

WALLER COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

WALLER COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010

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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

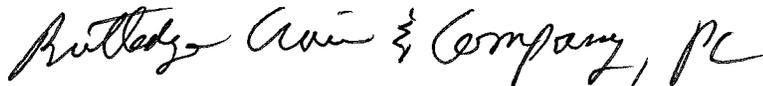
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Waller County, Texas as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in 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, 2010 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.



June 30, 2011

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Management's Discussion and Analysis

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WALLER COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2010

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, 2010. 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, 2010, by \$20,093,174 (net assets). Of this amount, \$8,425,516 (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 \$1,541,337.
- The County's governmental funds reported combined ending fund balances of \$9,086,485, an increase of \$195,077 in comparison to the previous year. This increase was a result of increases in ad valorem tax and fines and fees.
- The unreserved portion of the General Fund fund balance at the end of the year was \$4,817,031 or 34% 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 refunding and principal reduction on the certificates of obligation, authorized to be issued, designated for capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

WALLER COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2010

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 four 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 three funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the end of fiscal year 2010, the County's net assets (assets exceeding liabilities) totaled \$20,093,174. 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, \$11,274,882 or 56 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, 2010

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 \$194,600, in the debt service fund, are restricted for future debt service payments. Net assets of \$198,176, in the capital projects fund are restricted for capital projects.

The remaining balance of unrestricted net assets, \$8,425,516 or 42 percent, may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1
 Condensed Statement of Net Assets

	2010	2009	Increase (Decrease)
ASSETS			
Current and other assets	\$31,379,743	\$29,749,872	\$1,629,871
Capital assets, net of depreciation	13,495,702	14,282,940	(787,238)
Total assets	<u>44,875,445</u>	<u>44,032,812</u>	<u>842,633</u>
LIABILITIES			
Long-term liabilities	5,684,167	4,640,732	1,043,435
Other liabilities	19,098,104	17,757,569	1,340,535
Total liabilities	<u>24,782,271</u>	<u>22,398,301</u>	<u>2,383,970</u>
NET ASSETS			
Invested in capital assets, net of related debt	11,274,882	12,065,578	(790,696)
Restricted for debt service	194,600	228,122	(33,522)
Restricted for capital projects	198,176	5,330	192,846
Unrestricted	8,425,516	9,335,481	(909,965)
	<u>\$20,093,174</u>	<u>\$21,634,511</u>	<u>(\$1,541,337)</u>

CHANGES IN NET ASSETS: The net assets of the County decreased by \$1,541,337 for the fiscal year ended December 31, 2010. 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, 2010

Table 2
Changes in Net Assets

	2010	2009	Increase (Decrease)
Program Revenues:			
Charges for services	\$3,361,751	\$3,486,580	(\$124,829)
Operating grants and contributions	641,018	567,010	74,008
Capital grants and contributions	100,394	414,796	(314,402)
General Revenues:			
Property taxes	16,396,658	15,315,033	1,081,625
Interest	174,578	107,299	67,279
Miscellaneous	337,296	275,819	61,477
Gain (loss) on disposal of capital assets	(73,695)	23,916	(97,611)
Total Revenues	20,938,000	20,190,453	747,547
Expenses:			
General government	2,620,230	2,419,410	200,820
Financial administration	1,332,392	1,295,428	36,964
Public safety	5,587,493	5,425,335	162,158
Judicial	1,986,770	1,874,108	112,662
Legal	998,360	870,957	127,403
Public transportation	4,876,873	4,601,401	275,472
Culture and recreation	306,490	344,943	(38,453)
Nondepartmental	4,695,975	3,431,069	1,264,906
Interest & Fiscal Charges	74,754	123,545	(48,791)
Total Expenses	22,479,337	20,386,196	2,093,141
Increase (decrease) in net assets	(1,541,337)	(195,743)	(1,345,594)
Net assets, January 1	21,634,511	21,830,254	(195,743)
Net assets, December 31	\$20,093,174	\$21,634,511	(\$1,541,337)

WALLER COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2010

REPORTING THE COUNTY'S MOST SIGNIFICANT FUNDS

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

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$9,086,485.

The General Fund is the main operating fund of the County. The General Fund had an increase in fund balance of \$1,218,783 and at the end of the current fiscal year unreserved fund balance was \$4,817,031. Key factors of the increase are as follows:

- An increase in ad valorem taxes due to the tax rate allocation of maintenance and operating taxes being increased.
- An increase in Justice of the Peace #3 criminal fines of \$44,488 over 2009.
- An increase in Justice of the Peace #4 criminal fines of \$49,926 over 2009.

The Road and Bridge Fund had a decrease in the fund balance of \$823,664 and at the end of the current fiscal year the unreserved fund balance was \$1,971,395. The total amount of revenues received for the Road & Bridge Fund was \$3.8 million and the expenditures were \$4.5 million. Key factors of the decrease are as follows:

- A decrease in ad valorem tax revenue of \$1,635,678 from 2009 due to the tax rate allocation of maintenance and operating taxes being decreased.
- A decrease in the collection of motor vehicle registrations of \$232,330 from 2009.
- A decrease in delinquent taxes from 2009 by \$39,007.

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 \$82,078 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 \$18,721.
- HGAC 911 Project/Sheriff of \$24,995.
- HGAC Law Enforcement Enhancement of \$7,500.

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010

- District Attorney longevity of \$6,160.
- District Attorney Salary Supplement of \$4,777.
- Donations Constable Pct #2 of \$21,049.
- Forfeiture Constable Pct #2 of \$1,500.
- Miscellaneous Refunds of \$8,594.
- Forfeiture Constable #1 of \$5,214.
- Book & Memorial Library of \$962.
- Donations Library of \$700.
- Sale of Voter's Registration lists of \$1,393.

There was a positive variance between the final amended budget appropriations and the actual expenditures of \$2,305,378. Key highlights of the variance are as follows:

<u>Function</u>	<u>Final/Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
-----------------	---------------------------------	---------------	-----------------

General Government

All Others	\$1,573,310	\$1,216,536	\$356,774
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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	\$1,562,248	\$1,492,273	\$69,975
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Positive variance caused by open jailer positions and decrease in operating expenses.

Sheriff Administration	\$2,270,659	\$2,227,710	\$42,949
------------------------	-------------	-------------	----------

Positive variance caused by decrease in state travel and less vehicle purchases.

Judicial

Court Expense	\$439,000	\$346,471	\$92,529
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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, 2010

<u>Function</u>	<u>Final/Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Non-departmental			
Indigent Health	\$1,049,659	\$404,339	\$645,320
Budget based upon 8% of County General revenue tax levy by law. Balance of expenses incurred on inpatient hospital, prescriptions and physician services.			
Employee Benefits	\$1,741,600	\$1,561,384	\$180,216

Positive variance caused by unexpected credits from TAC for health insurance and over budgeting of workers compensation expenditures due to actual invoice not received until after the budget is adopted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS: The County's investment in capital assets as of December 31, 2010, totals \$13,495,702 (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 5.5 percent.

Table 3
 Capital Assets at Year End
 Net of Accumulated Depreciation

ASSETS	<u>Governmental Activities</u>		<u>Percent Change</u>
	<u>2010</u>	<u>2009</u>	
Land	\$440,813	\$440,813	0.00%
Buildings	929,648	1,034,195	-10.11%
Roads	9,363,978	9,604,713	-2.51%
Bridges	562,934	645,415	-12.78%
Machinery and equipment	2,198,329	2,557,804	-14.05%
Total capital assets	<u>\$13,495,702</u>	<u>\$14,282,940</u>	-5.51%

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 \$5,684,167. Of this amount, \$2,070,000 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 \$177,490 are payable from annual appropriations of the General Fund. The remainder of the debt consists of compensated absences payable of \$437,655, and a liability for unfunded other post employment benefits of \$3,025,692.

WALLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
 DECEMBER 31, 2010

Table 4
 Outstanding Debt at Year End

Type of Debt	Governmental Activities	
	2010	2009
Certificates of obligation	\$2,070,000	\$2,675,000
Deferred loss on refunding	(26,670)	--
Capitalized lease obligations	177,490	217,965
Compensated absences	437,655	401,687
Liability for unfunded OPEB	3,025,692	1,346,080
Total	\$5,684,167	\$4,640,732

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 8.9% at December 31, 2010. The population for the 2010 census was 43,205.

For fiscal year 2011, the Commissioners' Court adopted a budget of \$22,692,626 in estimated revenues and a property tax rate of 0.682031 per hundred dollars of taxable value. This was an increase of .025031 over fiscal year 2010. This is estimated to provide an overall tax increase of \$157,200 over the 2010 budget. \$2,855,482 of the reserves were allocated to balance the budget for 2011.

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, 2010

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 10,803,773
Investments	5,297,937
Receivables (net of allowances for uncollectibles)	14,423,086
Inventories	772,931
Prepaid items	51,755
Deferred charges	30,261
Capital assets (net of accumulated depreciation)	
Land	440,813
Buildings	929,648
Roads	9,363,978
Bridges	562,934
Machinery and equipment	2,198,329
Total Assets	<u>44,875,445</u>
LIABILITIES	
Accounts payable	252,797
Other payables and accruals	426,850
Due to other governments	984,553
Due to others	34,294
Unearned revenue	17,399,610
Noncurrent liabilities:	
Due within one year	861,023
Due in more than one year	4,823,144
Total Liabilities	<u>24,782,271</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	11,274,882
Restricted For:	
Debt Service	194,600
Capital Projects	198,176
Unrestricted	8,425,516
Total Net Assets	<u>\$ 20,093,174</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

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	\$ 2,620,230	\$ 401,307	\$ 48,687	\$ 93,869	\$ (2,076,367)
Financial administration	1,332,392	95,165	--	--	(1,237,227)
Public Safety	5,587,493	158,562	427,169	--	(5,001,762)
Judicial	1,986,770	1,372,308	--	--	(614,462)
Legal	998,360	239,922	102,955	--	(655,483)
Public transportation	4,876,873	1,054,189	--	--	(3,822,684)
Culture and recreation	306,490	3,490	62,207	--	(240,793)
Nondepartmental	4,695,975	36,808	--	6,525	(4,652,642)
Interest on long-term debt	74,754	--	--	--	(74,754)
Total governmental activities	<u>22,479,337</u>	<u>3,361,751</u>	<u>641,018</u>	<u>100,394</u>	<u>(18,376,174)</u>
Total Primary Government	<u>\$ 22,479,337</u>	<u>\$ 3,361,751</u>	<u>\$ 641,018</u>	<u>\$ 100,394</u>	<u>(18,376,174)</u>
General Revenues:					
Taxes					16,396,658
Unrestricted Investment Earnings					174,578
Miscellaneous					337,296
Loss on Disposal of Capital Assets					(73,695)
Total General Revenues					<u>16,834,837</u>
Change in Net Assets					(1,541,337)
Net Assets - Beginning					21,634,511
Net Assets - Ending					<u>\$ 20,093,174</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2010

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 8,391,155	\$ 2,127,544	\$ 284,196	\$ 10,802,895
Investments	2,080,295	1,001,102	2,216,540	5,297,937
Receivables (net of allowances for uncollectibles):				
Taxes	10,136,226	2,045,849	560,342	12,742,417
Fines	1,222,838	299,851	26,922	1,549,611
Accounts	8,692	--	--	8,692
Intergovernmental	62,207	--	60,159	122,366
Due from other funds	144,168	--	--	144,168
Prepaid items	3,555	--	--	3,555
Total Assets	\$ 22,049,136	\$ 5,474,346	\$ 3,148,159	\$ 30,671,641
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 207,052	\$ 28,724	\$ 17,021	\$ 252,797
Other payables and accruals	365,601	33,101	5,363	404,065
Due to other funds	--	144,159	9	144,168
Due to other governments	984,553	--	--	984,553
Due to others	33,413	--	--	33,413
Deferred revenue	10,487,224	2,331,598	583,669	13,402,491
Taxes collected in advance	5,112,953	965,369	285,347	6,363,669
Total Liabilities	17,190,796	3,502,951	891,409	21,585,156
Fund balances:				
Reserved for:				
Debt service	--	--	132,738	132,738
Other purposes	41,309	--	--	41,309
Unreserved, reported in				
General fund	4,817,031	--	--	4,817,031
Special revenue funds	--	1,971,395	1,925,836	3,897,231
Capital projects funds	--	--	198,176	198,176
Total fund balances	4,858,340	1,971,395	2,256,750	9,086,485
Total Liabilities and Fund Balances	\$ 22,049,136	\$ 5,474,346	\$ 3,148,159	\$ 30,671,641

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXASRECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2010

Total fund balances - governmental funds balance sheet	\$ 9,086,485
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	13,495,702
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,621,124
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,070,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(177,490)
Payables for bond interest which are not due in the current period are not reported in the funds.	(22,788)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(437,655)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	26,670
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	851,392
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	745,426
Liability for unfunded retiree insurance benefits which is not due in current period is not reported in the funds.	<u>(3,025,692)</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 20,093,174</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXASSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	General Fund	Road and Bridge	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 13,046,375	\$ 2,587,977	\$ 697,241	\$ 16,331,593
Licenses and permits	88,331	850,413	--	938,744
Intergovernmental	399,800	29,272	624,668	1,053,740
Charges for services	451,372	--	--	451,372
Fines	945,920	138,909	337,156	1,421,985
Interest	118,263	50,245	6,179	174,687
Miscellaneous	267,676	101,454	172,753	541,883
Total revenues	<u>15,317,737</u>	<u>3,758,270</u>	<u>1,837,997</u>	<u>20,914,004</u>
Expenditures:				
Current:				
General government	2,438,330	--	194,250	2,632,580
Financial administration	1,321,742	--	--	1,321,742
Public safety	5,030,066	--	509,814	5,539,880
Judicial	1,891,365	--	61,033	1,952,398
Legal	684,727	--	304,125	988,852
Public transportation	--	4,149,950	--	4,149,950
Culture and recreation	303,449	--	7,820	311,269
Nondepartmental	2,412,555	391,984	283,483	3,088,022
Debt service:				
Interest and fiscal charges	--	--	65,730	65,730
Bond issuance cost	--	--	35,914	35,914
Total expenditures	<u>14,082,234</u>	<u>4,541,934</u>	<u>1,462,169</u>	<u>20,086,337</u>
Excess (deficiency) of revenues over (under) expenditures	1,235,503	(783,664)	375,828	827,667
Other financing sources (uses):				
Transfers in	16,014	--	72,734	88,748
Transfers out	(32,734)	(40,000)	(16,014)	(88,748)
Proceeds of bond issue	--	--	2,070,000	2,070,000
Payment to refunded bond escrow agent	--	--	(2,702,590)	(2,702,590)
Total other financing sources (uses)	<u>(16,720)</u>	<u>(40,000)</u>	<u>(575,870)</u>	<u>(632,590)</u>
Net change in fund balances	1,218,783	(823,664)	(200,042)	195,077
Fund balances, January 1	3,639,557	2,795,059	2,456,792	8,891,408
Fund balances, December 31	<u>\$ 4,858,340</u>	<u>\$ 1,971,395</u>	<u>\$ 2,256,750</u>	<u>\$ 9,086,485</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, 2010

Net change in fund balances - total governmental funds	\$ 195,077
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,075,102
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,788,646)
Trade-in or disposal of capital assets decrease net assets in the SOA but not in the funds.	(73,695)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	65,064
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(40,460)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,702,590
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	40,475
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	9,217
(Increase) decrease in accrued interest from beginning of period to end of period.	26,892
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(35,968)
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	32,627
Proceeds of bonds do not provide revenue in the SOA, but are reported as current resources in the funds.	(2,070,000)
Retiree insurance contributions are reported as amount earned in the SOA but as the amount paid in the funds.	(1,679,612)
Change in net assets of governmental activities - Statement of Activities	<u>\$ (1,541,337)</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	Private-purpose Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 5	\$ 5,139,046
Investments	114,506	--
Capital assets	1	--
Total Assets	<u>\$ 114,512</u>	<u>\$ 5,139,046</u>
LIABILITIES		
Other payables and accruals	\$ --	\$ 212,135
Due to other governments	--	3,517,805
Due to others	--	1,409,106
Total Liabilities	<u> </u>	<u>5,139,046</u>
NET ASSETS		
Held in trust	<u>\$ 114,512</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, 2010

	Private- Purpose Trusts
Additions:	
Interest	\$ 364
Miscellaneous	6,227
Total Additions	<u>6,591</u>
Deductions:	
Administrative Expenses	442
Payments to schools	5,795
Total Deductions	<u>6,237</u>
Change in Net Assets	354
Net Assets-Beginning of the Year	114,158
Net Assets-End of the Year	<u>\$ 114,512</u>

The accompanying notes are an integral part of this statement.

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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 Prepaid Items	\$3,555
Reserved for Administration of Justice	16,589
Reserved for Library	105
Reserved for LEOSE	<u>21,060</u>
Total General Fund reserved fund balance	<u>\$41,309</u>
Debt Service Fund	
Reserved for Debt Service	<u>\$132,738</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 \$851,392 difference are as follows:

Prepaid expense	\$ 48,200
Inventory	772,931
Bond issuance costs	<u>30,261</u>
	<u>\$851,392</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 \$40,459 difference are as follows:

Change in inventory balances	\$ 48,039
Change in prepaid insurance balances	<u>(7,580)</u>
	<u>\$ 40,459</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 \$15,942,824. All of the bank balance of \$16,855,755 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 par value of \$17,384,905 and fair value of \$18,303,688.

WALLER COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2010

Investments

As of December 31, 2010, the County had the following investments:

Investment type	Fair Value	Years to Maturity
Government sponsored investment pool (TexPool)	\$1,557,935	N/A
MBIA Private Investment Pool	3,854,508	N/A
Total Fair Value	\$5,412,443	

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, 2010 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, 2010

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	\$10,453,654	\$2,138,419	\$576,705	\$13,168,778
Less allowance	(317,428)	(92,570)	(16,363)	(426,361)
	<u>\$10,136,226</u>	<u>\$2,045,849</u>	<u>\$560,342</u>	<u>\$12,742,417</u>
Fines receivable	\$1,629,015	\$671,669	\$59,236	\$2,359,920
Less allowance	(406,177)	(371,818)	(32,314)	(810,309)
	<u>\$1,222,838</u>	<u>\$299,851</u>	<u>\$26,922</u>	<u>\$1,549,611</u>
Accounts receivable	<u>\$8,692</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$8,692</u>
Intergovernmental	<u>\$62,207</u>	<u>\$ --</u>	<u>\$60,159</u>	<u>\$122,366</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)	\$418,656	\$ --	\$418,656
Fines receivable (Road & Bridge Fund)	299,851	--	299,851
Fines Receivable (Nonmajor Special Revenue Funds)	26,920	--	26,920
Current tax levy receivable (2009) (General Fund)	--	8,866,516	8,866,516
Current tax levy receivable (2009) (Road & Bridge Fund)	--	1,674,539	1,674,539
Current tax levy receivable (2009) (Debt Service Fund)	--	494,886	494,886
Taxes collected in advance (General Fund)	--	5,112,953	5,112,953
Taxes collected in advance (Road & Bridge Fund)	--	965,369	965,369
Taxes collected in advance (Debt Service Fund)	--	285,347	285,347
Delinquent property taxes receivable (General Fund)	1,202,053	--	1,202,053
Delinquent property taxes receivable (Road & Bridge Fund)	357,208	--	357,208
Delinquent property taxes receivable (Debt Service Fund)	61,862	--	61,862
Total deferred/unearned revenue for governmental funds	<u>\$2,366,550</u>	<u>\$17,399,610</u>	<u>\$19,766,160</u>

Reported in financial statements as:

Deferred revenue	\$13,402,491
Taxes collected in advance	<u>6,363,669</u>
Total	<u>\$19,766,160</u>

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

C. Capital assets

Capital asset activity for the year ended December 31, 2010:

	Balance 12/31/09	Additions	Retirements	Completed Construction	Balance 12/31/10
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$440,813	\$ --	--	\$ --	\$440,813
Construction in progress	--	--	--	--	--
Total capital assets not being depreciated	<u>440,813</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>440,813</u>
Capital assets, being depreciated:					
Buildings and improvements	4,933,113	54,960	(8,000)	--	4,980,073
Roads	14,623,287	598,365	(144,090)	(37,601)	15,039,961
Bridges	3,522,706	--	--	--	3,522,706
Machinery and equipment	7,028,820	421,777	(115,847)	(85,547)	7,249,203
Total capital assets being depreciated	<u>30,107,926</u>	<u>1,075,102</u>	<u>(267,937)</u>	<u>(123,148)</u>	<u>30,791,943</u>
Less accumulated depreciation for:					
Buildings	(3,898,918)	(159,507)	8,000	--	(4,050,425)
Roads	(5,018,574)	(821,935)	144,090	20,436	(5,675,983)
Bridges	(2,877,291)	(82,481)	--	--	(2,959,772)
Machinery and equipment	(4,471,016)	(724,723)	102,882	41,983	(5,050,874)
Total accumulated depreciation	<u>(16,265,799)</u>	<u>(1,788,646)</u>	<u>254,972</u>	<u>62,419</u>	<u>(17,737,054)</u>
Total capital assets being depreciated, net	<u>13,842,127</u>	<u>(713,544)</u>	<u>(12,965)</u>	<u>(60,729)</u>	<u>13,054,889</u>
Governmental activities capital assets, net	<u>\$14,282,940</u>	<u>(\$713,544)</u>	<u>(\$12,965)</u>	<u>(\$60,729)</u>	<u>\$13,495,702</u>

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

Governmental activities:

General government	\$82,902
Financial administration	11,367
Public safety	322,638
Judicial	27,928
Legal	6,978
Public transportation	1,322,760
Culture and recreation	1,620
Nondepartmental	12,453
Total depreciation expense - governmental activities	<u>\$1,788,646</u>

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2010

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2010 is as follows:

Fund	Receivable	Payable
Major Governmental Funds		
General Fund	\$144,168	\$ --
Road and Bridge	--	\$144,159
Total major funds	144,168	144,159
Nonmajor Governmental Funds		
RPF County Clerk	--	4
JP Technology Fee	--	4
Justice Court Security	--	1
Total Nonmajor Governmental Funds	--	9
Total	\$144,168	\$144,168

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

Interfund transfers:

Fund	Transfer In	Transfer Out
Major Governmental Funds		
General Fund	\$16,014	\$32,734
Road and Bridge	--	\$40,000
Total Major Funds	16,014	72,734
Nonmajor Governmental Funds		
Elections	--	16,014
Grant Fund	72,734	--
Total Nonmajor governmental funds	72,734	16,014
Totals	\$88,748	\$88,748

Interfund transfers arise because of the subsidy of the Grant fund by the General Fund and Road and Bridge Fund, and a transfer of excess operating funds from the Elections Fund to the General Fund.

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2010

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 12/31/10
General Long-Term Debt Issues					
Certificates of Obligation:					
Refunding bonds	\$2,070,000	5/04/10	8/01/13	1.3% to 2.3%	\$2,070,000
Total General Long-Term Debt					<u>\$2,070,000</u>

Annual debt service requirements to maturity for general debt:

Year	General Obligation Bonds		
	Principal	Interest	Total
2011	\$675,000	\$36,780	\$711,780
2012	690,000	23,460	713,460
2013	705,000	8,107	713,107
Total	<u>\$2,070,000</u>	<u>\$68,347</u>	<u>\$2,138,347</u>

Capital Lease Obligations Currently Outstanding:

	Original	Date of	Final	Interest	Balance
Construction equipment	\$217,965	2/05/09	2/25/14	3.650%	<u>\$177,490</u>

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

Year	Total
2011	\$48,565
2012	48,565
2013	48,565
2014	<u>48,565</u>
Total payments	194,260
Less imputed interest	<u>(16,770)</u>
Total Capital Lease Obligations	<u>\$177,490</u>

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2010

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2010 was as follows:

	Balance 12/31/09	Additions	Retirements	Balance 12/31/10	Due Within One Year
Governmental activities:					
Certificates of obligation	\$2,675,000	\$2,070,000	(\$2,675,000)	\$2,070,000	\$675,000
Deferred loss on refunding	--	(27,590)	920	(26,670)	(1,839)
Capital lease obligations	217,965	--	(40,475)	177,490	41,977
Compensated absences	401,687	411,169	(375,201)	437,655	145,885
Liability for unfunded OPEB	1,346,080	1,679,612	--	3,025,692	--
Governmental activity Long-Term Liabilities	\$4,640,732	\$4,133,191	(\$3,089,756)	\$5,684,167	\$861,023

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

Refunding

In 2010, the County issued \$2,070,000 of refunding bonds to retire the certificates of obligation, series 2003. This refunding was undertaken to reduce total debt service payments by \$70,380, and resulted in an economic gain of \$46,389.

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, 2010 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.

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2010

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 602 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768-20343.

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

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

2. 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 7.51% for calendar year 2010.

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, 2010, the annual pension cost for the TCDRS plan for its employees was \$697,255 and the actual contributions were \$697,255.

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, 2008, the basis for determining the contribution rates for calendar year 2010. The December 31, 2009 actuarial valuation is the most recent valuation.

WALLER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2010

Actuarial Valuation Information

Actuarial valuation date	12/31/09	12/31/08	12/31/07
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period in years	20.0	20.0	5.1
Actuarial valuation method	SAF: 10-yr smoothed value. ESF: Fund Value	SAF: 10-yr smoothed value. ESF: Fund Value	SAF: 10-yr smoothed value. ESF: Fund Value
Actuarial assumptions:			
Investment return	8.00%	8.00%	8.00%
Projected salary increases	5.40%	5.30%	5.30%
Inflation	3.50%	3.50%	3.50%
Cost-of-living adjustments	0.00%	0.00%	0.00%

Trend Information

Accounting year ended	12/31/10	12/31/09	12/31/08
Annual Pension Cost (APC)	\$697,255	\$601,833	\$576,035
Percentage of APC Contributed	100.00%	100.00%	100.00%
Net Pension Obligation	\$ --	\$ --	\$ --

Actuarial Valuation Information

	12/31/09	12/31/08	12/31/07
Actuarial valuation date			
Actuarial value of assets	\$17,812,071	\$15,788,048	\$16,395,442
Actuarial Accrued Liability (AAL)	\$19,580,004	\$17,697,086	\$16,929,656
Unfunded AAL (UAAL)	\$1,767,933	\$1,909,038	\$534,214
Funded Ratio	90.97%	89.21%	96.84%
Annual Covered Payroll (actuarial)	\$8,597,604	\$7,589,444	\$6,714,853
UAAL as a Percentage of Covered Payroll	20.56%	25.15%	7.96%

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, 2010

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

OPEB Plan Eligibility

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

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

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

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

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

Health Care Benefit

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

2. Funding Policies

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

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

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

WALLER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2010

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	28

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, 2010	\$1,985,504	\$305,892	25.9%	\$1,679,612

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.

F. Restatement

An amount due on a grant which had been collected in prior years but not reversed was adjusted. The effect on the prior year was to reduce due from other governments and fund balance by \$23,504 in the Grant Fund.

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, 2010

EXHIBIT B-1
Page 1 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 12,786,307	\$ 12,786,307	\$ 13,046,375	\$ 260,068
Licenses and permits	86,000	86,000	88,331	2,331
Intergovernmental	402,919	420,430	399,800	(20,630)
Charges for services	409,980	409,980	451,372	41,392
Fines	898,085	898,085	945,920	47,835
Interest	43,560	43,560	118,263	74,703
Miscellaneous	91,620	156,187	267,676	111,489
Total revenues	<u>14,718,471</u>	<u>14,800,549</u>	<u>15,317,737</u>	<u>517,188</u>
Expenditures:				
Current:				
General Government				
Commissioners' Court	394,838	399,838	384,867	14,971
County Clerk	680,067	681,692	645,825	35,867
Veterans Services	18,913	18,913	17,627	1,286
All Others	1,662,533	1,573,310	1,216,536	356,774
County Court	7,000	7,000	1,880	5,120
County Judge	188,179	188,179	171,595	16,584
Total General Government	<u>2,951,530</u>	<u>2,868,932</u>	<u>2,438,330</u>	<u>430,602</u>
Financial Administration				
County Auditor	264,350	264,350	251,114	13,236
County Treasurer	213,296	213,414	209,982	3,432
Central Appraisal District	336,716	340,133	340,133	--
Tax Assessor Collector	529,309	530,702	520,513	10,189
Total Financial Administration	<u>1,343,671</u>	<u>1,348,599</u>	<u>1,321,742</u>	<u>26,857</u>
Public Safety				
Short Term Detention	234,868	234,868	218,233	16,635
Jail	1,562,248	1,562,248	1,492,273	69,975
Juvenile Probation	137,028	138,778	137,989	789
Domestic Violence Grant	49,500	51,582	51,160	422
Constable Precinct Number One	69,803	79,838	69,416	10,422
Constable Precinct Number Two	50,528	86,673	82,237	4,436
Constable Precinct Number Three	46,553	46,553	45,116	1,437
Constable Precinct Number Four	43,234	50,505	42,116	8,389
Health and Wellness Grant	80,969	80,969	71,195	9,774
Sheriff Administration	2,235,651	2,270,659	2,227,710	42,949
Sheriff Communication	436,841	436,841	428,569	8,272
Law Enforcement Vehicle Maintenance	55,000	65,000	64,152	848
Community Supervision Corrections	10,500	10,500	9,080	1,420
Juvenile Board	5,556	5,556	5,445	111
Department of Public Safety	21,500	21,500	1,342	20,158
911 Grant	71,093	110,585	84,033	26,552
Total Public Safety	<u>5,110,872</u>	<u>5,252,655</u>	<u>5,030,066</u>	<u>222,589</u>

WALLER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT B-1
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Judicial				
District Judge - 506th District	\$ 152,274	\$ 152,274	\$ 141,208	\$ 11,066
District Judge - 155th District	43,097	43,097	42,712	385
County Court at Law	283,746	289,795	284,947	4,848
District Court	60,970	60,970	46,405	14,565
Justice Court	2,000	2,110	2,110	--
District Clerk	344,506	344,506	341,268	3,238
Justice of the Peace Precinct Number One	163,013	163,013	155,119	7,894
Justice of the Peace Precinct Number Two	125,580	125,855	119,549	6,306
Justice of the Peace Precinct Number Three	117,094	117,487	104,044	13,443
Justice of the Peace Precinct Number Four	206,160	206,160	203,141	3,019
Court Expense	439,000	439,000	346,471	92,529
Judicial Order	90,000	119,750	104,391	15,359
Total Judicial	<u>2,027,440</u>	<u>2,064,017</u>	<u>1,891,365</u>	<u>172,652</u>
Legal				
Criminal D.A.	689,042	690,462	684,727	5,735
Total Legal	<u>689,042</u>	<u>690,462</u>	<u>684,727</u>	<u>5,735</u>
Culture and Recreation				
County Library	299,410	301,072	271,449	29,623
Waller County Historical Commission	15,000	15,000	15,000	--
County Museum	17,000	17,000	17,000	--
Total Culture and Recreation	<u>331,410</u>	<u>333,072</u>	<u>303,449</u>	<u>29,623</u>
Nondepartmental				
Maintenance of buildings	325,423	350,423	311,915	38,508
Other Services and Charges	15,000	15,000	2,738	12,262
Indigent Health	1,049,659	1,049,659	404,339	645,320
Extension Service	153,505	153,505	132,035	21,470
Capital Outlay	2,500	2,500	144	2,356
Employee Benefits	1,741,600	1,741,600	1,561,384	180,216
Total Nondepartmental	<u>3,287,687</u>	<u>3,312,687</u>	<u>2,412,555</u>	<u>900,132</u>
Total expenditures	<u>15,741,652</u>	<u>15,870,424</u>	<u>14,082,234</u>	<u>1,788,190</u>
Excess (deficiency) of revenues over (under) expenditures	(1,023,181)	(1,069,875)	1,235,503	2,305,378
Other financing sources (uses):				
Transfers in	1,083,181	1,102,668	16,014	(1,086,654)
Transfers out	(60,000)	(32,793)	(32,734)	59
Total other financing sources (uses)	<u>1,023,181</u>	<u>1,069,875</u>	<u>(16,720)</u>	<u>(1,086,595)</u>
Net change in fund balances	--	--	1,218,783	1,218,783
Fund balance, January 1	3,639,557	3,639,557	3,639,557	--
Fund balance, December 31	<u>\$ 3,639,557</u>	<u>\$ 3,639,557</u>	<u>\$ 4,858,340</u>	<u>\$ 1,218,783</u>

WALLER COUNTY, TEXAS
ROAD AND BRIDGE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,520,880	\$ 2,520,880	\$ 2,587,977	\$ 67,097
Licenses and permits	1,280,000	1,280,000	850,413	(429,587)
Intergovernmental	39,000	39,000	29,272	(9,728)
Fines	118,000	118,000	138,909	20,909
Interest	14,500	14,500	50,245	35,745
Miscellaneous	25,600	279,921	101,454	(178,467)
Total revenues	<u>3,997,980</u>	<u>4,252,301</u>	<u>3,758,270</u>	<u>(494,031)</u>
Expenditures:				
Current:				
Public Transportation				
Road and Bridge Administration	440,489	466,489	457,397	9,092
Road and Bridge Maintenance	4,301,241	4,501,562	3,692,553	809,009
Total Public Transportation	<u>4,741,730</u>	<u>4,968,051</u>	<u>4,149,950</u>	<u>818,101</u>
Nondepartmental				
Employee Benefits	528,106	516,106	391,984	124,122
Total Nondepartmental	<u>528,106</u>	<u>516,106</u>	<u>391,984</u>	<u>124,122</u>
Total expenditures	<u>5,269,836</u>	<u>5,484,157</u>	<u>4,541,934</u>	<u>942,223</u>
Excess (deficiency) of revenues over (under) expenditures	(1,271,856)	(1,231,856)	(783,664)	448,192
Other financing sources (uses):				
Transfers in	1,271,856	1,271,856	--	(1,271,856)
Transfers out	--	(40,000)	(40,000)	--
Total other financing sources (uses)	<u>1,271,856</u>	<u>1,231,856</u>	<u>(40,000)</u>	<u>(1,271,856)</u>
Net change in fund balances	--	--	(823,664)	(823,664)
Fund balance, January 1	2,795,059	2,795,059	2,795,059	--
Fund balance, December 31	<u>\$ 2,795,059</u>	<u>\$ 2,795,059</u>	<u>\$ 1,971,395</u>	<u>\$ (823,664)</u>

WALLER COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended December 31, 2010

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on the modified accrual basis of accounting for the General Fund; certain Special Revenue Funds (Road and Bridge, Chapter 19 Voters Registration, Law Library, RPF District Clerk, RMPF County Clerk/District Clerk, RPF County Clerk, Courthouse Security, JP Technology Fund, 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 \$128,772 during the year, while the Road and Bridge Fund appropriations were increased by \$214,321. 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, 2010, no funds had expenditures exceeding appropriations.

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

EXHIBIT B-3

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

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, 2010

	Special Revenue Funds	Debt Service Fund	Capital Projects Construction	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
Cash and cash equivalents	\$ 102,410	\$ 181,786	\$ --	\$ 284,196
Investments	1,785,658	232,706	198,176	2,216,540
Receivables (net of allowances for uncollectibles):				
Taxes	--	560,342	--	560,342
Fines	26,922	--	--	26,922
Intergovernmental	60,159	--	--	60,159
Total Assets	<u>\$ 1,975,149</u>	<u>\$ 974,834</u>	<u>\$ 198,176</u>	<u>\$ 3,148,159</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 17,021	\$ --	\$ --	\$ 17,021
Other payables and accruals	5,363	--	--	5,363
Due to other funds	9	--	--	9
Deferred revenue	26,920	556,749	--	583,669
Taxes collected in advance	--	285,347	--	285,347
Total Liabilities	<u>49,313</u>	<u>842,096</u>	<u>--</u>	<u>891,409</u>
Fund balances:				
Reserved for:				
Debt service	--	132,738	--	132,738
Unreserved, reported in				
Special revenue funds	1,925,836	--	--	1,925,836
Capital projects funds	--	--	198,176	198,176
Total fund balances	<u>1,925,836</u>	<u>132,738</u>	<u>198,176</u>	<u>2,256,750</u>
Total Liabilities and Fund Balances	<u>\$ 1,975,149</u>	<u>\$ 974,834</u>	<u>\$ 198,176</u>	<u>\$ 3,148,159</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Special Revenue Funds	Debt Service Fund	Capital Projects Construction	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
Taxes	\$ --	\$ 697,241	\$ --	\$ 697,241
Intergovernmental	624,668	--	--	624,668
Fines	337,156	--	--	337,156
Interest	4,709	974	496	6,179
Miscellaneous	172,753	--	--	172,753
Total revenues	<u>1,139,286</u>	<u>698,215</u>	<u>496</u>	<u>1,837,997</u>
Expenditures:				
Current:				
General government	194,250	--	--	194,250
Public safety	509,814	--	--	509,814
Judicial	61,033	--	--	61,033
Legal	304,125	--	--	304,125
Culture and recreation	7,820	--	--	7,820
Nondepartmental	283,483	--	--	283,483
Debt service:				
Interest and fiscal charges	--	65,730	--	65,730
Bond issuance cost	--	35,914	--	35,914
Total expenditures	<u>1,360,525</u>	<u>101,644</u>	<u>--</u>	<u>1,462,169</u>
Excess (deficiency) of revenues over (under) expenditures	(221,239)	596,571	496	375,828
Other financing sources (uses):				
Transfers in	72,734	--	--	72,734
Transfers out	(16,014)	--	--	(16,014)
Proceeds of bond issue	--	2,070,000	--	2,070,000
Payment to refunded bond escrow agent	--	(2,702,590)	--	(2,702,590)
Total other financing sources (uses)	<u>56,720</u>	<u>(632,590)</u>	<u>--</u>	<u>(575,870)</u>
Net change in fund balances	(164,519)	(36,019)	496	(200,042)
Fund balances, January 1	2,090,355	168,757	197,680	2,456,792
Fund balances, December 31	<u>\$ 1,925,836</u>	<u>\$ 132,738</u>	<u>\$ 198,176</u>	<u>\$ 2,256,750</u>

WALLER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2010

	D.A. Warrant Seizure	District Attorney Apportionment	Constable Precinct #3 LEOSE	Sheriff Forfeiture
ASSETS				
Cash and cash equivalents	\$ 7,614	\$ 11,518	\$ 100	\$ 19,159
Investments	--	--	--	--
Receivables (net of allowances for uncollectibles):				
Fines	--	--	--	--
Intergovernmental	--	--	--	--
Total Assets	<u>\$ 7,614</u>	<u>\$ 11,518</u>	<u>\$ 100</u>	<u>\$ 19,159</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Other payables and accruals	--	--	--	--
Due to other funds	--	--	--	--
Deferred revenue	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:				
Unreserved	<u>7,614</u>	<u>11,518</u>	<u>100</u>	<u>19,159</u>
Total fund balances	<u>7,614</u>	<u>11,518</u>	<u>100</u>	<u>19,159</u>
Total Liabilities and Fund Balances	<u>\$ 7,614</u>	<u>\$ 11,518</u>	<u>\$ 100</u>	<u>\$ 19,159</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>
\$ 34,919	\$ 3,185	\$ --	\$ 9,814	\$ --
--	--	76,349	--	84,704
--	--	--	--	--
--	--	--	--	--
<u>\$ 34,919</u>	<u>\$ 3,185</u>	<u>\$ 76,349</u>	<u>\$ 9,814</u>	<u>\$ 84,704</u>
\$ --	\$ --	\$ --	\$ --	\$ 14,295
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>14,295</u>
34,919	3,185	76,349	9,814	70,409
<u>34,919</u>	<u>3,185</u>	<u>76,349</u>	<u>9,814</u>	<u>70,409</u>
<u>\$ 34,919</u>	<u>\$ 3,185</u>	<u>\$ 76,349</u>	<u>\$ 9,814</u>	<u>\$ 84,704</u>

WALLER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2010

	Title IV Juvenile Justice	RPF District Clerk	RMPF County Clerk District Clerk	RPF County Clerk
ASSETS				
Cash and cash equivalents	\$ 1	\$ --	\$ --	\$ --
Investments	139,461	4,653	49,399	247,272
Receivables (net of allowances for uncollectibles):				
Fines	--	511	17,698	316
Intergovernmental	--	--	--	--
Total Assets	<u>\$ 139,462</u>	<u>\$ 5,164</u>	<u>\$ 67,097</u>	<u>\$ 247,588</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ 253
Other payables and accruals	--	--	--	650
Due to other funds	--	--	--	4
Deferred revenue	--	510	17,698	315
Total Liabilities	<u>--</u>	<u>510</u>	<u>17,698</u>	<u>1,222</u>
Fund balances:				
Unreserved	139,462	4,654	49,399	246,366
Total fund balances	<u>139,462</u>	<u>4,654</u>	<u>49,399</u>	<u>246,366</u>
Total Liabilities and Fund Balances	<u>\$ 139,462</u>	<u>\$ 5,164</u>	<u>\$ 67,097</u>	<u>\$ 247,588</u>

Preservation Fee Birth Death County Clerk	Courthouse Security	Graffiti Eradication	JP Technology Fee	Family Protection Fee
\$ 2	\$ 534	\$ --	\$ 626	\$ 1
9,855	196,245	591	185,315	7,110
--	5,637	7	2,279	--
--	--	--	--	--
<u>\$ 9,857</u>	<u>\$ 202,416</u>	<u>\$ 598</u>	<u>\$ 188,220</u>	<u>\$ 7,111</u>
\$ --	\$ 75	\$ --	\$ 30	\$ --
--	2,150	--	--	--
--	--	--	4	--
--	5,636	8	2,279	--
--	7,861	8	2,313	--
9,857	194,555	590	185,907	7,111
<u>9,857</u>	<u>194,555</u>	<u>590</u>	<u>185,907</u>	<u>7,111</u>
<u>\$ 9,857</u>	<u>\$ 202,416</u>	<u>\$ 598</u>	<u>\$ 188,220</u>	<u>\$ 7,111</u>

WALLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	Court Initiated Guardianship	Justice Court Security	County Clerk Technology	District Clerk Technology
ASSETS				
Cash and cash equivalents	\$ --	\$ 150	\$ 84	\$ 32
Investments	6,776	32,122	--	--
Receivables (net of allowances for uncollectibles):				
Fines	--	426	--	48
Intergovernmental	--	--	--	--
Total Assets	<u>\$ 6,776</u>	<u>\$ 32,698</u>	<u>\$ 84</u>	<u>\$ 80</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Other payables and accruals	--	--	--	--
Due to other funds	--	1	--	--
Deferred revenue	--	426	--	48
Total Liabilities	<u>--</u>	<u>427</u>	<u>--</u>	<u>48</u>
Fund balances:				
Unreserved	6,776	32,271	84	32
Total fund balances	<u>6,776</u>	<u>32,271</u>	<u>84</u>	<u>32</u>
Total Liabilities and Fund Balances	<u>\$ 6,776</u>	<u>\$ 32,698</u>	<u>\$ 84</u>	<u>\$ 80</u>

CC Records Preservation Digitization	DC Records Preservation Digitization	DA Pre Trial Diversion	D.A. Worthless Check Trust	Hospital Trust
\$ --	\$ --	\$ --	\$ 5,646	\$ --
2,841	4,442	55,127	--	2,862
--	--	--	--	--
--	--	--	--	--
<u>\$ 2,841</u>	<u>\$ 4,442</u>	<u>\$ 55,127</u>	<u>\$ 5,646</u>	<u>\$ 2,862</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
2,841	4,442	55,127	5,646	2,862
<u>2,841</u>	<u>4,442</u>	<u>55,127</u>	<u>5,646</u>	<u>2,862</u>
<u>\$ 2,841</u>	<u>\$ 4,442</u>	<u>\$ 55,127</u>	<u>\$ 5,646</u>	<u>\$ 2,862</u>

WALLER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2010

	<u>Grant</u>	<u>Narc Program</u>
ASSETS		
Cash and cash equivalents	\$ 847	\$ --
Investments	583,046	94,179
Receivables (net of allowances for uncollectibles):		
Fines	--	--
Intergovernmental	60,159	--
Total Assets	\$ 644,052	\$ 94,179
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 2,368	\$ --
Other payables and accruals	2,563	--
Due to other funds	--	--
Deferred revenue	--	--
Total Liabilities	4,931	--
Fund balances:		
Unreserved	639,121	94,179
Total fund balances	639,121	94,179
Total Liabilities and Fund Balances	\$ 644,052	\$ 94,179

<u>Federal Forfeiture</u>	<u>Imprest</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit C-1)</u>
\$ --	\$ 8,178	\$ 102,410
3,309	--	1,785,658
--	--	26,922
--	--	60,159
<u>\$ 3,309</u>	<u>\$ 8,178</u>	<u>\$ 1,975,149</u>
\$ --	\$ --	\$ 17,021
--	--	5,363
--	--	9
--	--	26,920
<u> --</u>	<u> --</u>	<u> 49,313</u>
3,309	8,178	1,925,836
<u> 3,309</u>	<u> 8,178</u>	<u> 1,925,836</u>
<u>\$ 3,309</u>	<u>\$ 8,178</u>	<u>\$ 1,975,149</u>

WALLER COUNTY, TEXASCOMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	D.A. Warrant Seizure	Chapter 19 Voters Registration	District Attorney Apportionment	Constable Precinct #3 LEOSE
Revenues:				
Intergovernmental	\$ --	\$ 5,103	\$ 35,209	\$ 637
Fines	31,322	--	--	--
Interest	23	--	12	--
Miscellaneous	--	--	--	--
Total revenues	<u>31,345</u>	<u>5,103</u>	<u>35,221</u>	<u>637</u>
Expenditures:				
Current:				
General government	--	5,103	--	--
Public Safety	--	--	--	551
Judicial	--	--	--	--
Legal	27,578	--	38,047	--
Culture and recreation	--	--	--	--
Nondepartmental	--	--	--	--
Total expenditures	<u>27,578</u>	<u>5,103</u>	<u>38,047</u>	<u>551</u>
Excess (deficiency) of revenues over (under) expenditures	3,767	--	(2,826)	86
Other financing sources (uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	3,767	--	(2,826)	86
Fund balances, January 1	3,847	--	14,344	14
Fund balances, December 31	<u>\$ 7,614</u>	<u>\$ --</u>	<u>\$ 11,518</u>	<u>\$ 100</u>

Sheriff Forfeiture	D.A. Warrant Forfeiture	D.A. Worthless Check	Elections	District Attorney Forfeiture
\$ --	\$ --	\$ --	\$ --	\$ --
66,465	95,420	--	--	--
36	47	4	106	8
--	--	9,155	63,062	22,912
<u>66,501</u>	<u>95,467</u>	<u>9,159</u>	<u>63,168</u>	<u>22,920</u>
--	--	--	--	--
56,301	--	--	--	--
--	--	--	--	--
--	86,715	7,395	--	18,220
--	--	--	--	--
--	--	--	10,858	--
<u>56,301</u>	<u>86,715</u>	<u>7,395</u>	<u>10,858</u>	<u>18,220</u>
10,200	8,752	1,764	52,310	4,700
--	--	--	--	--
--	--	--	(16,014)	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>(16,014)</u>	<u>--</u>
10,200	8,752	1,764	36,296	4,700
8,959	26,167	1,421	40,053	5,114
<u>\$ 19,159</u>	<u>\$ 34,919</u>	<u>\$ 3,185</u>	<u>\$ 76,349</u>	<u>\$ 9,814</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Law Library	Title IV Juvenile Justice	RPF District Clerk	RMPF County Clerk District Clerk
Revenues:				
Intergovernmental	\$ --	\$ --	\$ --	\$ --
Fines	12,320	--	2,863	12,345
Interest	176	256	25	79
Miscellaneous	--	--	--	--
Total revenues	<u>12,496</u>	<u>256</u>	<u>2,888</u>	<u>12,424</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public Safety	--	--	--	--
Judicial	--	--	13,042	--
Legal	14,295	--	--	--
Culture and recreation	--	--	--	--
Nondepartmental	--	--	--	--
Total expenditures	<u>14,295</u>	<u>--</u>	<u>13,042</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(1,799)	256	(10,154)	12,424
Other financing sources (uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(1,799)	256	(10,154)	12,424
Fund balances, January 1	72,208	139,206	14,808	36,975
Fund balances, December 31	<u>\$ 70,409</u>	<u>\$ 139,462</u>	<u>\$ 4,654</u>	<u>\$ 49,399</u>

RPF County Clerk	Preservation Fee Birth Death County Clerk	Courthouse Security	Graffiti Eradication	JP Technology Fee
\$ --	\$ --	\$ --	\$ --	\$ --
36,415	1,538	34,289	--	27,889
622	16	708	--	406
--	--	--	--	--
<u>37,037</u>	<u>1,554</u>	<u>34,997</u>	<u>--</u>	<u>28,295</u>
78,138	--	--	--	--
--	--	--	--	--
--	--	--	--	14,925
--	--	--	--	--
--	--	232,625	--	--
<u>78,138</u>	<u>--</u>	<u>232,625</u>	<u>--</u>	<u>14,925</u>
(41,101)	1,554	(197,628)	--	13,370
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(41,101)	1,554	(197,628)	--	13,370
287,467	8,303	392,183	590	172,537
<u>\$ 246,366</u>	<u>\$ 9,857</u>	<u>\$ 194,555</u>	<u>\$ 590</u>	<u>\$ 185,907</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Family Protection Fee	Court Initiated Guardianship	Justice Court Security	County Clerk Technology
Revenues:				
Intergovernmental	\$ --	\$ 2,280	\$ --	\$ --
Fines	2,220	--	6,674	84
Interest	10	9	46	--
Miscellaneous	--	--	--	--
Total revenues	<u>2,230</u>	<u>2,289</u>	<u>6,720</u>	<u>84</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public Safety	--	--	--	--
Judicial	--	--	--	--
Legal	--	--	--	--
Culture and recreation	--	--	--	--
Nondepartmental	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Excess (deficiency) of revenues over (under) expenditures	 2,230	 2,289	 6,720	 84
Other financing sources (uses):				
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
 Net change in fund balances	 2,230	 2,289	 6,720	 84
Fund balances, January 1	4,881	4,487	25,551	--
Fund balances, December 31	<u>\$ 7,111</u>	<u>\$ 6,776</u>	<u>\$ 32,271</u>	<u>\$ 84</u>

District Clerk Technology	CC Records Preservation Digitization	DC Records Preservation Digitization	DA Pre Trial Diversion	D.A. Worthless Check Trust
\$ --	\$ --	\$ --	\$ 34,100	\$ --
32	2,840	4,440	--	--
--	1	2	27	12
--	--	--	--	77,108
<u>32</u>	<u>2,841</u>	<u>4,442</u>	<u>34,127</u>	<u>77,120</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	77,396
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>77,396</u>
32	2,841	4,442	34,127	(276)
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
32	2,841	4,442	34,127	(276)
--	--	--	21,000	5,922
<u>\$ 32</u>	<u>\$ 2,841</u>	<u>\$ 4,442</u>	<u>\$ 55,127</u>	<u>\$ 5,646</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Hospital Trust	Grant
Revenues:		
Intergovernmental	\$ --	\$ 528,706
Fines	--	--
Interest	6	1,807
Miscellaneous	--	--
Total revenues	<u>6</u>	<u>530,513</u>
Expenditures:		
Current:		
General government	--	111,009
Public Safety	--	380,849
Judicial	--	33,066
Legal	--	34,479
Culture and recreation	--	7,820
Nondepartmental	--	40,000
Total expenditures	<u>--</u>	<u>607,223</u>
Excess (deficiency) of revenues over (under) expenditures	6	(76,710)
Other financing sources (uses):		
Transfers in	--	72,734
Transfers out	--	--
Total other financing sources (uses)	<u>--</u>	<u>72,734</u>
Net change in fund balances	6	(3,976)
Fund balances, January 1	2,856	643,097
Fund balances, December 31	<u>\$ 2,862</u>	<u>\$ 639,121</u>

Narc Program	Federal Forfeiture	Imprest	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ --	\$ 18,633	\$ 624,668
--	--	--	337,156
210	37	18	4,709
516	--	--	172,753
<u>726</u>	<u>37</u>	<u>18,651</u>	<u>1,139,286</u>
--	--	--	194,250
15,708	35,996	20,409	509,814
--	--	--	61,033
--	--	--	304,125
--	--	--	7,820
--	--	--	283,483
<u>15,708</u>	<u>35,996</u>	<u>20,409</u>	<u>1,360,525</u>
(14,982)	(35,959)	(1,758)	(221,239)
--	--	--	72,734
--	--	--	(16,014)
<u>--</u>	<u>--</u>	<u>--</u>	<u>56,720</u>
(14,982)	(35,959)	(1,758)	(164,519)
109,161	39,268	9,936	2,090,355
<u>\$ 94,179</u>	<u>\$ 3,309</u>	<u>\$ 8,178</u>	<u>\$ 1,925,836</u>

WALLER COUNTY, TEXAS
 CHAPTER 19 VOTERS REGISTRATION
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 5,103	\$ 5,103	\$ --
Total revenues	<u>5,103</u>	<u>5,103</u>	<u>--</u>
Expenditures:			
Current:			
General Government			
Voter Registrar	5,103	5,103	--
Total General Government	<u>5,103</u>	<u>5,103</u>	<u>--</u>
Total expenditures	<u>5,103</u>	<u>5,103</u>	<u>--</u>
Net change in fund balances	--	--	--
Fund balance, January 1	--	--	--
Fund balance, December 31	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

WALLER COUNTY, TEXAS
 LAW LIBRARY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-6

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Fines	\$ 72,323	\$ 12,320	\$ (60,003)
Interest	--	176	176
Total revenues	<u>72,323</u>	<u>12,496</u>	<u>(59,827)</u>
Expenditures:			
Current:			
Legal			
Law Library	72,323	14,295	58,028
Total Legal	<u>72,323</u>	<u>14,295</u>	<u>58,028</u>
Total expenditures	<u>72,323</u>	<u>14,295</u>	<u>58,028</u>
Net change in fund balances	--	(1,799)	(1,799)
Fund balance, January 1	72,208	72,208	--
Fund balance, December 31	<u>\$ 72,208</u>	<u>\$ 70,409</u>	<u>\$ (1,799)</u>

WALLER COUNTY, TEXAS
 RPF DISTRICT CLERK
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-7

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Fines	\$ 14,807	\$ 2,863	\$ (11,944)
Interest	--	25	25
Total revenues	<u>14,807</u>	<u>2,888</u>	<u>(11,919)</u>
Expenditures:			
Current:			
Judicial			
District Clerk Records Preservation	14,807	13,042	1,765
Total Judicial	<u>14,807</u>	<u>13,042</u>	<u>1,765</u>
Total expenditures	<u>14,807</u>	<u>13,042</u>	<u>1,765</u>
Net change in fund balances	--	(10,154)	(10,154)
Fund balance, January 1	14,808	14,808	--
Fund balance, December 31	<u>\$ 14,808</u>	<u>\$ 4,654</u>	<u>\$ (10,154)</u>

WALLER COUNTY, TEXAS
 RMPF COUNTY CLERK/DISTRICT CLERK
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Fines	\$ 25,839	\$ 12,345	\$ (13,494)
Interest	--	79	79
Total revenues	<u>25,839</u>	<u>12,424</u>	<u>(13,415)</u>
Expenditures:			
Current:			
General Government			
Records Management	25,839	--	25,839
Total General Government	<u>25,839</u>	<u>--</u>	<u>25,839</u>
Total expenditures	<u>25,839</u>	<u>--</u>	<u>25,839</u>
Net change in fund balances	--	12,424	12,424
Fund balance, January 1	36,975	36,975	--
Fund balance, December 31	<u>\$ 36,975</u>	<u>\$ 49,399</u>	<u>\$ 12,424</u>

WALLER COUNTY, TEXAS
 RPF COUNTY CLERK
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-9

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Fines	\$ 306,497	\$ 36,415	\$ (270,082)
Interest	--	622	622
Total revenues	<u>306,497</u>	<u>37,037</u>	<u>(269,460)</u>
Expenditures:			
Current:			
General Government			
Records Preservation	306,497	78,138	228,359
Total General Government	<u>306,497</u>	<u>78,138</u>	<u>228,359</u>
Total expenditures	<u>306,497</u>	<u>78,138</u>	<u>228,359</u>
Net change in fund balances	--	(41,101)	(41,101)
Fund balance, January 1	287,467	287,467	--
Fund balance, December 31	<u>\$ 287,467</u>	<u>\$ 246,366</u>	<u>\$ (41,101)</u>

WALLER COUNTY, TEXAS
 COURTHOUSE SECURITY
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-10

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Fines	\$ 479,502	\$ 34,289	\$ (445,213)
Interest	--	708	708
Total revenues	<u>479,502</u>	<u>34,997</u>	<u>(444,505)</u>
Expenditures:			
Current:			
Nondepartmental			
Courthouse Security	479,502	232,625	246,877
Total Nondepartmental	<u>479,502</u>	<u>232,625</u>	<u>246,877</u>
Total expenditures	<u>479,502</u>	<u>232,625</u>	<u>246,877</u>
Net change in fund balances	--	(197,628)	(197,628)
Fund balance, January 1	392,183	392,183	--
Fund balance, December 31	<u>\$ 392,183</u>	<u>\$ 194,555</u>	<u>\$ (197,628)</u>

WALLER COUNTY, TEXAS
 JP TECHNOLOGY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Fines	\$ 153,374	\$ 27,889	\$ (125,485)
Interest	--	406	406
Total revenues	<u>153,374</u>	<u>28,295</u>	<u>(125,079)</u>
Expenditures:			
Current:			
Judicial			
Justice Court Technology	153,374	14,925	138,449
Total Judicial	<u>153,374</u>	<u>14,925</u>	<u>138,449</u>
Total expenditures	<u>153,374</u>	<u>14,925</u>	<u>138,449</u>
Net change in fund balances	--	13,370	13,370
Fund balance, January 1	172,537	172,537	--
Fund balance, December 31	<u>\$ 172,537</u>	<u>\$ 185,907</u>	<u>\$ 13,370</u>

WALLER COUNTY, TEXAS
 GRANT
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-12

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 748,579	\$ 536,549	\$ (212,030)
Interest	--	1,807	1,807
Miscellaneous	--	(7,843)	(7,843)
Total revenues	<u>748,579</u>	<u>530,513</u>	<u>(218,066)</u>
Expenditures:			
Current:			
General Government			
Solid Waste Recycle Plant	111,064	111,009	55
Total General Government	<u>111,064</u>	<u>111,009</u>	<u>55</u>
Public Safety			
Juvenile Probation Grants 2	124,272	47,743	76,529
Formula Grant	22,314	22,314	--
CJEC 911 Grant	18,283	18,283	--
TJPC Grant 2	146,262	143,747	2,515
TJPC Grant 3	26,802	25,364	1,438
Law Enforcement Enhancement	123,470	123,398	72
Total Public Safety	<u>461,403</u>	<u>380,849</u>	<u>80,554</u>
Judicial			
Formula Equalization	33,066	33,066	--
Total Judicial	<u>33,066</u>	<u>33,066</u>	<u>--</u>
Legal			
Victim's Assistance Grant	44,856	34,479	10,377
Total Legal	<u>44,856</u>	<u>34,479</u>	<u>10,377</u>
Culture and Recreation			
Lone Star Library Grant 2	7,843	7,820	23
Total Culture and Recreation	<u>7,843</u>	<u>7,820</u>	<u>23</u>
Nondepartmental			
TWDB Flood Protection Plan Grant	196,655	40,000	156,655
Total Nondepartmental	<u>196,655</u>	<u>40,000</u>	<u>156,655</u>
Total expenditures	<u>854,887</u>	<u>607,223</u>	<u>247,664</u>
Excess (deficiency) of revenues over (under) expenditures	(106,308)	(76,710)	29,598
Other financing sources (uses):			
Transfers in	106,308	72,734	(33,574)
Total other financing sources (uses)	<u>106,308</u>	<u>72,734</u>	<u>(33,574)</u>
Net change in fund balances	--	(3,976)	(3,976)
Fund balance, January 1	643,097	643,097	--
Fund balance, December 31	<u>\$ 643,097</u>	<u>\$ 639,121</u>	<u>\$ (3,976)</u>

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WALLER COUNTY, TEXAS
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2010

EXHIBIT C-13

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Taxes	\$ 673,748	\$ 697,241	\$ 23,493
Interest	3,000	974	(2,026)
Total revenues	<u>676,748</u>	<u>698,215</u>	<u>21,467</u>
Expenditures:			
Debt service:			
Principal	630,000	--	630,000
Interest and fiscal charges	105,663	65,730	39,933
Bond issuance cost	--	35,914	(35,914)
Total Debt Service	<u>735,663</u>	<u>101,644</u>	<u>634,019</u>
Total expenditures	<u>735,663</u>	<u>101,644</u>	<u>634,019</u>
Excess (deficiency) of revenues over (under) expenditures	(58,915)	596,571	655,486
Other financing sources (uses):			
Proceeds of bond issue	--	2,070,000	2,070,000
Payment to refunded bond escrow agent	--	(2,702,590)	(2,702,590)
Total other financing sources (uses)	<u>--</u>	<u>(632,590)</u>	<u>(632,590)</u>
Net change in fund balances	(58,915)	(36,019)	22,896
Fund balance, January 1	168,757	168,757	--
Fund balance, December 31	<u>\$ 109,842</u>	<u>\$ 132,738</u>	<u>\$ 22,896</u>

WALLER COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PRIVATE-PURPOSE TRUST FUNDS
 DECEMBER 31, 2010

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

<u>Ogg Trust</u>	<u>Dismuke Estate Trust</u>	<u>Total Private- Purpose Trust Funds (See Exhibit A-7)</u>
\$ 5	\$ --	\$ 5
52,660	61,844	114,506
--	--	1
<u>\$ 52,665</u>	<u>\$ 61,844</u>	<u>\$ 114,512</u>
<u>\$ 52,665</u>	<u>\$ 61,844</u>	<u>\$ 114,512</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 ALL PRIVATE-PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Permanent School	Permanent School Available	Ogg Trust
Additions:			
Interest	\$ --	\$ 8	239
Miscellaneous	--	6,227	--
Total Additions	<u>--</u>	<u>6,235</u>	<u>239</u>
Deductions:			
Administrative expenses	--	442	--
Payments to schools	--	5,795	--
Total Deductions	<u>--</u>	<u>6,237</u>	<u>--</u>
Change in Net Assets	--	(2)	239
Net Assets-Beginning of the Year	1	4	52,426
Net Assets-End of the Year	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 52,665</u>

EXHIBIT C-15

Dismuke Estate Trust	Total Private-Purpose Trust Funds (See Exhibit A-8)
\$ 117	\$ 364
--	6,227
<u>117</u>	<u>6,591</u>
--	442
--	5,795
<u>--</u>	<u>6,237</u>
117	354
61,727	114,158
<u>\$ 61,844</u>	<u>\$ 114,512</u>

WALLER COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

DECEMBER 31, 2010

	<u>Agency</u>	<u>Automated Revenue</u>
ASSETS		
Cash and cash equivalents	\$ 4,926,025	\$ 5
Total Assets	<u>\$ 4,926,025</u>	<u>\$ 5</u>
Other payables and accruals	\$ --	\$ --
Due to other governments	3,517,805	--
Due to others	1,408,220	5
Total Liabilities	<u>\$ 4,926,025</u>	<u>\$ 5</u>
NET ASSETS		

JP1 Automated Revenue	Interchange Improvements Woods Road	Payroll Clearing Fund	Total Agency Funds (See Exhibit A-7)
\$ 1	\$ 880	\$ 212,135	\$ 5,139,046
<u>\$ 1</u>	<u>\$ 880</u>	<u>\$ 212,135</u>	<u>\$ 5,139,046</u>
\$ --	\$ --	\$ 212,135	\$ 212,135
--	--	--	3,517,805
1	880	--	1,409,106
<u>\$ 1</u>	<u>\$ 880</u>	<u>\$ 212,135</u>	<u>\$ 5,139,046</u>

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