an integral part of this statement.

**WALLER COUNTY, TEXAS**
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 DECEMBER 31, 2009**

Total fund balances - governmental funds balance sheet	\$ 8,914,912
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	14,282,940
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,556,059
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,675,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(217,965)
Payables for bond interest which are not due in the current period are not reported in the funds.	(50,596)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(401,687)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	882,634
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	712,798
Liability for unfunded retiree insurance benefits which is not due in current period is not reported in the funds.	<u>(1,346,080)</u>
Net assets of governmental activities - statement of net assets	<u>\$ 21,658,015</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, 2009

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 10,182,851	\$ 4,256,916	\$ 735,393	\$ 15,175,160
Licenses and permits	79,871	1,080,561	--	1,160,432
Intergovernmental	369,807	28,961	559,020	957,788
Charges for services	449,230	--	--	449,230
Fines	884,705	130,291	277,794	1,292,790
Interest	72,094	23,817	12,414	108,325
Miscellaneous	379,681	209,523	119,049	708,253
Total revenues	<u>12,418,239</u>	<u>5,730,069</u>	<u>1,703,670</u>	<u>19,851,978</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	2,392,404	--	160,646	2,553,050
Financial administration	1,284,239	--	--	1,284,239
Public Safety	4,801,428	--	570,544	5,371,972
Judicial	1,796,003	--	53,832	1,849,835
Legal	612,076	--	249,134	861,210
Public transportation	--	4,841,803	--	4,841,803
Culture and recreation	307,046	--	39,636	346,682
Nondepartmental	2,443,057	412,926	135,330	2,991,313
<b>Debt service:</b>				
Principal	--	--	605,000	605,000
Interest and fiscal charges	--	--	129,560	129,560
Total expenditures	<u>13,636,253</u>	<u>5,254,729</u>	<u>1,943,682</u>	<u>20,834,664</u>
Excess (deficiency) of revenues over (under) expenditures	(1,218,014)	475,340	(240,012)	(982,686)
<b>Other financing sources (uses):</b>				
Transfers in	--	--	46,457	46,457
Transfers out	(27,733)	--	(18,724)	(46,457)
Gain (Loss) on Sale of Capital Assets	--	46,500	--	46,500
Proceeds from capital lease	--	217,965	--	217,965
Total other financing sources (uses)	<u>(27,733)</u>	<u>264,465</u>	<u>27,733</u>	<u>264,465</u>
Net change in fund balances	(1,245,747)	739,805	(212,279)	(718,221)
Fund balances, January 1	4,885,304	2,055,254	2,692,575	9,633,133
Fund balances, December 31	<u>\$ 3,639,557</u>	<u>\$ 2,795,059</u>	<u>\$ 2,480,296</u>	<u>\$ 8,914,912</u>

The accompanying notes are an integral part of this statement.

**WALLER COUNTY, TEXAS**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009

Net change in fund balances - total governmental funds	\$ (718,221)
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	2,093,545
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,737,832)
Trade-in or disposal of capital assets decrease net assets in the SOA but not in the funds.	(22,584)
Donations of capital assets increase net assets in the SOA but not in the funds.	123,579
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	139,875
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	71,128
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	605,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	143,014
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(5,859)
(Increase) decrease in accrued interest from beginning of period to end of period.	6,016
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(53,506)
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	51,106
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(217,965)
Retiree insurance contributions are reported as amount earned in the SOA but as the amount paid in the funds.	(673,039)
Change in net assets of governmental activities - statement of activities	<u>\$ (195,743)</u>

The accompanying notes are an integral part of this statement.

**WALLER COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2009**

	Private-purpose Trust Funds	Agency Funds
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ --	\$ 8,228,581
Investments	114,157	--
Capital assets	1	--
Total Assets	<u>114,158</u>	<u>8,228,581</u>
<b>LIABILITIES</b>		
Due to other funds	--	3,322,926
Due to other governments	--	1,205,197
Due to others	--	3,700,458
Total Liabilities	<u>--</u>	<u>8,228,581</u>
<b>NET ASSETS</b>		
Held in trust	<u>\$ 114,158</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

**WALLER COUNTY, TEXAS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Private- Purpose Trusts
<b>Additions:</b>	
Interest	\$ 529
Miscellaneous	6,162
Total Additions	<u>6,691</u>
<b>Deductions:</b>	
Administrative Expenses	3,370
Payments to schools	12,102
Total Deductions	<u>15,472</u>
<b>Change in Net Assets</b>	<b>(8,781)</b>
Net Assets-Beginning of the Year	122,939
Net Assets-End of the Year	<u>\$ 114,158</u>

The accompanying notes are an integral part of this statement.

# WALLER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2009

### 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 governmental, financial administration, public safety, judicial, legal, public transportation, culture and recreation, and nondepartmental expenditures.

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

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

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

#### B. Government-wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the economic *resources measurement focus* and the accrual *basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**WALLER COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2009

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

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

Additionally, the County reports the following fund types:

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

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

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

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

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

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

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

**WALLER COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2009

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

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

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

2. Receivables and payables

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

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

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

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

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**WALLER COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2009

4. Capital assets

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

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

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

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

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

5. Compensated absences

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

6. Long-term obligations

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

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

**WALLER COUNTY, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended December 31, 2009

7. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Fund balance was reserved or designated as follows:

General Fund	
Reserved for Administration of Justice	\$14,635
Reserved for Library	245
Reserved for Library - Brookshire	167
Reserved for LEOSE	<u>19,077</u>
Total General Fund reserved fund balance	<u>\$34,124</u>
Debt Service Fund	
Reserved for Debt Service	<u>\$168,757</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 assets:

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Other long-term assets are not available to pay for current-period expenditures and are deferred in the funds." The details of this \$882,634 difference are as follows:

Prepaid expense	\$ 40,620
Inventory	820,970
Bond issuance costs	<u>21,044</u>
	<u>\$882,634</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains 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 \$71,128 difference are as follows:

Change in inventory balances	\$ 88,577
Change in prepaid insurance balances	<u>(17,449)</u>
	<u>\$ 71,128</u>

**III. DETAILED NOTES ON ALL FUNDS**

- A. Deposits and investments

Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$13,886,227. All of the bank balance of \$14,521,371 was covered by federal deposit insurance and 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 face value of \$67,487,554 and fair value of \$23,192,233.

**WALLER COUNTY, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended December 31, 2009

Investments

As of December 31, 2009, the County had the following investments:

Investment type	Fair Value	Years to Maturity
Government sponsored investment pool (TexPool)	\$3,756,807	N/A
MBIA Private Investment Pool	1,837,964	N/A
Total Fair Value	\$5,594,771	

*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.

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

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

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

TexPool and MBIA are external investment pools and are not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Funds Investment Act provide for creation of public funds investments pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The fair value of investments in the pools are independently reviewed monthly. At December 31, 2009 the fair value of the County's positions in the pools approximate the fair value of the shares.

# WALLER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2009

### B. Receivables

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

	General	Road and Bridge	NonMajor Other Funds	Total
Taxes receivable	\$10,560,534	\$2,234,509	\$559,127	\$13,354,170
Less allowance	(298,129)	(95,096)	(15,811)	(409,036)
	<u>\$10,262,405</u>	<u>\$2,139,413</u>	<u>\$543,316</u>	<u>\$12,945,134</u>
Fines receivable	\$1,457,586	\$680,964	\$51,588	\$2,190,138
Less allowance	(387,838)	(373,669)	(28,132)	(789,639)
	<u>\$1,069,748</u>	<u>\$307,295</u>	<u>\$23,456</u>	<u>\$1,400,499</u>
Accounts receivable	<u>\$3,360</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$3,360</u>
Intergovernmental	<u>\$51,368</u>	<u>\$ --</u>	<u>\$29,193</u>	<u>\$80,561</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)	\$381,690	\$ --	\$381,690
Fines receivable (Road & Bridge Fund)	307,295	--	307,295
Fines Receivable (Nonmajor Special Revenue Funds)	23,813	--	23,813
Grant Revenue (Grant Fund)	--	--	0
Current tax levy receivable (2009) (General Fund)	--	9,069,888	9,069,888
Current tax levy receivable (2009) (Road & Bridge Fund)	--	1,754,872	1,754,872
Current tax levy receivable (2009) (Debt Service Fund)	--	480,071	480,071
Taxes collected in advance (General Fund)	--	3,981,471	3,981,471
Taxes collected in advance (Road & Bridge Fund)	--	772,854	772,854
Taxes collected in advance (Debt Service Fund)	--	211,469	211,469
Delinquent property taxes receivable (General Fund)	1,138,922	--	1,138,922
Delinquent property taxes receivable (Road & Bridge Fund)	357,771	--	357,771
Delinquent property taxes receivable (Debt Service Fund)	<u>59,365</u>	<u>--</u>	<u>59,365</u>
Total deferred/unearned revenue for governmental funds	<u>\$2,268,856</u>	<u>\$16,270,625</u>	<u>\$18,539,481</u>

Reported in financial statements as:

Deferred revenue	\$13,573,687
Taxes collected in advance	<u>4,965,794</u>
Total	<u>\$18,539,481</u>

**WALLER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended December 31, 2009

C. Capital assets

Capital asset activity for the year ended December 31, 2009:

	Balance 12/31/08	Additions	Retirements	Completed Construction	Balance 12/31/09
<b>GOVERNMENTAL ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$440,814	\$ --	--	\$ --	\$440,814
Construction in progress	--	--	--	--	--
Total capital assets not being depreciated	440,814	--	--	--	440,814
Capital assets, being depreciated:					
Buildings and improvements	4,727,681	205,432	--	--	4,933,113
Roads	13,803,056	962,160	(141,929)	--	14,623,287
Bridges	3,522,706	--	--	--	3,522,706
Machinery and equipment	6,832,669	1,049,531	(853,380)	--	7,028,820
Total capital assets being depreciated	29,886,112	2,217,123	(995,309)	--	30,107,926
Less accumulated depreciation for:					
Buildings	(3,745,353)	(153,565)	--	--	(3,898,918)
Roads	(4,375,638)	(784,865)	141,929	--	(5,018,574)
Bridges	(2,794,792)	(82,499)	--	--	(2,877,291)
Machinery and equipment	(4,584,910)	(716,903)	830,797	--	(4,471,016)
Total accumulated depreciation	(15,500,693)	(1,737,832)	972,726	--	(16,265,799)
Total capital assets being depreciated, net	13,385,419	479,291	(22,583)	--	13,842,127
Governmental activities capital assets, net	\$13,826,233	\$479,291	(\$22,583)	\$ --	\$14,282,941

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

Governmental activities:

General government	\$77,554
Financial administration	11,859
Public safety	312,984
Judicial	17,229
Legal	6,375
Public transportation	1,302,188
Culture and recreation	1,620
Nondepartmental	8,023
Total depreciation expense - governmental activities	<u>\$1,737,832</u>

**WALLER COUNTY, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended December 31, 2009

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2009 is as follows:

Fund	Receivable	Payable
<b>Major Governmental Funds</b>		
General Fund	\$170,991	\$ --
Road and Bridge	--	\$144,398
Total major funds	170,991	144,398
<b>Nonmajor Governmental Funds</b>		
Elections	--	26,593
Total Nonmajor Governmental Funds	--	26,593
Total	\$170,991	\$170,991

Interfund receivables and payables arise because of overdrafts in pooled cash.

Interfund transfers:

Fund	Transfer In	Transfer Out
<b>Major Governmental Funds</b>		
General Fund	\$ --	\$27,733
Total Major Funds	--	27,733
<b>Nonmajor Governmental Funds</b>		
Courthouse Security	--	18,724
Justice Court Security	18,724	--
Grant Fund	27,733	--
Total Nonmajor governmental funds	46,457	18,724
Totals	\$46,457	\$46,457

Interfund transfers arise because of the subsidy of the Grant fund by the General Fund, and a transfer of operating funds from the Courthouse Security Fund to the newly created Justice Court Security fund.

# WALLER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2009

### E. Long-term debt

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

#### General Debt Currently Outstanding:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 12/31/09
General Long-Term Debt Issues					
Certificates of Obligation:					
Construction and repairs	\$6,000,000	9/10/03	8/01/13	3.95%	\$2,675,000
Total General Long-Term Debt					<u>\$2,675,000</u>

#### Annual debt service requirements to maturity for general debt:

Year	General Obligation Bonds		Total
	Principal	Interest	
2010	\$630,000	\$105,662	\$735,662
2011	655,000	80,778	735,778
2012	680,000	54,905	734,905
2013	710,000	28,045	738,045
Total	<u>\$2,675,000</u>	<u>\$269,390</u>	<u>\$2,944,390</u>

#### Capital Lease Obligations Currently Outstanding:

	Original	Date of	Final	Interest	Balance
Telephone System	\$217,965	2/05/09	2/25/14	3.650%	<u>\$217,965</u>

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

Year	Total
2010	\$48,565
2011	\$48,565
2012	\$48,565
2013	48,565
2014	<u>48,565</u>
Total payments	242,825
Less imputed interest	<u>(24,860)</u>
Total Capital Lease Obligations	<u>\$217,965</u>

**WALLER COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2009

**CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2009 was as follows:

	Balance 12/31/08	Additions	Retirements	Balance 12/31/09	Due Within One Year
<b>Governmental activities:</b>					
Certificates of obligation	\$3,280,000	\$ --	(\$605,000)	\$2,675,000	\$630,000
Capital lease obligations	143,014	217,965	(143,014)	217,965	40,475
Compensated absences	348,494	401,687	(348,494)	401,687	133,896
Liability for unfunded OPEB	673,040	673,040	--	1,346,080	--
<b>Governmental activity Long-Term Liabilities</b>	<b>\$4,444,548</b>	<b>\$1,292,692</b>	<b>(\$1,096,508)</b>	<b>\$4,640,732</b>	<b>\$804,371</b>

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

**V. OTHER INFORMATION**

**A. Risk management**

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

**B. Contingent Liabilities and Commitments**

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

The County is defendant in various lawsuits which normally occur in governmental operations. At December 31, 2009 after consultation with the County's attorney, it appears that these legal proceedings are not likely to have a material adverse impact on the County.

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

**C. Employee Retirement Systems and Pension Plans**

**1. Plan Description**

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 586 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, 78768-2034.

# WALLER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2009

The plan provisions are adopted by the County commissioners' court, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the County commissioners' court within the constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contribution and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

### 2. Funding Policy

The County has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 7% for calendar year 2009.

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

### 3. Annual Pension Cost

For the County's accounting year ended December 31, 2009, the annual pension cost for the TCDRS plan for its employees was \$601,833 and the actual contributions were \$601,833.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2007, the basis for determining the contribution rates for calendar year 2009. The December 31, 2008 actuarial valuation is the most recent valuation.

# WALLER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2009

### Actuarial Valuation Information

Actuarial valuation date	12/31/08	12/31/07	12/31/06
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	20.0	5.1	6.4
Actuarial valuation method	SAF: 10-yr smoothed value. ESF: Fund Value	SAF: 10-yr smoothed value. ESF: Fund Value	SAF: 10-yr smoothed value. ESF: Fund Value
Actuarial assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.30%	5.30%	5.30%
Inflation	3.50%	3.50%	3.50%
Cost-of-living adjustments	0.00%	0.00%	0.00%

### Trend Information

Accounting year ended	12/31/09	12/31/08	12/31/07
Annual Pension Cost (APC)	\$601,833	\$576,035	\$513,683
Percentage of APC Contributed	100.00%	100.00%	100.00%
Net Pension Obligation	\$ --	\$ --	\$ --

### Actuarial Valuation Information

	12/31/08	12/31/07	12/31/06
Actuarial valuation date			
Actuarial value of assets	\$15,788,048	\$16,395,442	\$15,013,329
Actuarial Accrued Liability (AAL)	\$17,697,086	\$16,929,656	\$15,598,426
Unfunded AAL (UAAL)	\$1,909,038	\$534,214	\$585,097
Funded Ratio	89.21%	96.84%	96.25%
Annual Covered Payroll (actuarial)	\$7,589,444	\$6,714,853	\$6,238,260
UAAL as a Percentage of Covered Payroll	25.15%	7.96%	9.38%

#### D. Other Post-Employment Benefits (OPEB)

##### 1. Plan Description

###### General

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

**WALLER COUNTY, TEXAS**  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended December 31, 2009

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 an actuarial study from an outside consultant to quantify the amount of the County's OPEB obligations. This study indicates an unfunded actuarial accrued liability as of December 31, 2008 of approximately \$10,045,318.

OPEB Plan Eligibility

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

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

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

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

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

Health Care Benefit

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

2. Funding Policies

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

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

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

**WALLER COUNTY, TEXAS**  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended December 31, 2009

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	29

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

Year Ended	OPEB Plan			
	Annual			Net
	OPEB	County	Percentage	OPEB
	Cost	Contribution	Contributed	Liability
December 31, 2009	\$908,261	\$235,221	25.9%	\$673,040

Since the plan is required to have an actuarial valuation biennially, the county accrued the same amount for the year ended December 31, 2009 as it did in 2008.

**E. Concentrations of Credit Risk**

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

## Required Supplementary Information

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

**WALLER COUNTY, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2009

**EXHIBIT B-1**  
Page 1 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 10,235,513	\$ 10,235,513	\$ 10,182,851	\$ (52,662)
Licenses and permits	89,000	89,000	79,871	(9,129)
Intergovernmental	345,342	364,638	369,807	5,169
Charges for services	361,120	361,120	449,230	88,110
Fines	925,650	925,650	884,705	(40,945)
Interest	333,695	333,695	72,094	(261,601)
Miscellaneous	141,062	270,363	379,681	109,318
Total revenues	<u>12,431,382</u>	<u>12,579,979</u>	<u>12,418,239</u>	<u>(161,740)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
Commissioners' Court	371,150	393,450	382,109	11,341
County Clerk	587,872	643,497	611,091	32,406
Veterans Services	18,422	18,422	17,057	1,365
All Others	1,839,450	1,687,017	1,208,590	478,427
County Court	5,500	5,500	5,240	260
County Judge	175,467	174,890	168,317	6,573
Total General Government	<u>2,997,861</u>	<u>2,922,776</u>	<u>2,392,404</u>	<u>530,372</u>
<b>Financial Administration</b>				
County Auditor	256,933	256,933	251,135	5,798
County Treasurer	201,625	201,625	199,012	2,613
Central Appraisal District	338,981	338,981	331,796	7,185
Tax Assessor Collector	506,475	520,324	502,296	18,028
Total Financial Administration	<u>1,304,014</u>	<u>1,317,863</u>	<u>1,284,239</u>	<u>33,624</u>
<b>Public Safety</b>				
Short Term Detention	269,220	269,220	236,761	32,459
Jail	1,512,263	1,581,763	1,519,342	62,421
Juvenile Probation	133,862	133,381	133,058	323
Domestic Violence Grant	49,142	53,932	52,756	1,176
Constable Precinct Number One	43,029	46,939	41,425	5,514
Constable Precinct Number Two	45,949	52,986	47,705	5,281
Constable Precinct Number Three	66,079	70,422	70,314	108
Constable Precinct Number Four	42,008	48,752	40,356	8,396
Health and Wellness Grant	13,522	62,911	37,867	25,044
Sheriff Administration	2,152,049	2,150,909	2,087,679	63,230
Sheriff Communication	423,990	423,990	402,394	21,596
Law Enforcement Vehicle Maintenance	55,000	62,500	57,744	4,756
Community Supervision Corrections	10,500	10,500	9,050	1,450
Juvenile Board	5,532	5,532	5,425	107
Department of Public Safety	11,500	11,500	1,410	10,090
Juvenile Detention	6,192	61,914	57,760	4,154
911 Grant	--	577	382	195
Total Public Safety	<u>4,839,837</u>	<u>5,047,728</u>	<u>4,801,428</u>	<u>246,300</u>

**WALLER COUNTY, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2009

**EXHIBIT B-1**  
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Judicial</b>				
District Judge - 506th District	\$ 156,189	\$ 156,189	\$ 131,191	\$ 24,998
District Judge - 155th District	42,061	42,061	41,259	802
County Court at Law	261,399	261,399	257,357	4,042
District Court	63,543	65,272	49,329	15,943
Justice Court	2,200	2,200	1,730	470
District Clerk	329,234	329,234	326,243	2,991
Justice of the Peace Precinct Number One	156,808	156,808	151,897	4,911
Justice of the Peace Precinct Number Two	122,580	122,580	117,955	4,625
Justice of the Peace Precinct Number Three	111,436	111,666	109,366	2,300
Justice of the Peace Precinct Number Four	199,714	199,714	198,310	1,404
Court Expense	539,000	487,271	333,915	153,356
Judicial Order	90,000	90,000	77,451	12,549
<b>Total Judicial</b>	<u>2,074,164</u>	<u>2,024,394</u>	<u>1,796,003</u>	<u>228,391</u>
<b>Legal</b>				
Criminal D.A.	615,338	619,145	612,076	7,069
<b>Total Legal</b>	<u>615,338</u>	<u>619,145</u>	<u>612,076</u>	<u>7,069</u>
<b>Culture and Recreation</b>				
County Library	295,136	298,310	275,046	23,264
Waller County Historical Commission	15,000	15,000	15,000	--
County Museum	17,000	17,000	17,000	--
<b>Total Culture and Recreation</b>	<u>327,136</u>	<u>330,310</u>	<u>307,046</u>	<u>23,264</u>
<b>Nondepartmental</b>				
Other Services and Charges	15,000	15,000	7,846	7,154
Indigent Health	960,238	960,238	501,980	458,258
Extension Service	150,267	150,267	147,187	3,080
Capital Outlay	2,500	2,500	126	2,374
Employee Benefits	1,665,271	1,664,673	1,340,913	323,760
Maintenance of Buildings	400,100	450,100	445,005	5,095
<b>Total Nondepartmental</b>	<u>3,193,376</u>	<u>3,242,778</u>	<u>2,443,057</u>	<u>799,721</u>
<b>Total expenditures</b>	<u>15,351,726</u>	<u>15,504,994</u>	<u>13,636,253</u>	<u>1,868,741</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,920,344)</u>	<u>(2,925,015)</u>	<u>(1,218,014)</u>	<u>1,707,001</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,975,344	2,987,290	--	(2,987,290)
Transfers out	(55,000)	(62,275)	(27,733)	34,542
<b>Total other financing sources (uses)</b>	<u>2,920,344</u>	<u>2,925,015</u>	<u>(27,733)</u>	<u>(2,952,748)</u>
<b>Net change in fund balances</b>	<u>--</u>	<u>--</u>	<u>(1,245,747)</u>	<u>(1,245,747)</u>
<b>Fund balance, January 1</b>	<u>4,885,304</u>	<u>4,885,304</u>	<u>4,885,304</u>	<u>--</u>
<b>Fund balance, December 31</b>	<u>\$ 4,885,304</u>	<u>\$ 4,885,304</u>	<u>\$ 3,639,557</u>	<u>\$ (1,245,747)</u>

**WALLER COUNTY, TEXAS**  
ROAD AND BRIDGE  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 4,100,927	\$ 4,100,927	\$ 4,256,916	\$ 155,989
Licenses and permits	1,295,000	1,295,000	1,080,561	(214,439)
Intergovernmental	39,000	39,000	28,961	(10,039)
Fines	115,000	115,000	130,291	15,291
Interest	77,000	77,000	23,817	(53,183)
Miscellaneous	10,626	458,363	209,523	(248,840)
<b>Total revenues</b>	<u>5,637,553</u>	<u>6,085,290</u>	<u>5,730,069</u>	<u>(355,221)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public Transportation				
Road and Bridge Administration	439,866	448,346	434,500	13,846
Road and Bridge Maintenance	4,769,099	5,208,356	4,407,303	801,053
<b>Total Public Transportation</b>	<u>5,208,965</u>	<u>5,656,702</u>	<u>4,841,803</u>	<u>814,899</u>
Nondepartmental				
Employee Benefits	500,000	500,000	412,926	87,074
<b>Total Nondepartmental</b>	<u>500,000</u>	<u>500,000</u>	<u>412,926</u>	<u>87,074</u>
<b>Total expenditures</b>	<u>5,708,965</u>	<u>6,156,702</u>	<u>5,254,729</u>	<u>901,973</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(71,412)	(71,412)	475,340	546,752
<b>Other financing sources (uses):</b>				
Transfers in	71,412	71,412	--	(71,412)
Gain (Loss) on Sale of Capital Assets	--	--	46,500	46,500
Proceeds from capital lease	--	--	217,965	217,965
<b>Total other financing sources (uses)</b>	<u>71,412</u>	<u>71,412</u>	<u>264,465</u>	<u>193,053</u>
<b>Net change in fund balances</b>	--	--	739,805	739,805
<b>Fund balance, January 1</b>	2,055,254	2,055,254	2,055,254	--
<b>Fund balance, December 31</b>	<u>\$ 2,055,254</u>	<u>\$ 2,055,254</u>	<u>\$ 2,795,059</u>	<u>\$ 739,805</u>

# WALLER COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2009

## STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### A. Budgetary Information

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

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

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

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. No amendments may be made without Commissioners' Court approval to the total budget for each department within a fund. Thus, the legal level of budgetary control is at the department level. The General Fund appropriations were increased by \$153,268 during the year, while the Road and Bridge Fund appropriations were increased by \$447,737. The additional appropriations were budgeted to be paid by additional revenues.

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

### B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2009, the following funds had expenditures exceeding appropriations:

Special Revenue Funds:	
Chapter 19 Voters Registration	\$3

**WALLER COUNTY, TEXAS**  
**SCHEDULE OF FUNDING PROGRESS - OPEB**  
*Year Ended December 31, 2009*

**EXHIBIT B-3**

Valuation Date	Actuarial Valuation of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Asset (Liability) (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
(1)	(2)	(3)	(2) - (3) (4)	(2)/(3) (5)	(6)	(4)/(6) (7)
12/31/08	N/A	\$10,045,318	(\$10,045,318)	0.00%	\$7,802,152	129.00%
12/31/09 A.	N/A	\$10,045,318	(\$10,045,318)	0.00%	\$7,802,152	129.00%

A. The plan receives an actuarial valuation biennially.

## **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, 2009**

	Special Revenue Funds	Debt Service Fund	Capital Projects Construction	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 118,126	\$ 139,885	\$ --	\$ 258,011
Investments	2,011,597	236,461	197,680	2,445,738
Receivables (net of allowances for uncollectibles):				
Taxes	--	543,316	--	543,316
Fines	23,456	--	--	23,456
Intergovernmental	29,193	--	--	29,193
Total Assets	<u>\$ 2,182,372</u>	<u>\$ 919,662</u>	<u>\$ 197,680</u>	<u>\$ 3,299,714</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 13,817	\$ --	\$ --	\$ 13,817
Other payables and accruals	4,289	--	--	4,289
Due to other funds	26,593	--	--	26,593
Deferred revenue	23,814	539,436	--	563,250
Taxes collected in advance	--	211,469	--	211,469
Total Liabilities	<u>68,513</u>	<u>750,905</u>	<u>--</u>	<u>819,418</u>
<b>Fund balances:</b>				
Reserved for:				
Debt service	--	168,757	--	168,757
Unreserved, reported in				
Special revenue funds	2,113,859	--	--	2,113,859
Capital projects funds	--	--	197,680	197,680
Total fund balances	<u>2,113,859</u>	<u>168,757</u>	<u>197,680</u>	<u>2,480,296</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,182,372</u>	<u>\$ 919,662</u>	<u>\$ 197,680</u>	<u>\$ 3,299,714</u>

**WALLER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Funds	Debt Service Fund	Capital Projects Construction	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>Revenues:</b>				
Taxes	\$ --	\$ 735,393	\$ --	\$ 735,393
Intergovernmental	559,020	--	--	559,020
Fines	277,794	--	--	277,794
Interest	8,893	1,880	1,641	12,414
Miscellaneous	119,049	--	--	119,049
Total revenues	<u>964,756</u>	<u>737,273</u>	<u>1,641</u>	<u>1,703,670</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	160,646	--	--	160,646
Public Safety	383,772	--	186,772	570,544
Judicial	53,832	--	--	53,832
Legal	249,134	--	--	249,134
Culture and recreation	39,636	--	--	39,636
Nondepartmental	135,330	--	--	135,330
<b>Debt service:</b>				
Principal	--	605,000	--	605,000
Interest and fiscal charges	--	129,560	--	129,560
Total expenditures	<u>1,022,350</u>	<u>734,560</u>	<u>186,772</u>	<u>1,943,682</u>
Excess (deficiency) of revenues over (under) expenditures	(57,594)	2,713	(185,131)	(240,012)
<b>Other financing sources (uses):</b>				
Transfers in	46,457	--	--	46,457
Transfers out	(18,724)	--	--	(18,724)
Total other financing sources (uses)	<u>27,733</u>	<u>--</u>	<u>--</u>	<u>27,733</u>
Net change in fund balances	(29,861)	2,713	(185,131)	(212,279)
Fund balances, January 1	2,143,720	166,044	382,811	2,692,575
Fund balances, December 31	<u>\$ 2,113,859</u>	<u>\$ 168,757</u>	<u>\$ 197,680</u>	<u>\$ 2,480,296</u>

**WALLER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2009**

	D.A. Warrant Seizure	District Attorney Apportionment	Constable Precinct #3 LEOSE	Sheriff Forfeiture
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,847	\$ 14,344	\$ 14	\$ 8,959
Investments	--	--	--	--
Receivables (net of allowances for uncollectibles):				
Fines	--	--	--	--
Intergovernmental	--	--	--	--
<b>Total Assets</b>	<u>\$ 3,847</u>	<u>\$ 14,344</u>	<u>\$ 14</u>	<u>\$ 8,959</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Other payables and accruals	--	--	--	--
Due to other funds	--	--	--	--
Deferred revenue	--	--	--	--
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Fund balances:</b>				
Unreserved	3,847	14,344	14	8,959
<b>Total fund balances</b>	<u>3,847</u>	<u>14,344</u>	<u>14</u>	<u>8,959</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,847</u>	<u>\$ 14,344</u>	<u>\$ 14</u>	<u>\$ 8,959</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>
\$ 26,167	\$ 1,421	\$ --	\$ 5,114	\$ 140
--	--	66,646	--	84,428
--	--	--	--	--
--	--	--	--	--
<u>\$ 26,167</u>	<u>\$ 1,421</u>	<u>\$ 66,646</u>	<u>\$ 5,114</u>	<u>\$ 84,568</u>
\$ --	\$ --	\$ --	\$ --	\$ 12,360
--	--	--	--	--
--	--	26,593	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>26,593</u>	<u>--</u>	<u>12,360</u>
26,167	1,421	40,053	5,114	72,208
<u>26,167</u>	<u>1,421</u>	<u>40,053</u>	<u>5,114</u>	<u>72,208</u>
<u>\$ 26,167</u>	<u>\$ 1,421</u>	<u>\$ 66,646</u>	<u>\$ 5,114</u>	<u>\$ 84,568</u>

**WALLER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2009**

	Title IV Juvenile Justice	RPF District Clerk	RMPF County Clerk District Clerk	RPF County Clerk
<b>ASSETS</b>				
Cash and cash equivalents	\$ --	\$ 15	\$ 40	\$ 5,310
Investments	139,206	15,150	36,934	282,970
Receivables (net of allowances for uncollectibles):				
Fines	--	--	16,220	292
Intergovernmental	--	--	--	--
<b>Total Assets</b>	<u>\$ 139,206</u>	<u>\$ 15,165</u>	<u>\$ 53,194</u>	<u>\$ 288,572</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ --	\$ --	\$ --	\$ 308
Other payables and accruals	--	--	--	504
Due to other funds	--	--	--	--
Deferred revenue	--	357	16,219	293
<b>Total Liabilities</b>	<u>--</u>	<u>357</u>	<u>16,219</u>	<u>1,105</u>
<b>Fund balances:</b>				
Unreserved	139,206	14,808	36,975	287,467
<b>Total fund balances</b>	<u>139,206</u>	<u>14,808</u>	<u>36,975</u>	<u>287,467</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 139,206</u>	<u>\$ 15,165</u>	<u>\$ 53,194</u>	<u>\$ 288,572</u>

Preservation Fee Birth Death County Clerk	Courthouse Security	Graffiti Eradication	JP Technology Fee	Family Protection Fee
\$ 4	\$ 471	\$ --	\$ 494	\$ 45
8,299	393,541	591	172,753	4,836
--	4,904	7	1,729	--
--	--	--	--	--
<u>\$ 8,303</u>	<u>\$ 398,916</u>	<u>\$ 598</u>	<u>\$ 174,976</u>	<u>\$ 4,881</u>
\$ --	\$ 75	\$ --	\$ 710	\$ --
--	1,754	--	--	--
--	--	--	--	--
--	4,904	8	1,729	--
--	6,733	8	2,439	--
8,303	392,183	590	172,537	4,881
<u>8,303</u>	<u>392,183</u>	<u>590</u>	<u>172,537</u>	<u>4,881</u>
<u>\$ 8,303</u>	<u>\$ 398,916</u>	<u>\$ 598</u>	<u>\$ 174,976</u>	<u>\$ 4,881</u>

**WALLER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2009**

	<u>Court Initiated Guardianship</u>	<u>Justice Court Security</u>	<u>DA Pre Trial Diversion</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 80	\$ 113	\$ 21,000
Investments	4,407	25,438	--
Receivables (net of allowances for uncollectibles):			
Fines	--	304	--
Intergovernmental	--	--	--
<b>Total Assets</b>	<u>\$ 4,487</u>	<u>\$ 25,855</u>	<u>\$ 21,000</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ --	\$ --	\$ --
Other payables and accruals	--	--	--
Due to other funds	--	--	--
Deferred revenue	--	304	--
<b>Total Liabilities</b>	<u>--</u>	<u>304</u>	<u>--</u>
 <b>Fund balances:</b>			
Unreserved	<u>4,487</u>	<u>25,551</u>	<u>21,000</u>
<b>Total fund balances</b>	<u>4,487</u>	<u>25,551</u>	<u>21,000</u>
 <b>Total Liabilities and Fund Balances</b>	<u>\$ 4,487</u>	<u>\$ 25,855</u>	<u>\$ 21,000</u>

D.A. Worthless Check Trust	Hospital Trust	Grant	Narc Program
\$ 5,922	\$ --	\$ 14,690	\$ --
--	2,856	625,113	109,161
--	--	--	--
--	--	29,193	--
<u>\$ 5,922</u>	<u>\$ 2,856</u>	<u>\$ 668,996</u>	<u>\$ 109,161</u>
\$ --	\$ --	\$ 364	\$ --
--	--	2,031	--
--	--	--	--
--	--	--	--
<u>--</u>	<u>--</u>	<u>2,395</u>	<u>--</u>
5,922	2,856	666,601	109,161
<u>5,922</u>	<u>2,856</u>	<u>666,601</u>	<u>109,161</u>
<u>\$ 5,922</u>	<u>\$ 2,856</u>	<u>\$ 668,996</u>	<u>\$ 109,161</u>

**WALLER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2009**

	Federal Forfeiture	Imprest	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
<b>ASSETS</b>			
Cash and cash equivalents	\$ --	\$ 9,936	\$ 118,126
Investments	39,268	--	2,011,597
Receivables (net of allowances for uncollectibles):			
Fines	--	--	23,456
Intergovernmental	--	--	29,193
<b>Total Assets</b>	<u>\$ 39,268</u>	<u>\$ 9,936</u>	<u>\$ 2,182,372</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ --	\$ --	\$ 13,817
Other payables and accruals	--	--	4,289
Due to other funds	--	--	26,593
Deferred revenue	--	--	23,814
<b>Total Liabilities</b>	<u>--</u>	<u>--</u>	<u>68,513</u>
<b>Fund balances:</b>			
Unreserved	39,268	9,936	2,113,859
<b>Total fund balances</b>	<u>39,268</u>	<u>9,936</u>	<u>2,113,859</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 39,268</u>	<u>\$ 9,936</u>	<u>\$ 2,182,372</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, 2009

	D.A. Warrant Seizure	Chapter 19 Voters Registration	District Attorney Apportionment	Constable Precinct #2 LEOSE
<b>Revenues:</b>				
Intergovernmental	\$ --	\$ 5,194	\$ 36,114	\$ --
Fines	35,183	--	--	--
Interest	6	--	15	1
Miscellaneous	--	--	--	--
<b>Total revenues</b>	<u>35,189</u>	<u>5,194</u>	<u>36,129</u>	<u>1</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	--	5,194	--	--
Public Safety	--	--	--	--
Judicial	--	--	--	--
Legal	31,342	--	29,978	1,797
Culture and recreation	--	--	--	--
Nondepartmental	--	--	--	--
<b>Total expenditures</b>	<u>31,342</u>	<u>5,194</u>	<u>29,978</u>	<u>1,797</u>
 Excess (deficiency) of revenues over (under) expenditures	 3,847	 --	 6,151	 (1,796)
<b>Other financing sources (uses):</b>				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
<b>Total other financing sources (uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Net change in fund balances	 3,847	 --	 6,151	 (1,796)
 Fund balances, January 1	 --	 --	 8,193	 1,796
<b>Fund balances, December 31</b>	<u><b>\$ 3,847</b></u>	<u><b>\$ --</b></u>	<u><b>\$ 14,344</b></u>	<u><b>\$ --</b></u>

Constable Precinct #3 LEOSE	Sheriff Forfeiture	D.A. Warrant Forfeiture	D.A. Worthless Check	Elections
\$ 661	\$ --	\$ --	\$ --	\$ --
--	17,193	89,542	--	--
--	2	11	3	163
--	--	--	8,539	14,920
<u>661</u>	<u>17,195</u>	<u>89,553</u>	<u>8,542</u>	<u>15,083</u>
--	--	--	--	--
650	8,300	--	--	--
--	--	--	--	--
--	--	63,386	10,437	--
--	--	--	--	--
--	--	--	--	11,950
<u>650</u>	<u>8,300</u>	<u>63,386</u>	<u>10,437</u>	<u>11,950</u>
11	8,895	26,167	(1,895)	3,133
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
11	8,895	26,167	(1,895)	3,133
3	64	--	3,316	36,920
<u>\$ 14</u>	<u>\$ 8,959</u>	<u>\$ 26,167</u>	<u>\$ 1,421</u>	<u>\$ 40,053</u>

**WALLER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	District Attorney Forfeiture	Law Library	Title IV Juvenile Justice	RPF District Clerk
<b>Revenues:</b>				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Fines	--	11,981	--	2,888
Interest	7	321	588	53
Miscellaneous	8,820	--	--	--
<b>Total revenues</b>	<u>8,827</u>	<u>12,302</u>	<u>588</u>	<u>2,941</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	--	--	--	--
Public Safety	--	--	--	--
Judicial	--	--	--	--
Legal	21,552	12,417	--	--
Culture and recreation	--	--	--	--
Nondepartmental	--	--	--	--
<b>Total expenditures</b>	<u>21,552</u>	<u>12,417</u>	<u>--</u>	<u>--</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(12,725)</b>	<b>(115)</b>	<b>588</b>	<b>2,941</b>
<b>Other financing sources (uses):</b>				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
<b>Total other financing sources (uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Net change in fund balances</b>	<b>(12,725)</b>	<b>(115)</b>	<b>588</b>	<b>2,941</b>
Fund balances, January 1	17,839	72,323	138,618	11,867
<b>Fund balances, December 31</b>	<u>\$ 5,114</u>	<u>\$ 72,208</u>	<u>\$ 139,206</u>	<u>\$ 14,808</u>

RMPF County Clerk District Clerk	RPF County Clerk	Preservation Fee Birth Death County Clerk	Courthouse Security	Graffiti Eradication
\$ --	\$ --	\$ --	\$ --	\$ --
11,013	36,735	1,793	34,016	--
122	1,280	29	2,045	3
--	--	--	--	--
<u>11,135</u>	<u>38,015</u>	<u>1,822</u>	<u>36,061</u>	<u>3</u>
--	57,045	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	123,380	--
--	<u>57,045</u>	<u>--</u>	<u>123,380</u>	<u>--</u>
11,135	(19,030)	1,822	(87,319)	3
--	--	--	--	--
--	--	--	(18,724)	--
--	--	--	<u>(18,724)</u>	<u>--</u>
11,135	(19,030)	1,822	(106,043)	3
25,840	306,497	6,481	498,226	587
<u>\$ 36,975</u>	<u>\$ 287,467</u>	<u>\$ 8,303</u>	<u>\$ 392,183</u>	<u>\$ 590</u>

**WALLER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	JP Technology Fee	Family Protection Fee	Court Initiated Guardianship	Justice Court Security
<b>Revenues:</b>				
Intergovernmental	\$ --	\$ --	\$ 2,200	\$ --
Fines	28,056	2,580	--	6,814
Interest	679	8	7	13
Miscellaneous	--	--	--	--
<b>Total revenues</b>	<u>28,735</u>	<u>2,588</u>	<u>2,207</u>	<u>6,827</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	--	--	--	--
Public Safety	--	--	--	--
Judicial	9,573	--	--	--
Legal	--	--	--	--
Culture and recreation	--	--	--	--
Nondepartmental	--	--	--	--
<b>Total expenditures</b>	<u>9,573</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Excess (deficiency) of revenues over (under) expenditures	 19,162	 2,588	 2,207	 6,827
<b>Other financing sources (uses):</b>				
Transfers in	--	--	--	18,724
Transfers out	--	--	--	--
<b>Total other financing sources (uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>18,724</u>
 Net change in fund balances	 19,162	 2,588	 2,207	 25,551
 Fund balances, January 1	 153,375	 2,293	 2,280	 --
<b>Fund balances, December 31</b>	<u><b>\$ 172,537</b></u>	<u><b>\$ 4,881</b></u>	<u><b>\$ 4,487</b></u>	<u><b>\$ 25,551</b></u>

DA Pre Trial Diversion	D.A. Worthless Check Trust	Hospital Trust	Grant	Narc Program
\$ 21,000	\$ --	\$ --	\$ 468,851	\$ --
--	--	--	--	--
--	12	12	2,718	491
--	78,670	--	7,843	257
<u>21,000</u>	<u>78,682</u>	<u>12</u>	<u>479,412</u>	<u>748</u>
--	--	--	98,407	--
--	--	--	303,398	25,000
--	--	--	44,259	--
--	78,225	--	--	--
--	--	--	39,636	--
--	--	--	--	--
<u>--</u>	<u>78,225</u>	<u>--</u>	<u>485,700</u>	<u>25,000</u>
21,000	457	12	(6,288)	(24,252)
--	--	--	27,733	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>27,733</u>	<u>--</u>
21,000	457	12	21,445	(24,252)
--	5,465	2,844	645,156	133,413
<u>\$ 21,000</u>	<u>\$ 5,922</u>	<u>\$ 2,856</u>	<u>\$ 666,601</u>	<u>\$ 109,161</u>

**WALLER COUNTY, TEXAS**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Federal Forfeiture	Imprest	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenues:			
Intergovernmental	\$ --	\$ 25,000	\$ 559,020
Fines	--	--	277,794
Interest	287	17	8,893
Miscellaneous	--	--	119,049
Total revenues	<u>287</u>	<u>25,017</u>	<u>964,756</u>
Expenditures:			
Current:			
General government	--	--	160,646
Public Safety	31,343	15,081	383,772
Judicial	--	--	53,832
Legal	--	--	249,134
Culture and recreation	--	--	39,636
Nondepartmental	--	--	135,330
Total expenditures	<u>31,343</u>	<u>15,081</u>	<u>1,022,350</u>
Excess (deficiency) of revenues over (under) expenditures	(31,056)	9,936	(57,594)
Other financing sources (uses):			
Transfers in	--	--	46,457
Transfers out	--	--	(18,724)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>27,733</u>
Net change in fund balances	(31,056)	9,936	(29,861)
Fund balances, January 1	70,324	--	2,143,720
Fund balances, December 31	<u>\$ 39,268</u>	<u>\$ 9,936</u>	<u>\$ 2,113,859</u>

**WALLER COUNTY, TEXAS**  
**CHAPTER 19 VOTERS REGISTRATION**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT C-5

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 5,191	\$ 5,194	\$ 3
Total revenues	<u>5,191</u>	<u>5,194</u>	<u>3</u>
Expenditures:			
Current:			
General Government			
Voter Registrar	5,191	5,194	(3)
Total General Government	<u>5,191</u>	<u>5,194</u>	<u>(3)</u>
Total expenditures	<u>5,191</u>	<u>5,194</u>	<u>(3)</u>
Net change in fund balances	--	--	--
Fund balance, January 1	--	--	--
Fund balance, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**WALLER COUNTY, TEXAS**  
**ELECTIONS**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**EXHIBIT C-6**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Interest	\$ --	\$ 163	\$ 163
Miscellaneous	13,169	14,920	1,751
Total revenues	<u>13,169</u>	<u>15,083</u>	<u>1,914</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Nondepartmental			
Elections	50,089	11,950	38,139
Total Nondepartmental	<u>50,089</u>	<u>11,950</u>	<u>38,139</u>
Total expenditures	<u>50,089</u>	<u>11,950</u>	<u>38,139</u>
Excess (deficiency) of revenues over (under) expenditures	(36,920)	3,133	40,053
<b>Other financing sources (uses):</b>			
Transfers in	36,920	--	(36,920)
Total other financing sources (uses)	<u>36,920</u>	<u>--</u>	<u>36,920</u>
Net change in fund balances	--	3,133	3,133
Fund balance, January 1	36,920	36,920	--
Fund balance, December 31	<u>\$ 36,920</u>	<u>\$ 40,053</u>	<u>\$ 3,133</u>

**WALLER COUNTY, TEXAS**  
**LAW LIBRARY**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**EXHIBIT C-7**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Fines	\$ 67,201	\$ 11,981	\$ (55,220)
Interest	--	321	321
Total revenues	<u>67,201</u>	<u>12,302</u>	<u>(54,899)</u>
Expenditures:			
Current:			
Legal			
Law Library	67,201	12,417	54,784
Total Legal	<u>67,201</u>	<u>12,417</u>	<u>54,784</u>
Total expenditures	<u>67,201</u>	<u>12,417</u>	<u>54,784</u>
Net change in fund balances	--	(115)	(115)
Fund balance, January 1	115	72,323	72,208
Fund balance, December 31	<u>\$ 115</u>	<u>\$ 72,208</u>	<u>\$ 72,093</u>

**WALLER COUNTY, TEXAS**  
 RPF COUNTY CLERK  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-8

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Fines	\$ 363,905	\$ 36,735	\$ (327,170)
Interest	--	1,280	1,280
Total revenues	<u>363,905</u>	<u>38,015</u>	<u>(325,890)</u>
Expenditures:			
Current:			
General Government			
Records Preservation	<u>363,905</u>	<u>57,045</u>	<u>306,860</u>
Total General Government	<u>363,905</u>	<u>57,045</u>	<u>306,860</u>
Total expenditures	<u>363,905</u>	<u>57,045</u>	<u>306,860</u>
Net change in fund balances	--	(19,030)	(19,030)
Fund balance, January 1	306,947	306,497	--
Fund balance, December 31	<u>\$ 306,947</u>	<u>\$ 287,467</u>	<u>\$ (19,030)</u>

**WALLER COUNTY, TEXAS**  
**COURTHOUSE SECURITY**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Fines	\$ 458,682	\$ 34,016	\$ (424,666)
Interest	--	2,045	2,045
Total revenues	<u>458,682</u>	<u>36,061</u>	<u>(422,621)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Nondepartmental			
Courthouse Security	458,682	123,380	335,302
Total Nondepartmental	<u>458,682</u>	<u>123,380</u>	<u>335,302</u>
Total expenditures	<u>458,682</u>	<u>123,380</u>	<u>335,302</u>
Excess (deficiency) of revenues over (under) expenditures	--	(87,319)	(87,319)
<b>Other financing sources (uses):</b>			
Transfers out	--	(18,724)	(18,724)
Total other financing sources (uses)	<u>--</u>	<u>(18,724)</u>	<u>18,724</u>
Net change in fund balances	--	(106,043)	(106,043)
Fund balance, January 1	498,226	498,226	--
Fund balance, December 31	<u>\$ 498,226</u>	<u>\$ 392,183</u>	<u>\$ (106,043)</u>

**WALLER COUNTY, TEXAS**  
 JP TECHNOLOGY FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2009

EXHIBIT C-10

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Fines	\$ 137,223	\$ 28,056	\$ (109,167)
Interest	--	679	679
Total revenues	<u>137,223</u>	<u>28,735</u>	<u>(108,488)</u>
Expenditures:			
Current:			
Judicial			
Justice Court Technology	137,223	9,573	127,650
Total Judicial	<u>137,223</u>	<u>9,573</u>	<u>127,650</u>
Total expenditures	<u>137,223</u>	<u>9,573</u>	<u>127,650</u>
Net change in fund balances	--	19,162	19,162
Fund balance, January 1	153,375	153,375	--
Fund balance, December 31	<u>\$ 153,375</u>	<u>\$ 172,537</u>	<u>\$ 19,162</u>

**WALLER COUNTY, TEXAS**  
**GRANT**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**EXHIBIT C-11**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 573,111	\$ 468,851	\$ (104,260)
Interest	--	2,718	2,718
Miscellaneous	--	7,843	7,843
<b>Total revenues</b>	<u>573,111</u>	<u>479,412</u>	<u>(93,699)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General Government			
Solid Waste Grant	100,000	98,407	1,593
<b>Total General Government</b>	<u>100,000</u>	<u>98,407</u>	<u>1,593</u>
Public Safety			
Vine Grant	17,925	17,925	--
TJPC Grant	141,352	137,987	3,365
Domestic Violence Grant	34,138	--	34,138
TJPC Grant 2	124,046	54,960	69,086
LETTP Grant	70,060	70,061	(1)
Recovery Act JAG Program Grant	22,464	22,465	(1)
<b>Total Public Safety</b>	<u>409,985</u>	<u>303,398</u>	<u>106,587</u>
Judicial			
Docket Management	44,258	44,259	(1)
<b>Total Judicial</b>	<u>44,258</u>	<u>44,259</u>	<u>(1)</u>
Culture and Recreation			
Lone Star Library Grant	40,626	33,661	6,965
Lone Star Library Grant 2	5,975	5,975	--
<b>Total Culture and Recreation</b>	<u>46,601</u>	<u>39,636</u>	<u>6,965</u>
<b>Total expenditures</b>	<u>600,844</u>	<u>485,700</u>	<u>115,144</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(27,733)</u>	<u>(6,288)</u>	<u>21,445</u>
<b>Other financing sources (uses):</b>			
Transfers in	27,733	27,733	--
<b>Total other financing sources (uses)</b>	<u>27,733</u>	<u>27,733</u>	<u>--</u>
<b>Net change in fund balances</b>	<u>--</u>	<u>21,445</u>	<u>21,445</u>
Fund balance, January 1	645,156	645,156	--
<b>Fund balance, December 31</b>	<u>\$ 645,156</u>	<u>\$ 666,601</u>	<u>\$ 21,445</u>

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**WALLER COUNTY, TEXAS**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**EXHIBIT C-12**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Taxes	\$ 709,723	\$ 735,393	\$ 25,670
Interest	8,500	1,880	(6,620)
Total revenues	<u>718,223</u>	<u>737,273</u>	<u>19,050</u>
<b>Expenditures:</b>			
<b>Debt service:</b>			
Principal	605,000	605,000	--
Interest and fiscal charges	129,560	129,560	--
Total Debt Service	<u>734,560</u>	<u>734,560</u>	<u>--</u>
Total expenditures	<u>734,560</u>	<u>734,560</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(16,337)	2,713	19,050
<b>Other financing sources (uses):</b>			
Transfers in	16,337	--	(16,337)
Total other financing sources (uses)	<u>16,337</u>	<u>--</u>	<u>(16,337)</u>
<b>Net change in fund balances</b>	--	2,713	2,713
<b>Fund balance, January 1</b>	166,044	166,044	--
<b>Fund balance, December 31</b>	<u>\$ 166,044</u>	<u>\$ 168,757</u>	<u>\$ 2,713</u>

**WALLER COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**DECEMBER 31, 2009**

	Permanent School	Permanent School Available
<b>ASSETS</b>		
Investments	\$ --	\$ 4
Capital assets	1	--
Total Assets	<u>1</u>	<u>4</u>
 <b>NET ASSETS</b>		
Held in trust	<u>\$ 1</u>	<u>\$ 4</u>

<u>Ogg Trust</u>	<u>Dismuke Estate Trust</u>	<u>Total Private- Purpose Trust Funds (See Exhibit A-7)</u>
\$ 52,426	\$ 61,727	\$ 114,157
<u>    --</u>	<u>    --</u>	<u>    1</u>
<u>52,426</u>	<u>61,727</u>	<u>114,158</u>
 \$ 52,426	 \$ 61,727	 \$ 114,158
<u>52,426</u>	<u>61,727</u>	<u>114,158</u>

**WALLER COUNTY, TEXAS****COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS****ALL PRIVATE-PURPOSE TRUST FUNDS****FOR THE YEAR ENDED DECEMBER 31, 2009**

	Permanent School	Permanent School Available	Ogg Trust
<b>Additions:</b>			
Interest	\$ --	\$ 40	228
Miscellaneous	--	6,162	--
Total Additions	<u>--</u>	<u>6,202</u>	<u>228</u>
<b>Deductions:</b>			
Administrative expenses		391	2,979
Payments to schools	--	12,102	--
Total Deductions	<u>--</u>	<u>12,493</u>	<u>2,979</u>
<b>Change in Net Assets</b>	--	(6,291)	(2,751)
Net Assets-Beginning of the Year	1	6,295	55,177
Net Assets-End of the Year	<u>\$ 1</u>	<u>\$ 4</u>	<u>\$ 52,426</u>

EXHIBIT C-14

Dismuke Estate Trust	Total Private-Purpose Trust Funds (See Exhibit A-8)
\$ 261	\$ 529
--	6,162
<u>261</u>	<u>6,691</u>
	3,370
--	12,102
<u>--</u>	<u>15,472</u>
261	(8,781)
61,466	122,939
<u>\$ 61,727</u>	<u>\$ 114,158</u>

**WALLER COUNTY, TEXAS**

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2009

	<u>Agency</u>	<u>Automated Revenue</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,227,687	\$ 12
<b>Total Assets</b>	<u>\$ 8,227,687</u>	<u>\$ 12</u>
Due to other funds	\$ 3,322,926	\$ --
Due to other governments	1,205,197	--
Due to others	3,699,564	12
<b>Total Liabilities</b>	<u>\$ 8,227,687</u>	<u>\$ 12</u>

Merchant E Filing	Interchange Improvements Woods Road	Total Agency Funds (See Exhibit A-7)
\$ 4	\$ 878	\$ 8,228,581
<u>\$ 4</u>	<u>\$ 878</u>	<u>\$ 8,228,581</u>
\$ --	\$ --	\$ 3,322,926
--	--	1,205,197
4	878	3,700,458
<u>\$ 4</u>	<u>\$ 878</u>	<u>\$ 8,228,581</u>

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