



1884 Washington County Courthouse

WASHINGTON COUNTY, TEXAS
Comprehensive Annual
Financial Report
For The Fiscal Year Ended
December 31, 2011

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

ISSUED BY THE OFFICE OF THE COUNTY AUDITOR
SHARON STOLZ

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

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Introductory Section

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Sharon Stolz
Washington County Auditor

June 15, 2012

Honorable 21st and 335th District Judges,
the Honorable Commissioners' Court, and
the Citizens of Washington County

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for Washington County for the fiscal year ended December 31, 2011. State law, V.T.C.A. LCC 114.025 and 115.045, requires that Washington County publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Washington County for the fiscal year ended December 31, 2011.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the basic financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the basic financial statements will be free from material misstatement. Responsibility for internal controls is shared by the Commissioners' Court, which is the governing body, the County Auditor, who is appointed by the District Judges, and the County Treasurer. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's basic financial statements have been audited by Rutledge Crain & Company, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County, for the fiscal year ended December 31, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used; and evaluating the overall financial statement presentation. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Washington County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Washington County's separately issued Single Audit Report.

Generally accepted accounting principles require a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Washington County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Washington County, incorporated in 1837, is located in the center of the "core" of Texas, also called the Golden Triangle, 70 miles from Houston, 90 miles from Austin, 158 miles from San Antonio, 210 miles from Dallas/Fort Worth, and only 40 miles from Bryan/College Station. The County is a rural county approximately 610 square miles in area with a 2010 census population of 33,718, an increase of 11.0% from the 2000 census of 30,373. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

The County is a public corporation and political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioners Court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The Commissioners Court sets the tax rate, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the County Auditor. The Commissioners Court is also responsible for development of policies and orders, approving financial commitments and appointment of various department heads. The management and leadership provided by members of the Commissioners Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth.

The County Auditor is appointed according to Texas State statutes for two year terms by District Judges. The County Auditor has responsibilities for prescribing the systems and procedures for handling the finances of the County, certifying available funds for county budgets, and "examining, auditing and approving" all disbursements from County funds prior to their submission to the Commissioners Court for approval.

The County provides many services not ordinarily provided by any other entity of government and provides additional services in cooperation with other local governmental units. A primary service is the administration of justice, which includes the civil and criminal county and district courts, justices of the peace, constables, county attorney, clerks of the courts, sheriff, jail, security and emergency management and grand jury bailiffs. Other functions performed by the County include the construction and maintenance of roads and bridges, either independently or in cooperation with other entities; administration of public health services; assistance to indigents; and the provision of juvenile, health, education and welfare services.

The annual budget serves as the foundation for Washington County's financial planning and control. All departments of the County are required to submit budget requests to the County Auditor during July each year. The County Auditor uses these requests to develop a proposed budget. The proposed budget is then presented to the Commissioners Court for review. The Commissioners Court is required to hold public hearings on the proposed budget. The County is required to adopt its budget by the first day of the new fiscal year. The appropriated budget is prepared by fund, function (e.g. public safety), and department. All transfers of appropriations, either between departments or within an individual department's budget, require the approval of the Commissioners Court. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Washington County operates.

Local Economy

As with some parts of the nation, the County of Washington's economy is stabilizing from the recession. There are several factors supporting this economic stability for the County.

- **Sales Tax** –Although, sales tax was not budgeted to increase in 2011 due to a tight economy, actual performance for FY11 exceeded the budgeted amount for FY11 by 13.5%.
- **Property Valuations** – The property valuations increased less than 1% from \$2,625,999,454 in FY10 to \$2,723,432,103 in FY11. During the year, the County had \$64,426,511 in new property added to the tax rolls.
- **Unemployment Rate for the County** – The unemployment rate for Washington County is December 2011 was 6.0 percent, down from a 6.4 percent rate one year ago. The current rate compares favorably to the state's average unemployment rate of 7.8 percent for the same time period.

The County is fortunate to have major industries with headquarters or divisions including an ice cream manufacturer, a steel lighting standards manufacturer, and a globally distributed salad dressing manufacturer, a nationally known retail super center and two nationally known home improvement retail stores. Other top employers include the regional home office of a state-wide insurance provider and Scott & White, a regional health care facility. The state also has a major economic presence in the area thanks to Blinn College, the oldest junior college in the state, and to

a major mental health facility, which together provide employment for nearly 1,800 educators, health care professionals and staff.

In addition, the County benefited from an addition to a utility pole production operation, a new family medicine clinic and diagnostic center, and a business service relocation. Highlights are noted below.

- Valmont Industries, a large utility pole production operation company, constructed a 40,000 sq. ft. building off of their current facility with a \$9.7 million capital investment and the expectation of adding 90-100 employees.
- St. Joseph Medical Clinic built a new family medicine medical clinic and diagnostic center and combined it with their extended-hour and weekend clinic, St. Joseph Express, with a capital investment of \$1.2 million.
- Bluebonnet Electric Cooperative, relocated their Service Center off of Hwy 290 and built a new facility in the newly expanded portion of the Southwest Industrial Park with a capital investment of \$4.2 million.

Below are two major projects that started in 2010 but were completed in 2011

- Quest Vapco, relocated to Brenham from Houston, Texas and used an adaptive re-use of an existing building for its plant operations with a \$1.7 million capital investment. They will be creating up to 100 new jobs during the first year of operations. They recently completed renovations to that building and are now completely out of the Houston Office.
- Blue Bell Creameries completed a \$3 million construction investment expected to produce 5 to 10 production and tourism jobs.

The Southwest Industrial Park was expanded with the acquisition of over 120 acres for new unrestricted industrial sites in 2010 and continues marketing this acquisition for business relocations.

A contributing factor to Washington County's current economic stability includes a tax abatement policy. Countywide tax abatement plans, which give reduced property taxes for a number of years, are being offered to industries to locate in the County. Two new tax abatements were requested for fiscal year 2011 for a total of eight existing tax abatements.

Long Term Financial Planning

County strategies and plans are integrated into all departmental budgets to ensure unified efforts within County government to achieve the goals and objectives of the County. Texas county government operates under a balanced budget as required by law. This does not mean that estimated revenues must always be exactly equal to expenditures. In most of the annual operating budgets, the Commissioners' Court members usually decide to use a portion of fund balance reserves to balance the revenues to appropriations. As a sound financial management practice, members of Commissioners' Court consistently emphasize maintaining sufficient undesignated fund balance levels (unreserved net assets) to meet first quarter obligations of payroll and operating costs and furthermore, this assists in maintaining financial stability and retaining or enhancing the County's bond ratings.

Cash Management

The Commissioners' Court has adopted a formal investment policy for the County consistent with State statutes governing the investment of County funds and has designated the County Treasurer as the County's investment officer. The general objectives set forth in the policy provide for financial security and optimum liquidity of County funds while achieving the maximum yield on funds invested and maximum levels of invested funds.

Authorized investments are consistent with those authorized by State law for Texas counties. Generally, the County has limited its investments to bank certificates of deposit and money market funds with the County Depository Bank and the Texas Local Governmental Investment Pools.

Risk Management

The County insures through private carriers against catastrophic losses to its infrastructure and certain major items of personal property. Items so insured include buildings and contents, data media and computer-related equipment, radio transmission towers, generators, and other related equipment.

The County insures against the risks from tort claims, workers' compensation benefits due employees who are injured while on duty, losses of funds by theft or mysterious disappearances in all fee offices of the County and any and all other claims asserted by employees and/or third parties against the County arising out of the normal conduct of County business. This coverage is provided by Texas Association of Counties. In addition, various control techniques, including employee accident prevention training, have been continued throughout the year to minimize accident-related losses.

Major Initiatives

The implementation of the facilities and transportation improvements was a major priority of county management in 2011.

Using funding from debt issued, the County completed renovation of the Annex Building, which was a prior bank building, and property the County owned. Renovation continued on the District Attorney's Office and Adult Probation with partial funding from the General Fund and was completed in 2011. These projects will help to insure that the County's facilities remain up to date and sufficient for conducting county business.

In mid 2011, the two-year construction of the U.S. Highway 290 Transportation Project began. This project, currently funded from existing funds, will add mobility and safety for the 26,000 vehicles per day traveling US Highway 290. This project is a joint project with the County, City of Brenham, and the Texas Department of Transportation. The County was very active in finalizing contracts with the municipality in the County and with the State of Texas to insure that needed improvements began. This project is currently running ahead of contract schedule.

Commissioners approved expending \$105,000 of General Fund reserves for FY 2011 to aid four rural fire departments purchase fire trucks. This contribution constituted an additional grant payment from the Texas Forest Service to assist in this purchase.

Beginning in early 2012, the Community and Economic Development office of the Lower Colorado River Authority, at the request of Washington County, has agreed to assist in developing a long-range Strategic Plan for the County which involves not only input from County elected officials and department heads, but also valuable input from leaders of the Cities of Brenham and Burton, Brenham and Burton Independent School Districts, Blinn College, Chamber of Commerce and Bluebonnet Electric Coop., along with public input. Components of the Strategic Plan that LCRA will be responsible for developing include the following: demographics, public input, goal identification, and an action plan.

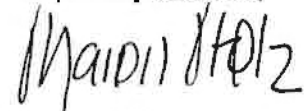
Awards and Acknowledgements

Last year was the first year that Washington County applied for and received the prestigious Certificate of Achievement for Excellence in Financial Reporting. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certification.

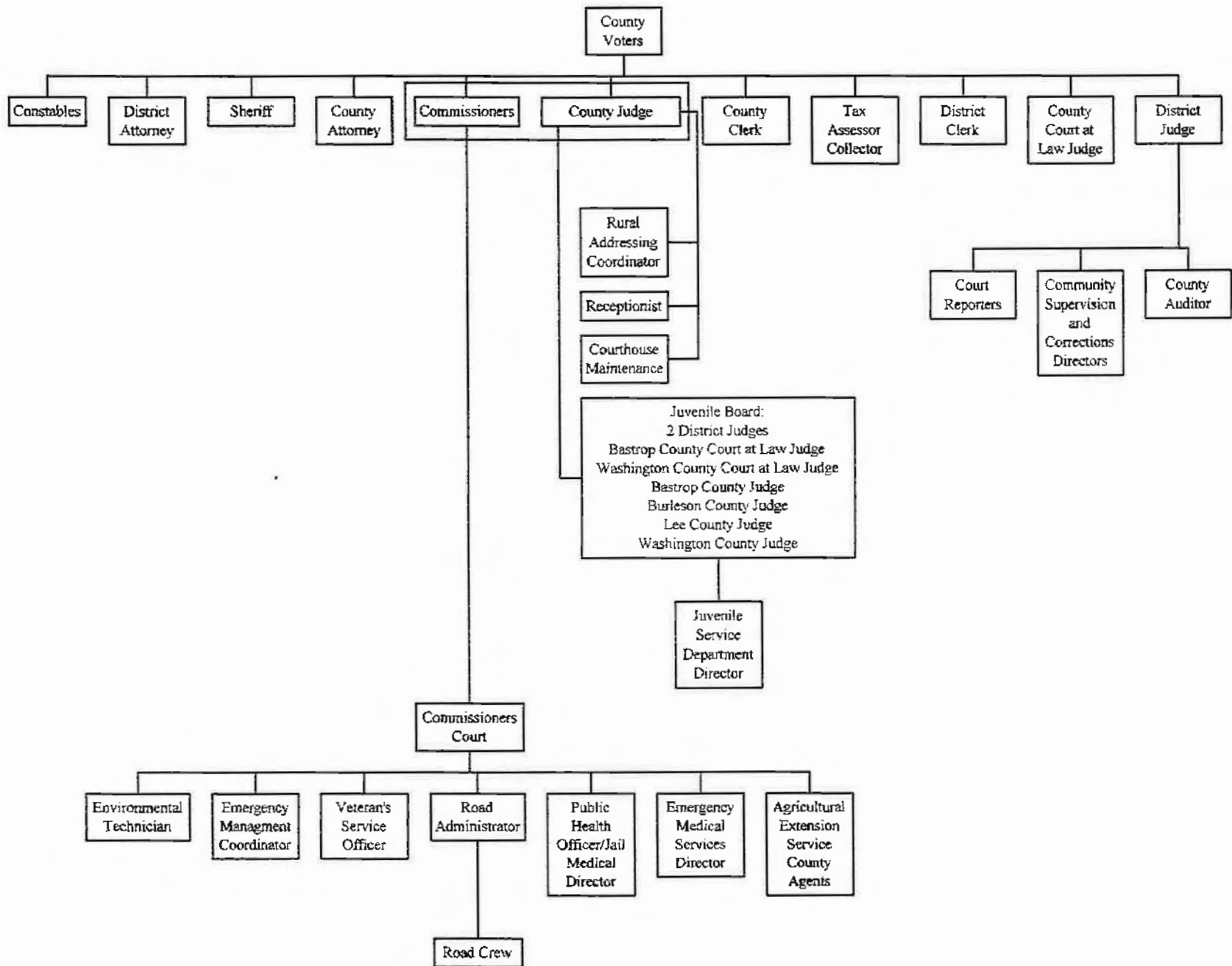
The production of this comprehensive annual financial report is attributable to the efficient and dedicated services of the staff of the County Auditor's Office. The preparation of this report could not have been accomplished without the assistance from our outside auditing firm, Rutledge Crain & Company, PC. Credit also must be given to the County Treasurer's Office, County Judge's Office, Personnel and Benefits Department, the Commissioners' Court and all other County officials and employees who have given their support for maintaining the highest standards of professionalism in the management of Washington County's finances.

Respectfully submitted,



Sharon Stolz
Washington County Auditor

Washington County, Texas Organization Chart



WASHINGTON COUNTY, TEXAS

PRINCIPAL OFFICIALS

Year Ended December 31, 2011

District Judges

Terry Fienniken	Judge, 21 st Judicial District
Reva L. Towslee Corbett	Judge, 335 th Judicial District

County Court at Law Judge

Matthew Reue	Judge
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Commissioners' Court

John Brieden	County Judge
Zeb Heckmann	Commissioner, Precinct 1
Luther Hueske	Commissioner, Precinct 2
Kirk Hanath	Commissioner, Precinct 3
Joy Fuchs	Commissioner, Precinct 4

Law Enforcement

J.W. Jankowski	Sheriff
William Parham	District Attorney
Julie Renken	County Attorney
Arthur Averitt	Community Supervision and Corrections Director*
Donna Damon	Assistant CSCD Director*
Donna Richardson	Juvenile Services Department Chief*
Douglas Zwiener	Justice of the Peace, Precinct 1
Douglas Cone	Justice of the Peace, Precinct 2
Roy May, Jr.	Justice of the Peace, Precinct 3
James D. McCune, Jr.	Justice of the Peace, Precinct 4
Troy Bennett	Constable, Precinct 1
Carroll Charles Faske	Constable, Precinct 2
Nelson Zibilski	Constable, Precinct 3
Billy Rosenbaum	Constable, Precinct 4

Financial, Tax Assessing/Collecting Officials

Sharon Stolz	County Auditor*
Peggy Kramer	County Treasurer
Dorothy Borchgardt	Tax Assessor/Collector

Recording Officials

Vicki Lehmann	District Clerk
Beth Rothermel	County Clerk

* Denotes appointed officials. All others are elected officials.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Washington County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey R. Ennis

Executive Director

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Financial Section

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

Independent Auditors' Report on Financial Statements

To the Honorable County Judge and Commissioners Comprising the
Commissioners Court of Washington County, Texas
Brenham, Texas

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 the 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 Washington County, Texas as of December 31, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 8, 2012, on our consideration of Washington County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 19 and 56 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Washington County, Texas' basic financial statements. The combining and individual nonmajor fund financial statements 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 the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the

auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington County, Texas' basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Bullledge Allen & Company, P.C.

June 8, 2012

WASHINGTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

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

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the fiscal year ended December 31, 2011 by \$38,303,416 (net assets). Of this amount, \$11,980,572 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$1,449,772.
- The County's governmental funds reported combined ending fund balances of \$10,861,499, an increase of \$1,026,220 in comparison to the previous year.
- The unassigned and committed portions of the General Fund fund balance at the end of the year was \$5,960,442 or 54.5% of total General Fund expenditures and transfers out. Of this amount, \$45,500 is committed for specific projects. The remaining unassigned portion is \$5,914,942, and \$1,133 is classified as nonspendable for prepaids.
- The committed portion of the Road and Bridge Fund balance at the end of the year was \$1,723,274 or 35.6% of total Road and Bridge expenditures. \$86,468 is classified as nonspendable for inventories.
- Total debt of the County decreased by \$47,387 during the fiscal year. Annual debt service payments in the amount of \$280,000 were made on general obligation bonds, payments of capital leases of \$51,105 were made, and payments of \$38,992 were made on notes. Compensated absences increased \$6,038, while the liability for unfunded OPEB increased by \$295,494.

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 three components: 1) government-wide financial statements, 2) fund financial statements, and 3) 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 the County of Washington'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 flow. 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).

Both of the government-wide statements consist of governmental activities. Governmental activities basically account for those activities supported by taxes and intergovernmental revenues. The Government Wide Financial Statements can be found on pages 22-23 of this report.

WASHINGTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
December 31, 2011

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 is 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 three categories: governmental funds, internal service fund, 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.

Washington County maintains 41 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, the Road and Bridge Fund, and the Emergency Medical Services Fund, each of which are considered to be major funds. Data from the other 38 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.

Washington County adopts an annual appropriated budget for the General Fund, Road and Bridge, District Attorney, JP Technology Fund, Emergency Medical Service, EMS Donations, Sheriff Forfeiture Fund, Forfeiture of Assets, County Clerk Record Management Preservation, Records Management Preservation - District Clerk, Archive Fee - County Clerk, and the Tax Note Series 2007 debt service fund. Budgetary comparison schedules have been provided for all budgeted funds to demonstrate compliance with this budget.

The Governmental Fund Financial Statements can be found on pages 24-31 of this report.

Proprietary funds. Washington County maintains one type of proprietary fund. Proprietary funds include the following fund type: Internal service funds account for operations that provide services to other departments or agencies of the government on a cost-reimbursement basis. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County used an internal service fund to account for its health insurance operations. At the end of the year this fund was closed out and the remaining residual assets were transferred to the General Fund, OPEB Funding, and Personnel Benefits Fund.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on pages 32-33.

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. The Fiduciary Fund statements can be found on pages 34-35 of this report.

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. The notes are on pages 37-54 of this report.

WASHINGTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
December 31, 2011

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 starting on page 56.

Government-wide Financial Analysis

At the end of fiscal year , the County's net assets (assets exceeding liabilities) totaled \$38,303,416. 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, \$25,952,290, or 67.8 percent, reflects its investment in capital assets (land, buildings, machinery, and infrastructure), less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens, consequently, these assets are not available for future spending. Although the County reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net assets of \$370,554, in the debt service fund, is restricted for future debt service payments.

The remaining balance of unrestricted net assets, \$11,980,572, or 31.3 percent, may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1
 Condensed Statement of Net Assets

	12/31/11	12/31/10	Increase (Decrease)
ASSETS			
Current and other assets	\$25,990,786	\$25,427,970	\$562,816
Capital assets	30,876,846	29,943,697	933,149
Total assets	56,867,632	55,371,667	1,495,965
LIABILITIES			
Other liabilities	12,449,775	12,356,195	93,580
Long-term liabilities	6,114,441	6,161,828	(47,387)
Total liabilities	18,564,216	18,518,023	46,193
NET ASSETS			
Invested in capital assets, net of related debt	25,952,290	24,670,221	1,282,069
Restricted for debt service	370,554	257,004	113,550
Restricted for capital projects	0	179,605	(179,605)
Unrestricted	11,980,572	11,746,814	233,758
Total net assets	<u>\$38,303,416</u>	<u>\$36,853,644</u>	<u>\$1,449,772</u>

WASHINGTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
December 31, 2011

Changes in Net Assets. The net assets of the County increased by \$1,449,772 for the fiscal year ended December 31, 2011.

Governmental Activities. Governmental activities increased the County's net assets by \$1,449,772 from the prior year. This increase was primarily the result of increased program and general revenues consisting of operating grants, contributions, and taxes. There were also small decreases in several expenses, particularly general administration, and public safety. These positive trends were partially offset by significant increases in health and welfare, and public transportation.

Table 2
Changes in Net Assets

	<u>12/31/11</u>	<u>12/31/10</u>	<u>Increase (Decrease)</u>
Revenues:			
Program revenues			
Charges for services	\$5,102,011	\$5,449,165	(\$347,154)
Operating grants and contributions	1,260,405	990,129	270,276
Capital grants and contributions	667,767	3,153,472	(2,485,705)
General revenues			
Taxes	13,471,899	12,898,266	573,633
Interest	245,735	365,065	(119,330)
Miscellaneous	200,219	194,513	5,706
Gain on sale of capital assets	<u>28,410</u>	<u>--</u>	<u>28,410</u>
Total revenues	<u>20,976,446</u>	<u>23,050,610</u>	<u>(2,074,164)</u>
Expenses:			
General administration	2,624,671	3,360,556	(735,885)
Judicial	2,138,707	1,996,530	142,177
Legal	351,269	348,606	2,663
Elections	65,890	125,964	(60,074)
Financial administration	594,937	575,103	19,834
Public facilities	267,839	356,400	(88,561)
Public safety	4,016,176	4,262,891	(246,715)
Public transportation	4,759,585	3,515,421	1,244,164
Health and welfare	3,644,069	3,293,700	350,369
Culture and recreation	462,313	411,842	50,471
Conservation	171,843	201,709	(29,866)
Data processing	216,176	233,672	(17,496)
Interest on long-term debt	<u>213,199</u>	<u>219,662</u>	<u>(6,463)</u>
Total expenses	<u>19,526,674</u>	<u>18,902,056</u>	<u>624,618</u>
Increase (decrease) in net assets	1,449,772	4,148,554	(2,698,782)
Net assets - beginning of year	<u>36,853,644</u>	<u>32,705,090</u>	<u>4,148,554</u>
Net assets - end of year	<u>\$38,303,416</u>	<u>\$36,853,644</u>	<u>\$1,449,772</u>

WASHINGTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
December 31, 2011

Reporting the County's Most Significant Funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$10,861,499. Of this amount, \$87,601 is classified as nonspendable for prepaids and inventory, and are not available for appropriation. \$2,539,299 is restricted for specified usage by state statute or by agreements with other outside parties. \$2,131,274 is committed by resolution or court order of the Commissioner's Court. \$188,383 is assigned by usage, and the remaining \$5,914,942 is unassigned.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, unassigned fund balance was \$5,914,942. The fund balance of the General Fund increased by \$740,511 during the current fiscal year. This increase was partially due to the transfer from the Insurance Internal Service Fund when it was closed. Also, the increase was a combination of revenues and other financing sources over expenditures and other financing uses. A positive variance in expenditures played a significant part in the increase.

The Road and Bridge Fund had an increase in fund balance of \$88,084. This is the result of a decrease in infrastructure maintenance and a positive variance in expenditures compared to budget. Advalorem taxes also saw an increase compared to budget.

The Emergency Medical Services Fund had a decrease in fund balance of \$87,698. This was the result of charges for services continuing to trail increased cost of providing emergency services.

Nonmajor governmental funds recognized an increase in fund balance of \$285,323. The Debt Service Fund had an increase of \$118,439, the Special Revenue Funds had an increase of \$178,738, and the Capital Projects Funds had a decrease of \$11,854. The increase in the Special Revenue Funds was primarily due to more funds showing a slight increase than those showing a decrease. The increase in the Debt Service Fund was primarily due to an increase in taxes collected compared to budget over debt service principal and interest compared to budget, while the decrease in the Capital Projects Fund resulted from completion of the construction started in earlier years.

Proprietary funds. The County's proprietary fund, an insurance internal service fund, provides the same type of information found in the government-wide statements, but in more detail. This fund was closed out at the end of the year.

General Fund Budgetary Highlights. Each year the County makes numerous line item transfers as requested by elected officials and department heads. If the Treasurer determines that funds are available within that department, certain amendments are proposed to the Commissioners Court for their review and approval. In fiscal year 2011, in addition to line item transfers, the General Fund expenditure budget was increased by \$218,809.

There was a positive variance between the final amended budget appropriations and the actual expenditures of \$852,474. Key highlights of this variance are as follows:

<u>Function</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Public Safety	\$4,393,708	\$4,095,283	\$298,425

Positive variance caused primarily by efficiency in management other variable expenses throughout this function. Also a portion of amount budgeted to aid rural fire departments with the purchase of new trucks not expended in this fiscal year.

WASHINGTON COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
December 31, 2011

Economic Factors and Next Year's Budgets and Rates

The County adopted a tax rate for 2011 of \$0.4408 per \$100 valuation. The budget will raise more total property taxes than last years budget by \$314,918 or 2.806%. This increase is primarily due to new property added to the tax roll this year which generated \$284,018 in tax revenue, thereby offsetting losses due to declines in valuations.

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 Washington County Auditor, 105 W. Main St., Suite 104, Brenham, Texas 77833.

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Basic Financial Statements

WASHINGTON COUNTY, TEXAS
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Governmental Activities
ASSETS	
<i>Cash and cash equivalents</i>	\$ 11,062,921
<i>Receivables (net of allowances for uncollectibles):</i>	6,132,432
<i>Inventories</i>	86,468
<i>Prepaid items</i>	39,099
Restricted assets:	
<i>Cash and cash equivalents</i>	8,601,170
<i>Deferred charges</i>	68,696
Capital Assets (net of accumulated depreciation)	
<i>Land</i>	299,947
<i>Buildings</i>	10,104,871
<i>Equipment</i>	3,269,734
<i>Infrastructure</i>	17,202,294
Total Assets	<u>56,867,632</u>
LIABILITIES	
<i>Accounts payable</i>	265,732
<i>Accrued liabilities and other payables</i>	562,164
<i>Due to other governments</i>	339,705
<i>Unearned revenue</i>	11,282,174
Noncurrent liabilities:	
<i>Due within one year</i>	528,579
<i>Due in more than one year</i>	5,585,862
Total Liabilities	<u>18,564,216</u>
NET ASSETS	
<i>Invested in Capital Assets, Net of Related Debt</i>	25,952,290
Restricted For:	
<i>Debt Service</i>	370,554
<i>Unrestricted</i>	11,980,572
Total Net Assets	<u>\$ 38,303,416</u>

The accompanying notes are an integral part of this statement.

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental activities:					
<i>General administration</i>	\$ 2,624,671	\$ 594,257	\$ 64,795	\$ --	\$ (1,965,619)
<i>Judicial</i>	2,138,707	1,115,864	387,439	--	(635,404)
<i>Legal</i>	351,269	11,214	35,210	--	(304,845)
<i>Elections</i>	65,890	--	--	--	(65,890)
<i>Financial administration</i>	594,937	262,907	--	--	(332,030)
<i>Public facilities</i>	267,839	34,755	--	--	(233,084)
<i>Public safety</i>	4,016,176	59,322	98,987	478,967	(3,378,900)
<i>Public transportation</i>	4,759,585	1,213,181	28,878	188,800	(3,328,726)
<i>Health and welfare</i>	3,644,089	1,747,101	645,096	--	(1,251,872)
<i>Culture and recreation</i>	462,313	63,410	--	--	(398,903)
<i>Conservation</i>	171,843	--	--	--	(171,843)
<i>Data processing</i>	216,176	--	--	--	(216,176)
<i>Interest on long-term debt</i>	213,199	--	--	--	(213,199)
Total expenditures	19,526,674	5,102,011	1,260,405	667,767	(12,496,491)
Total Primary Government	\$ 19,526,674	\$ 5,102,011	\$ 1,260,405	\$ 667,767	(12,496,491)
General Revenues:					
<i>Property Taxes</i>					11,282,943
<i>Sales Taxes</i>					2,071,819
<i>Hotel Motel Taxes</i>					87,127
<i>Mixed Beverage Taxes</i>					30,010
<i>Unrestricted Investment Earnings</i>					245,735
<i>Miscellaneous</i>					200,219
<i>Gain on Sale of Capital Assets</i>					28,410
Total General Revenues					13,946,263
Change in Net Assets					1,449,772
Net Assets - Beginning					36,853,644
Net Assets - Ending					\$ 38,303,416

The accompanying notes are an integral part of this statement.

WASHINGTON COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General Fund	Road and Bridge
ASSETS		
<i>Cash and cash equivalents</i>	\$ 5,932,807	\$ 1,843,677
Receivables (net of allowances for uncollectibles):		
<i>Taxes</i>	2,097,329	1,033,588
<i>Accounts</i>	--	--
<i>Fines</i>	818,370	176,078
<i>Other</i>	34,342	--
<i>Intergovernmental</i>	386,915	--
<i>Inventories</i>	--	86,468
<i>Prepaid items</i>	1,133	--
Restricted assets:		
<i>Cash and cash equivalents</i>	5,478,786	2,704,218
Total Assets	\$ 14,749,682	\$ 5,844,029
LIABILITIES AND FUND BALANCES		
Liabilities:		
<i>Accounts payable</i>	\$ 109,575	\$ 68,703
<i>Accrued liabilities and other payables</i>	316,561	67,976
<i>Due to other governments</i>	339,705	--
<i>Deferred revenue</i>	2,543,480	1,193,390
<i>Taxes collected in advance</i>	5,478,786	2,704,218
Total Liabilities	8,788,107	4,034,287
Fund balances:		
<i>Nonspendable</i>	1,133	86,468
<i>Restricted</i>	--	--
<i>Committed</i>	45,500	1,723,274
<i>Assigned</i>	--	--
<i>Unassigned</i>	5,914,942	--
Total fund balances	5,961,575	1,809,742
Total Liabilities and Fund Balances	\$ 14,749,682	\$ 5,844,029

The accompanying notes are an integral part of this statement.

Emergency Medical Service	Other Governmental Funds	Total Governmental Funds
\$ 150,217	\$ 3,136,221	\$ 11,062,922
--	163,262	3,294,179
1,422,548	--	1,422,548
--	--	994,448
--	--	34,342
--	--	386,915
--	--	86,468
--	--	1,133
--	418,166	8,601,170
<u>\$ 1,572,765</u>	<u>\$ 3,717,649</u>	<u>\$ 25,884,125</u>
\$ 29,842	\$ 57,613	\$ 265,733
80,293	30,990	495,820
--	--	339,705
1,422,548	160,780	5,320,198
--	418,166	8,601,170
<u>1,532,683</u>	<u>667,549</u>	<u>15,022,626</u>
--	--	87,601
--	2,539,299	2,539,299
--	362,500	2,131,274
40,082	148,301	188,383
--	--	5,914,942
<u>40,082</u>	<u>3,050,100</u>	<u>10,861,499</u>
<u>\$ 1,572,765</u>	<u>\$ 3,717,649</u>	<u>\$ 25,884,125</u>

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WASHINGTON COUNTY, TEXAS

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

Total fund balances - governmental funds balance sheet	\$ 10,861,499
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.	30,876,846
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	561,903
Payables for bond principal which are not due in the current period are not reported in the funds.	(4,787,238)
Payables for capital leases which are not due in the current period are not reported in the funds.	(52,102)
Payables for bond interest which are not due in the current period are not reported in the funds.	(66,344)
Payables for notes which are not due in the current period are not reported in the funds.	(85,217)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(215,066)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	106,663
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	654,743
Ambulance receivables unavailable to pay for current period expenditures are deferred in the funds.	1,422,548
Payable for unfunded retiree insurance benefits not due in current period are not reported in the funds.	<u>(974,818)</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 38,303,417</u>

The accompanying notes are an integral part of this statement.

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

	General Fund	Road and Bridge
Revenues:		
<i>Taxes</i>	\$ 9,207,736	\$ 3,654,014
<i>Intergovernmental</i>	195,896	61,872
<i>Licenses, permits and fees</i>	65,564	829,510
<i>Fines and forfeitures</i>	675,011	294,097
<i>Charges for services</i>	1,028,615	--
<i>Interest</i>	197,304	6,884
<i>Miscellaneous</i>	279,320	119
Total revenues	<u>11,649,446</u>	<u>4,846,496</u>
Expenditures:		
Current:		
<i>General administration</i>	2,508,940	--
<i>Judicial</i>	1,315,296	--
<i>Legal</i>	325,181	--
<i>Elections</i>	41,740	--
<i>Financial administration</i>	569,805	--
<i>Public facilities</i>	274,350	--
<i>Public safety</i>	4,134,824	--
<i>Public transportation</i>	--	4,684,976
<i>Health and welfare</i>	599,471	--
<i>Culture and recreation</i>	360,971	--
<i>Conservation</i>	120,655	--
<i>Data processing</i>	214,474	--
<i>Capital outlay</i>	--	--
Debt service:		
<i>Principal</i>	--	--
<i>Interest and fiscal charges</i>	--	--
Total expenditures	<u>10,465,707</u>	<u>4,684,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,183,739</u>	<u>161,520</u>
Other financing sources (uses):		
<i>Transfers in</i>	400,773	--
<i>Transfers out</i>	(871,544)	(150,000)
<i>Sale of capital assets</i>	27,543	76,564
Total other financing sources (uses)	<u>(443,228)</u>	<u>(73,436)</u>
Net change in fund balances	740,511	88,084
Fund balances, January 1	5,221,064	1,721,658
Fund balances, December 31	<u>\$ 5,961,575</u>	<u>\$ 1,809,742</u>

The accompanying notes are an integral part of this statement.

Emergency Medical Service	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 671,970	\$ 13,533,720
--	1,535,311	1,793,079
--	--	895,074
--	--	969,108
1,817,128	193,140	3,038,883
1,885	39,661	245,734
2,567	65,729	347,735
<u>1,821,580</u>	<u>2,505,811</u>	<u>20,823,333</u>
--	108,305	2,617,245
--	749,198	2,064,494
--	--	325,181
--	--	41,740
--	--	569,805
--	32,886	307,236
--	148,563	4,283,387
--	728,488	5,413,464
2,216,572	700,977	3,517,020
--	74,234	435,205
--	--	120,655
--	--	214,474
--	3,854	3,854
--	280,000	280,000
--	202,112	202,112
<u>2,216,572</u>	<u>3,028,617</u>	<u>20,395,872</u>
<u>(394,992)</u>	<u>(522,806)</u>	<u>427,461</u>
305,544	811,902	1,518,219
--	(3,773)	(1,025,317)
1,750	--	105,857
<u>307,294</u>	<u>808,129</u>	<u>598,759</u>
(87,698)	285,323	1,026,220
127,780	2,764,777	9,835,279
<u>\$ 40,082</u>	<u>\$ 3,050,100</u>	<u>\$ 10,861,499</u>

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WASHINGTON COUNTY, TEXAS

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

Net change in fund balances - total governmental funds	\$ 1,030,817
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	3,300,790
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,478,996)
Trade-in or disposal of capital assets decrease net assets in the SOA but not in the funds.	(77,447)
Donations of capital assets increase net assets in the SOA but not in the funds.	188,802
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(61,820)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(502)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	280,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	51,105
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	38,992
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(2,642)
(Increase) decrease in accrued interest from beginning of period to end of period.	(11,087)
The net revenue (expense) of internal service funds is reported with governmental activities.	(499,835)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(6,038)
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	101,054
Certain ambulance receivables are deferred in the funds. This is the change in these amounts this year.	(103,330)
Retiree insurance contributions are reported as amount earned in the SOA but as amount paid in the funds.	(295,494)
Change in net assets of governmental activities - Statement of Activities	<u>\$ 1,454,369</u>

The accompanying notes are an integral part of this statement.

WASHINGTON COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - INTERNAL SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Nonmajor Internal Service Fund
	Insurance Fund
OPERATING EXPENSES:	
<i>Other expenses</i>	\$ 14,299
Total Operating Expenses	14,299
Operating Income (Loss)	(14,299)
NON-OPERATING REVENUES (EXPENSES):	
<i>Interest revenue</i>	6,333
<i>Miscellaneous</i>	1,033
Total Non-operating Revenues (Expenses)	7,366
Net Income (Loss) before Operating Transfers	(6,933)
TRANSFERS:	
<i>Transfers in</i>	-
<i>Transfers out</i>	(492,902)
Change in net assets	(499,835)
Total net assets, January 1	499,835
Total net assets, December 31	\$ --

The accompanying notes are an integral part of this statement.

WASHINGTON COUNTY, TEXAS

STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUND

DECEMBER 31, 2011

	Nonmajor Internal Service Fund Insurance Fund
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ --
Cash Payments to Other Suppliers for Goods and Services	(14,299)
Net Cash Provided (Used) by Operating Activities	<u>(14,299)</u>
Cash Flows from Non-capital Financing Activities:	
Payments to Other Funds	(492,902)
Net Cash Provided (Used) for Investing Activities	<u>(492,902)</u>
Cash Flows from Investing Activities:	
Interest and Dividends on Investments	7,366
Net Cash Provided (Used) for Investing Activities	<u>7,366</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(499,835)
Cash and Cash Equivalents at Beginning of Year	499,835
Cash and Cash Equivalents at End of Year	<u>\$ --</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income (Loss)	\$ (14,299)
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Miscellaneous income	--
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	--
Increase (Decrease) in Accounts Payable	--
Total Adjustments	--
Net Cash Provided (Used) by Operating Activities	<u>\$ (14,299)</u>

The accompanying notes are an integral part of this statement.

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

	Private-purpose Trust Funds	Agency Funds
ASSETS		
<i>Cash and cash equivalents</i>	\$ 1,462,144	\$ 2,150,091
<i>Due from other funds</i>	--	43,297
Total Assets	<u>\$ 1,462,144</u>	<u>\$ 2,193,388</u>
LIABILITIES		
<i>Due to other funds</i>	\$ --	\$ 43,297
<i>Due to other governments</i>	--	607,039
<i>Due to others</i>	--	1,543,052
Total Liabilities	<u>--</u>	<u>2,193,388</u>
NET ASSETS		
<i>Held in trust for other purposes</i>	<u>\$ 1,462,144</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

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

	Private- Purpose Trusts
Additions:	
Investment Income	\$ 22,977
Lease income	220,065
Miscellaneous	112,360
Total Additions	<u>355,402</u>
Deductions:	
Administrative Expenses	82,442
Payments to schools	303,709
Total Deductions	<u>386,151</u>
Change in Net Assets	(30,749)
Net Assets-Beginning of the Year	1,492,893
Net Assets-End of the Year	<u>\$ 1,462,144</u>

The accompanying notes are an integral part of this statement.

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WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County, a political subdivision of the State of Texas is governed by an elected judge and four county commissioners which comprise the commissioner's court. The county's operational activities include general administrative services, judicial, public safety, the construction and maintenance of roads, health and welfare assistance, permanent records preservation, and conservation.

The accounting policies of Washington County, Texas, conform to generally accepted accounting principles issued by the Governmental Accounting Standards Board (GASB) 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, proprietary 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.

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

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

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. Sales taxes collected and held by the State and merchants at year end on behalf of the County are also recognized as revenue. Fines and permits, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The County reports the following major governmental funds:

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

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

The *Emergency Medical Service Fund* accounts for the activities of the County's ambulance service.

Additionally, the County reports the following fund types:

The 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).

Debt Service Funds account for the accumulation of resources to be used for the payment of principal and interest.

Capital Projects Funds account for the expenditures for major construction projects.

Internal Service Fund accounts for financial resources set aside to assist in paying for the County's health insurance. This fund was closed at year end.

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. The three trust funds hold land for school districts, collect the rentals for the land, and pay administrative expenses related to the land.

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, and/or other governments. The activities consist of collecting fees and taxes from the public for the operating funds and other governments, and remitting these amounts to the proper party. Additionally, the County Clerk and District Clerk hold funds in trust for parties to lawsuits and estates.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Internal Service fund are charges to the other funds for health insurance costs. Operating expenses for the Internal Service Fund are payments for insurance premiums and administrative costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 Washington 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

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the County.

3. Inventories and prepaid items

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

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

4. Restricted assets

The 2011 tax levy is made to fund calendar year 2012. Therefore, amounts collected on this levy prior to year end are recorded as restricted cash and unearned revenue.

5. 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 one year. 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

6. Compensated absences

Employees accumulate earned but unused vacation and compensatory time. Vacation and compensatory time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be made with expendable available financial resources are reported in the government wide statement of net assets.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type 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.

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

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.

8. Fund equity

In government-wide statements, net assets are classified into three categories as follows:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net assets consists of net assets whose use is restricted by contributors, laws or regulations of other governments, or by laws through constitutional provisions or enabling legislation.

Unrestricted – This component of net assets consists of those assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Governmental funds classify fund balances as follows:

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

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

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

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

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the County's General Fund or as deficits in other governmental funds.

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

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

	General Fund	Other Funds	Total
Fund Balances			
Nonspendable for:			
Prepays	\$1,133	\$ --	\$1,133
Inventory	--	86,468	86,468
	<u>1,133</u>	<u>86,468</u>	<u>87,601</u>
Restricted for:			
Debt service	--	340,585	340,585
Justice administration	--	468,473	468,473
Preservation	--	290,006	290,006
Grants	--	371,898	371,898
Construction	--	960,857	960,857
Other	--	107,480	107,480
	<u>--</u>	<u>2,539,299</u>	<u>2,539,299</u>
Committed to:			
Parks	25,000	--	25,000
Fire department	20,500	--	20,500
Road and bridge maintenance	--	1,723,274	1,723,274
OPEB funding	--	214,625	214,625
Emergency medical service	--	97,117	97,117
Other	--	50,758	50,758
	<u>45,500</u>	<u>2,085,774</u>	<u>2,131,274</u>
Assigned	--	188,383	188,383
Unassigned	5,914,942	--	5,914,942
	<u>\$11,831,017</u>	<u>\$2,625,767</u>	<u>\$10,861,499</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

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

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 \$106,663 difference are as follows:

Prepaid expense	\$37,967
Deferred bond issue costs	<u>68,696</u>
Total	<u>\$106,663</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 not requiring the use of current financial resources are not reported as expenditures in the funds." The details of this \$(502) difference are as follows:

Net change in prepaid expense	<u>\$(502)</u>
-------------------------------	----------------

III. DETAILED NOTES ON ALL FUNDS

- A. Deposits and Investments

Cash

At year end, the carrying amount of the County's cash and cash equivalents on hand and deposits was \$23,276,326. All of the bank balance of \$23,237,230 was covered by federal deposit insurance or collateralized by the pledging financial institution with marketable securities held by the depository's agent in the County's name.

Investments

As of December 31, 2011, the County had no investments.

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.

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

B. Receivables

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

	General	Road and Bridge	Emergency Medical Services	NonMajor and Other	Total
Taxes receivable - delinquent	\$2,097,329	\$1,033,588	\$ --	\$163,262	\$3,294,179
Accounts receivable	\$ --	\$ --	\$4,015,874	\$ --	\$4,015,874
Allowance for uncollectibles	--	--	(2,593,326)	--	(2,593,326)
Net other receivables	\$ --	\$ --	\$1,422,548	\$ --	\$1,422,548
Fines receivable	\$3,032,568	\$1,579,673	\$ --	\$ --	\$4,612,241
Allowance for uncollectibles	(2,214,198)	(1,403,595)	--	--	(3,617,793)
Net fines receivable	\$818,370	\$176,078	\$ --	\$ --	\$994,448
Other	\$34,342	\$ --	\$ --	\$ --	\$34,342

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
Current tax levy receivable (2011) (General Fund)	\$ --	\$1,713,308	\$1,713,308
Current tax levy receivable (2011) (Road & Bridge Fund)	--	836,886	836,886
Current tax levy receivable (2011) (Debt Service Funds)	--	130,810	130,810
Taxes collected in advance (General Fund)	--	5,478,786	5,478,786
Taxes collected in advance (Road & Bridge Fund)	--	2,704,218	2,704,218
Taxes collected in advance (Debt Service Funds)	--	418,166	418,166
Delinquent property taxes receivable (General Fund)	351,507	--	351,507
Delinquent property taxes receivable (Road & Bridge Fund)	180,426	--	180,426
Delinquent property taxes receivable (Debt Service Fund)	29,970	--	29,970
Delinquent fines receivable (General Fund)	478,665	--	478,665
Delinquent fines receivable (Road & Bridge Fund)	176,078	--	176,078
Delinquent ambulance receivables	1,422,548	--	1,422,548
Total deferred/unearned revenue for governmental funds	\$2,639,194	\$11,282,174	\$13,921,368

Reported in financial statements as:

Deferred revenue	\$5,320,198
Taxes collected in advance	8,601,170
Total	\$13,921,368

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

C. Capital assets

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

	Balance 12/31/10	Additions	Retirements	Completed Construction	Balance 12/31/11
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$299,947	\$ --	\$ --	\$ --	\$299,947
Construction in progress	335,781	132,137	--	(467,918)	--
Total capital assets not being depreciated	635,728	132,137	--	(467,918)	299,947
Capital assets, being depreciated:					
Buildings	14,263,731	--	--	467,918	14,731,649
Infrastructure	82,326,250	2,367,722	(319,762)	--	84,374,210
Machinery and equipment	8,407,714	989,733	(414,921)	--	8,982,526
Total capital assets being depreciated	104,997,695	3,357,455	(734,683)	467,918	108,088,385
Less accumulated depreciation for:					
Buildings	(4,254,714)	(372,064)	--	--	(4,626,778)
Infrastructure	(66,149,190)	(1,310,342)	287,616	--	(67,171,916)
Machinery and equipment	(5,285,822)	(796,590)	369,620	--	(5,712,792)
Total accumulated depreciation	(75,689,726)	(2,478,996)	657,236	--	(77,511,486)
Total capital assets being depreciated, net	29,307,969	878,459	(77,447)	467,918	30,576,899
Governmental activities capital assets, net	\$29,943,697	\$1,010,596	(\$77,447)	\$ --	\$30,876,846

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

Governmental activities:	
General administration	\$10,998
Judicial	31,728
Legal	12,517
Elections	26,938
Financial administration	11,734
Public facilities	116,955
Public safety	368,800
Public transportation	1,566,809
Health and welfare	263,922
Culture and recreation	20,492
Conservation	48,103
Total depreciation expense - governmental activities	<u>\$2,478,996</u>

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2011, is as follows:

Fund	Receivable	Payable
Fiduciary Funds		
Criminal Justice	\$43,227	\$ --
Justice of the Peace Number 1	--	4,989
Justice of the Peace Number 2	--	6,354
Justice of the Peace Number 3	--	7,112
Justice of the Peace Number 4	--	12,588
County Clerk	--	9,158
District Clerk	--	3,096
Total Fiduciary Funds	<u>\$43,227</u>	<u>\$43,297</u>

Interfund receivables and payables arise from collections by elected officials which are consolidated in another fund for remittance to the proper entity.

Interfund transfers:

Fund	Transfer In	Transfer Out
Major Governmental Funds		
General Fund	\$400,773	\$871,544
Road and Bridge	--	\$150,000
Emergency Medical Service	\$ 305,544	--
Total Major Funds	<u>706,317</u>	<u>1,021,544</u>
Nonmajor Governmental Funds		
OPEB Funding	214,625	--
Personnel Employee Testing	31,277	--
HWY 290/36	200,000	--
District Attorney	360,000	--
Check and Process	--	3,773
Child Foster Care	6,000	--
Total Nonmajor governmental funds	<u>811,902</u>	<u>3,773</u>
Internal Service Fund	--	492,902
Totals	<u>\$1,518,219</u>	<u>\$1,518,219</u>

Interfund transfers were made to provide funds for allocation of operational costs as determined by the annual budget, and to close the internal service fund to the general fund and to set up two new funds.

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

E. Long-term debt

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

Governmental Debt Currently Outstanding:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 12/31/11
Governmental Long-Term Debt Issues					
General Obligation Debt:					
Tax Note - Series 2007	\$6,000,000	09/13/07	08/15/14	3.84%	\$920,000
Tax Refunding Bonds - Series 2010	\$3,835,000	08/01/10	02/15/25	4.74%	3,835,000
Notes Payable					
Building	\$450,000	12/22/98	12/26/13	5.90%	85,217
Total Governmental Long-Term Debt					\$4,840,217

Annual debt service requirements to maturity for general debt:

Year	General Obligation Bonds		Note Payable		Total
	Principal	Interest	Principal	Interest	
2012	\$295,000	\$184,164	\$41,356	\$3,921	\$524,441
2013	305,000	172,644	43,861	1,414	522,919
2014	320,000	160,644	--	--	480,644
2015	290,000	150,150	--	--	440,150
2016	295,000	141,375	--	--	436,375
2017-2021	1,645,000	542,888	--	--	2,187,888
2022-2025	1,605,000	148,612	--	--	1,753,612
Total	\$4,755,000	\$1,500,477	\$85,217	\$5,335	\$6,346,029

Capital Lease Obligations Currently Outstanding:

	Original Amount	Date of Inception	Final Maturity	Interest Rate	Balance 12/31/11
Backhoe, Loader, Truck	156,325	12/23/10	12/30/12	1.95%	\$52,102
Total Leases Payable					\$52,102

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

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

Year	Total
2012	<u>\$53,117</u>
Total payments	53,117
Less imputed interest	<u>(1,015)</u>
Total Capital Lease Obligations	<u><u>\$52,102</u></u>

CHANGES IN LONG-TERM LIABILITIES

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

	Balance 12/31/10	Additions	Retirements	Balance 12/31/11	Due Within One Year
Governmental activities:					
Bonds payable:					
Tax notes	\$1,200,000	--	(\$280,000)	\$920,000	\$295,000
Tax refunding bonds	3,835,000	--	--	3,835,000	--
Less deferred amounts:					
For issuance premiums	302,495	--	(11,204)	291,291	11,204
On refunding	(291,435)	--	32,382	(259,053)	(32,382)
Total bonds payable	5,046,060	--	(258,822)	4,787,238	273,822
Notes payable	124,209	--	(38,992)	85,217	41,355
Capital lease obligations	103,207	--	(51,105)	52,102	52,102
Compensated absences	209,028	333,213	(327,175)	215,066	161,300
Liability for unfunded opeb	679,324	295,494	--	974,818	--
Governmental activity Long-Term Liabilities	<u>\$6,161,828</u>	<u>\$628,707</u>	<u>(\$676,094)</u>	<u>\$6,114,441</u>	<u>\$528,579</u>

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

IV. 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

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

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 periodically is defendant in various lawsuits. At December 31, 2011, after consultation with the County's attorney, the County is not aware of any pending litigation which would have a material effect on the financial statements.

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

C. Employee Retirement Systems and Pension Plans

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of 618 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 10.95% for calendar year 2011.

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

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

3. Annual Pension Cost

For the County's accounting year ended December 31, 2011, the annual pension cost for the TCDRS plan for its employees was \$804,714 and the actual contributions were \$804,714.

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

Actuarial Valuation Information

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

Trend Information

Accounting year ended	12/31/11	12/31/10	12/31/09
Annual Pension Cost (APC)	\$804,714	\$755,380	\$756,591
Percentage of APC Contributed	100.00%	100.00%	100.00%
Net Pension Obligation	\$ --	\$ --	\$ --

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

Schedule of Actuarial Liabilities and Funding Progress

Actuarial valuation date	12/31/10	12/31/09	12/31/08
Actuarial value of assets	\$16,575,440	\$15,435,553	\$13,532,621
Actuarial Accrued Liability (AAL)	\$20,355,116	\$18,855,370	\$17,063,350
Unfunded AAL (UAAL)	\$3,779,676	\$3,419,817	\$3,530,729
Funded Ratio	81.43%	81.86%	79.31%
Annual Covered Payroll (actuarial)	\$7,025,296	\$7,051,177	\$6,942,459
UAAL as a Percentage of Covered Payroll	53.80%	48.50%	50.86%

E. Other Post-Employment Benefits (OPEB)

1. Plan Description

General

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

Beginning in FY 2008, the County implemented GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions". In connection with such implementation, the County commissioned an actuarial study from an outside consultant to quantify the amount of the County's OPEB obligations. The study indicated an unfunded actuarial accrued liability as of December 31, 2008 of approximately \$2,231,824. The County obtains an actuarial valuation biannually. The study indicated an actuarial valuation as of December 31, 2010 of \$3,256,232.

OPEB Plan Eligibility

The OPEB Plan provides retiree health-care benefits for all employees (except temporary staff) who must participate in TCDRS and are eligible to receive full retiree health care benefits. Members are eligible for retirement at age 60 with 8 years of service credit or at any age with 30 years of service credit or when member's age plus service credit totals 75. Survivors of employees who die while actively employed are eligible for coverage if the employee was vested with TCDRS and survivors have been dependents on the employee's health coverage for at least three years.

Employees who retire under a TCDRS disability retirement are eligible for retiree health care benefits. 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 be vested with 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/children of retired employees are eligible to receive retiree health care benefits for a fee, if the spouse/children have been on the plan for three years prior to the employee's

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

retirement. Coverage continues to non-medicare eligible surviving spouses of deceased retirees until medicare eligible. Coverage continues for children up to age twenty-five.

The County coverage stops when the retiree becomes eligible for Medicare coverage.

Health Care Benefit

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

2. Funding Policies

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

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

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 (detailed in actuary report) ranging from 4.5% to 9.0%
Method used for determining actuarial value of assets	Market value of assets
Amortization method	Level percent, closed
Remaining amortization	26

3. Annual OPEB Cost

The County's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameter of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The annual OPEB cost for the fiscal year ending December 31, 2011 is as follows:

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

Year Ended	OPEB Plan			
	Annual OPEB Cost	County Contribution	Percentage Contributed	Net OPEB Liability
December 31, 2009	\$212,248	\$27,735	13.1%	\$369,026
December 31, 2010	\$366,612	\$56,314	15.4%	\$679,324
December 31, 2011	\$366,612	\$71,118	19.4%	\$974,818

WASHINGTON COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2011

F. Concentrations of Credit Risk

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

G. Restatement

During the prior year, the Hotel Motel Tax, a new fund set up at year end, was not included in the financial statements. Additionally, the DA Forfeiture Fund which was created in 2010 was not included. The effect of correcting this error resulted in the following restatement of amounts reported for 2010 as follows:

	As Reported		As Restated
	12/31/10	Restatement	12/31/11
Government Wide Statements			
Cash and cash equivalents	\$10,465,790	\$17,373	\$10,483,163
Change in net assets	4,131,181	10,234	4,141,415
Net assets - beginning	32,705,090	--	32,705,090
Net assets - ending	36,836,271	17,373	36,853,644
Governmental Statements			
Nonmajor Funds			
Cash	\$2,840,199	\$17,373	\$2,857,572
Net Change in Fund Balances	(1,502,805)	17,373	(1,485,432)
Beginning Fund Balance	4,250,209	--	4,250,209
Ending Fund Balance	2,747,404	17,373	2,764,777

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.

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

EXHIBIT B-1
Page 1 of 8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
<i>Taxes</i>				
<i>Ad valorem tax</i>	\$ 6,970,027	\$ 6,970,027	\$ 7,273,239	\$ 303,212
<i>Penalty and interest</i>	100,000	100,000	59,998	(40,002)
<i>Sales and other taxes</i>	1,829,000	1,829,000	2,072,593	243,593
<i>Total Taxes</i>	<u>8,899,027</u>	<u>8,899,027</u>	<u>9,405,830</u>	<u>506,803</u>
<i>Intergovernmental</i>				
<i>Federal shared revenues</i>	27,500	27,500	37,738	10,238
<i>State shared revenues</i>	151,050	151,050	158,158	7,108
<i>Total Intergovernmental</i>	<u>178,550</u>	<u>178,550</u>	<u>195,896</u>	<u>17,346</u>
<i>Licenses, permits and fees</i>				
<i>Licenses, permits and fees</i>	69,200	69,200	65,226	(3,974)
<i>Total Licenses, permits and fees</i>	<u>69,200</u>	<u>69,200</u>	<u>65,226</u>	<u>(3,974)</u>
<i>Fines and forfeitures</i>				
<i>Fines and forfeitures</i>	756,500	756,500	681,460	(75,040)
<i>Total Fines and forfeitures</i>	<u>756,500</u>	<u>756,500</u>	<u>681,460</u>	<u>(75,040)</u>
<i>Charges for services</i>				
<i>Fees of office</i>	850,150	850,150	899,237	49,087
<i>Justice court number one fees</i>	50,600	50,600	37,196	(13,404)
<i>Justice court number one two</i>	24,575	24,575	24,427	(148)
<i>Justice court number one three</i>	35,420	35,420	24,869	(10,551)
<i>Justice court number one four</i>	59,900	59,900	54,828	(5,072)
<i>Total Charges for services</i>	<u>1,020,645</u>	<u>1,020,645</u>	<u>1,040,557</u>	<u>19,912</u>
<i>Interest</i>				
<i>Interest</i>	300,000	300,000	197,513	(102,487)
<i>Total Interest</i>	<u>300,000</u>	<u>300,000</u>	<u>197,513</u>	<u>(102,487)</u>
<i>Miscellaneous</i>				
<i>Rent</i>	163,405	163,405	162,675	(730)
<i>Miscellaneous</i>	81,100	81,100	84,951	3,851
<i>Total Miscellaneous</i>	<u>244,505</u>	<u>244,505</u>	<u>247,626</u>	<u>3,121</u>
Total revenues	<u>11,488,427</u>	<u>11,488,427</u>	<u>11,834,108</u>	<u>365,681</u>
Disbursements:				
Current:				
<i>General Administration</i>				
<i>County Judge</i>				
<i>Personnel services</i>	98,942	96,442	95,784	658
<i>Benefits</i>	27,115	27,115	23,610	3,505
<i>Supplies</i>	2,350	2,750	1,750	1,000
<i>Other services and charges</i>	5,050	7,150	6,736	414
<i>Total County Judge</i>	<u>133,457</u>	<u>133,457</u>	<u>127,880</u>	<u>5,577</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Courthouse Receptionist</i>				
<i>Personnel services</i>	\$ 56,643	\$ 58,228	\$ 58,227	\$ 1
<i>Benefits</i>	12,757	12,633	12,528	105
<i>Supplies</i>	1,700	354	326	28
<i>Other services and charges</i>	1,700	1,585	1,459	126
<i>Total Courthouse Receptionist</i>	<u>72,800</u>	<u>72,800</u>	<u>72,540</u>	<u>260</u>
<i>County Communications</i>				
<i>Other services and charges</i>	123,446	149,346	148,537	809
<i>Total County Communications</i>	<u>123,446</u>	<u>149,346</u>	<u>148,537</u>	<u>809</u>
<i>Commissioner's Court</i>				
<i>Personnel services</i>	174,762	174,762	174,556	206
<i>Benefits</i>	48,967	48,967	47,097	1,870
<i>Supplies</i>	250	250	123	127
<i>Other services and charges</i>	9,800	9,800	6,574	3,226
<i>Total Commissioner's Court</i>	<u>233,779</u>	<u>233,779</u>	<u>228,350</u>	<u>5,429</u>
<i>County Clerk</i>				
<i>Personnel services</i>	236,889	237,632	237,583	49
<i>Benefits</i>	54,053	53,310	49,596	3,714
<i>Supplies</i>	18,775	18,775	17,952	823
<i>Other services and charges</i>	9,650	10,650	8,708	1,942
<i>Total County Clerk</i>	<u>319,367</u>	<u>320,367</u>	<u>313,839</u>	<u>6,528</u>
<i>Veteran's Office</i>				
<i>Personnel services</i>	22,908	22,908	22,732	176
<i>Benefits</i>	6,268	6,268	5,848	420
<i>Supplies</i>	1,175	1,175	710	465
<i>Other services and charges</i>	1,750	1,750	1,471	279
<i>Total Veteran's Office</i>	<u>32,101</u>	<u>32,101</u>	<u>30,761</u>	<u>1,340</u>
<i>County Auditor</i>				
<i>Personnel services</i>	129,559	130,245	130,243	2
<i>Benefits</i>	32,980	32,643	32,641	2
<i>Supplies</i>	3,800	3,451	2,089	1,362
<i>Other services and charges</i>	6,320	6,320	5,416	904
<i>Total County Auditor</i>	<u>172,659</u>	<u>172,659</u>	<u>170,389</u>	<u>2,270</u>
<i>Nondepartmental</i>				
<i>Benefits</i>	1,116,383	1,152,748	1,108,775	43,973
<i>Supplies</i>	5,000	5,000	4,883	117
<i>Other services and charges</i>	381,954	277,675	272,151	5,524
<i>Capital outlay</i>	160,363	56,330	45,867	10,463
<i>Total Nondepartmental</i>	<u>1,663,700</u>	<u>1,491,753</u>	<u>1,431,676</u>	<u>60,076</u>
<i>Total General Administration</i>	<u>2,751,309</u>	<u>2,606,262</u>	<u>2,523,972</u>	<u>82,290</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Judicial</i>				
<i>District Court</i>				
Personnel services	\$ 75,436	\$ 75,436	\$ 74,542	\$ 894
Benefits	15,138	15,138	14,445	693
Supplies	3,000	3,000	2,259	741
Other services and charges	211,441	211,441	198,746	12,695
Total District Court	305,015	305,015	289,992	15,023
<i>District Clerk</i>				
Personnel services	211,901	211,901	197,634	14,267
Benefits	51,009	51,009	44,403	6,606
Supplies	14,000	14,000	10,366	3,634
Other services and charges	8,500	8,655	7,834	821
Capital outlay	4,500	4,345	4,000	345
Total District Clerk	289,910	289,910	264,237	25,673
<i>County Court at Law</i>				
Personnel services	161,800	164,444	164,442	2
Benefits	32,569	33,074	32,573	501
Supplies	4,700	4,775	4,074	701
Other services and charges	113,700	150,231	148,137	2,094
Total County Court at Law	312,769	352,524	349,226	3,298
<i>Justice Court Number One</i>				
Personnel services	74,141	74,141	73,349	792
Benefits	17,258	17,258	15,864	1,394
Supplies	2,600	2,000	1,667	333
Other services and charges	5,500	6,100	5,069	1,031
Total Justice Court Number One	99,499	99,499	95,949	3,550
<i>Justice Court Number Two</i>				
Personnel services	71,393	71,321	71,319	2
Benefits	23,740	24,137	23,902	235
Supplies	3,200	3,003	2,874	129
Other services and charges	6,700	6,572	6,059	513
Total Justice Court Number Two	105,033	105,033	104,154	879
<i>Justice Court Number Three</i>				
Personnel services	74,141	74,097	74,064	33
Benefits	18,868	18,912	17,838	1,074
Supplies	5,000	5,861	5,492	369
Other services and charges	8,500	7,639	6,586	1,053
Total Justice Court Number Three	106,509	106,509	103,980	2,529
<i>Justice Court Number Four</i>				
Personnel services	74,141	74,141	74,062	79
Benefits	26,668	26,668	25,827	841
Supplies	4,700	4,700	2,373	2,327
Other services and charges	10,600	10,600	8,027	2,573
Total Justice Court Number Four	116,109	116,109	110,288	5,821
Total Judicial	1,334,844	1,374,599	1,317,827	56,772

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Legal</i>				
<i>County Attorney</i>				
<i>Personnel services</i>	\$ 255,994	\$ 256,647	\$ 256,644	\$ 3
<i>Benefits</i>	53,959	54,060	54,059	1
<i>Supplies</i>	7,800	6,757	5,634	1,123
<i>Other services and charges</i>	9,500	9,789	9,545	244
<i>Total County Attorney</i>	<u>327,253</u>	<u>327,253</u>	<u>325,882</u>	<u>1,371</u>
<i>Total Legal</i>	<u>327,253</u>	<u>327,253</u>	<u>325,882</u>	<u>1,371</u>
<i>Elections</i>				
<i>Elections</i>				
<i>Personnel services</i>	2,000	2,000	--	2,000
<i>Benefits</i>	153	153	--	153
<i>Supplies</i>	12,000	9,445	6,766	2,679
<i>Other services and charges</i>	38,420	40,975	39,086	1,889
<i>Total Elections</i>	<u>52,573</u>	<u>52,573</u>	<u>45,852</u>	<u>6,721</u>
<i>Total Elections</i>	<u>52,573</u>	<u>52,573</u>	<u>45,852</u>	<u>6,721</u>
<i>Financial administration</i>				
<i>Tax Assessor Collector</i>				
<i>Personnel services</i>	143,022	143,761	143,759	2
<i>Benefits</i>	29,317	28,330	20,949	7,381
<i>Supplies</i>	6,300	6,233	3,429	2,804
<i>Other services and charges</i>	13,500	13,815	9,590	4,225
<i>Total Tax Assessor Collector</i>	<u>192,139</u>	<u>192,139</u>	<u>177,727</u>	<u>14,412</u>
<i>County Treasurer</i>				
<i>Personnel services</i>	119,794	120,104	120,079	25
<i>Benefits</i>	24,379	24,069	23,836	233
<i>Supplies</i>	7,900	6,525	6,198	327
<i>Other services and charges</i>	7,050	8,425	7,559	866
<i>Total County Treasurer</i>	<u>159,123</u>	<u>159,123</u>	<u>157,672</u>	<u>1,451</u>
<i>Personnel and benefits</i>				
<i>Personnel services</i>	75,700	78,409	78,408	1
<i>Benefits</i>	19,632	19,847	19,845	2
<i>Supplies</i>	9,120	6,192	4,288	1,904
<i>Other services and charges</i>	5,624	5,628	3,400	2,228
<i>Total Personnel and benefits</i>	<u>110,076</u>	<u>110,076</u>	<u>105,941</u>	<u>4,135</u>
<i>Appraisal District</i>				
<i>Other services and charges</i>	135,642	135,642	125,749	9,893
<i>Total Appraisal District</i>	<u>135,642</u>	<u>135,642</u>	<u>125,749</u>	<u>9,893</u>
<i>Total Financial Administration</i>	<u>596,980</u>	<u>596,980</u>	<u>567,089</u>	<u>29,891</u>

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Public facilities</i>				
<i>County Courthouse</i>				
<i>Personnel services</i>	\$ 69,335	\$ 69,335	\$ 67,841	\$ 1,494
<i>Benefits</i>	13,747	13,747	12,909	838
<i>Supplies</i>	26,000	25,000	15,269	9,731
<i>Other services and charges</i>	56,925	59,925	53,453	6,472
<i>Capital outlay</i>	50,000	147,400	124,852	22,548
<i>Total County Courthouse</i>	<u>216,007</u>	<u>315,407</u>	<u>274,324</u>	<u>41,083</u>
<i>Total Public Facilities</i>	<u>216,007</u>	<u>315,407</u>	<u>274,324</u>	<u>41,083</u>
<i>Public safety</i>				
<i>Constable Number One</i>				
<i>Personnel services</i>	13,001	12,978	12,977	1
<i>Benefits</i>	5,916	5,785	4,841	944
<i>Supplies</i>	1,100	1,100	815	285
<i>Other services and charges</i>	100	254	154	100
<i>Total Constable Number One</i>	<u>20,117</u>	<u>20,117</u>	<u>18,787</u>	<u>1,330</u>
<i>Constable Number Two</i>				
<i>Personnel services</i>	66,246	66,245	66,242	3
<i>Benefits</i>	32,263	30,255	28,600	1,655
<i>Supplies</i>	2,250	3,109	1,924	1,185
<i>Other services and charges</i>	10,450	11,600	10,453	1,147
<i>Total Constable Number Two</i>	<u>111,209</u>	<u>111,209</u>	<u>107,219</u>	<u>3,990</u>
<i>Constable Number Three</i>				
<i>Personnel services</i>	13,001	13,001	12,978	23
<i>Benefits</i>	7,889	7,889	6,021	1,868
<i>Supplies</i>	1,550	1,550	242	1,308
<i>Other services and charges</i>	200	200	61	139
<i>Total Constable Number Three</i>	<u>22,640</u>	<u>22,640</u>	<u>19,302</u>	<u>3,338</u>
<i>Constable Number Four</i>				
<i>Personnel services</i>	13,001	13,001	12,978	23
<i>Benefits</i>	4,653	4,653	3,637	1,016
<i>Supplies</i>	850	850	--	850
<i>Other services and charges</i>	200	200	--	200
<i>Total Constable Number Four</i>	<u>18,704</u>	<u>18,704</u>	<u>16,615</u>	<u>2,089</u>
<i>Sheriff</i>				
<i>Personnel services</i>	1,013,269	1,013,269	990,601	22,668
<i>Benefits</i>	235,838	224,720	214,132	10,588
<i>Supplies</i>	53,000	25,469	25,468	1
<i>Other services and charges</i>	291,200	353,592	351,949	1,643
<i>Capital outlay</i>	114,000	199,200	197,200	2,000
<i>Total Sheriff</i>	<u>1,707,307</u>	<u>1,816,250</u>	<u>1,779,350</u>	<u>36,900</u>

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

EXHIBIT B-1
Page 6 of 8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Department of Public Safety</i>				
<i>Personnel services</i>	\$ 33,352	\$ 33,306	\$ 33,305	\$ 1
<i>Benefits</i>	8,548	8,986	8,985	1
<i>Supplies</i>	6,500	6,108	3,409	2,699
<i>Other services and charges</i>	4,600	4,600	2,653	1,947
<i>Total Department of Public Safety</i>	53,000	53,000	48,352	4,648
<i>County Jail</i>				
<i>Personnel services</i>	1,115,039	1,114,831	1,026,814	88,017
<i>Benefits</i>	243,957	233,942	218,238	15,704
<i>Supplies</i>	270,000	252,726	249,681	3,045
<i>Other services and charges</i>	245,000	243,863	218,073	25,790
<i>Capital outlay</i>	35,000	10,000	--	10,000
<i>Total County Jail</i>	1,908,996	1,855,362	1,712,806	142,556
<i>Adult Probation</i>				
<i>Supplies</i>	1,000	1,000	749	251
<i>Other services and charges</i>	1,925	1,925	165	1,760
<i>Total Adult Probation</i>	2,925	2,925	914	2,011
<i>Cen-Tex Regional Juvenile Board</i>				
<i>Supplies</i>	2,000	2,000	59	1,941
<i>Other services and charges</i>	105,501	105,501	90,060	15,441
<i>Total Cen-Tex Regional Juvenile Board</i>	107,501	107,501	90,119	17,382
<i>Fire Protection</i>				
<i>Personnel services</i>	2,000	2,000	1,090	910
<i>Benefits</i>	12,500	12,500	10,448	2,052
<i>Supplies</i>	45,000	42,906	2,085	40,821
<i>Other services and charges</i>	158,500	160,594	152,188	8,406
<i>Capital outlay</i>	--	135,000	105,000	30,000
<i>Total Fire Protection</i>	218,000	353,000	270,811	82,189
<i>Emergency Management</i>				
<i>Personnel services</i>	12,000	12,000	12,000	--
<i>Benefits</i>	1,200	1,200	1,160	40
<i>Supplies</i>	2,200	2,200	1,596	604
<i>Other services and charges</i>	17,600	17,600	16,252	1,348
<i>Total Emergency Management</i>	33,000	33,000	31,008	1,992
<i>Total Public Safety</i>	4,203,399	4,393,708	4,095,283	298,425
<i>Health and welfare</i>				
<i>Social Services</i>				
<i>Other services and charges</i>	100,000	104,541	100,696	3,845
<i>Total Social Services</i>	100,000	104,541	100,696	3,845
<i>Indigent Health Care</i>				
<i>Benefits</i>	10,175	10,175	10,175	--
<i>Supplies</i>	23,800	23,800	11,905	11,895
<i>Other services and charges</i>	539,608	540,942	297,117	243,825
<i>Total Indigent Health Care</i>	573,583	574,917	319,197	255,720

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Health Department</i>				
<i>Personnel services</i>	\$ 10,000	\$ 10,218	\$ 10,217	\$ 1
<i>Other services and charges</i>	59,600	61,382	54,260	7,122
<i>Total Health Department</i>	69,600	71,600	64,477	7,123
<i>Environmental</i>				
<i>Personnel services</i>	99,183	100,084	100,083	1
<i>Benefits</i>	20,869	20,716	20,542	174
<i>Supplies</i>	6,500	5,752	5,290	462
<i>Other services and charges</i>	19,300	19,300	11,182	8,118
<i>Total Environmental</i>	145,852	145,852	137,097	8,755
<i>Total Health and Welfare</i>	889,035	896,910	621,467	275,443
<i>Culture and Recreation</i>				
<i>Education - Library</i>				
<i>Other services and charges</i>	31,500	31,500	30,528	972
<i>Total Education - Library</i>	31,500	31,500	30,528	972
<i>Fairgrounds</i>				
<i>Personnel services</i>	117,169	117,169	114,864	2,305
<i>Benefits</i>	27,851	27,376	26,310	1,066
<i>Supplies</i>	11,500	14,517	14,416	101
<i>Other services and charges</i>	104,800	135,388	133,820	1,568
<i>Capital outlay</i>	20,000	3,854	3,854	--
<i>Total Fairgrounds</i>	281,320	298,304	293,264	5,040
<i>Softball</i>				
<i>Other services and charges</i>	35,000	35,000	35,000	--
<i>Total Softball</i>	35,000	35,000	35,000	--
<i>Total Culture and Recreation</i>	347,820	364,804	358,792	6,012
<i>Conservation</i>				
<i>Extension Service</i>				
<i>Personnel services</i>	100,652	103,286	81,929	21,357
<i>Benefits</i>	24,263	22,338	19,247	3,091
<i>Supplies</i>	6,500	5,791	4,522	1,269
<i>Other services and charges</i>	18,800	18,800	11,631	7,169
<i>Total Extension Service</i>	150,215	150,215	117,329	32,886
<i>Soil Conservation</i>				
<i>Other services and charges</i>	4,000	4,000	4,000	--
<i>Total Soil Conservation</i>	4,000	4,000	4,000	--
<i>Total Conservation</i>	154,215	154,215	121,329	32,886

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

EXHIBIT B-1
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Data Processing</i>				
<i>Data Processing</i>				
<i>Other services and charges</i>	\$ 232,421	\$ 241,954	\$ 220,374	\$ 21,580
<i>Total Data Processing</i>	<u>232,421</u>	<u>241,954</u>	<u>220,374</u>	<u>21,580</u>
<i>Total Data Processing</i>	232,421	241,954	220,374	21,580
Total disbursements	<u>11,105,856</u>	<u>11,324,665</u>	<u>10,472,191</u>	<u>852,474</u>
Excess (deficiency) of revenues over (under) expenditures	<u>362,571</u>	<u>143,762</u>	<u>1,361,917</u>	<u>1,218,155</u>
Other financing sources (uses):				
<i>Transfers in</i>	106,973	407,473	403,073	(4,400)
<i>Transfers out</i>	(871,544)	(871,544)	(871,544)	-
<i>Sale of capital assets</i>	2,000	28,000	27,543	(457)
<i>Total other financing sources (uses)</i>	<u>(762,571)</u>	<u>(436,071)</u>	<u>(440,928)</u>	<u>(4,857)</u>
Net change in cash balances	(400,000)	(292,309)	920,989	1,213,298
Cash, January 1	10,490,604	10,490,604	10,490,604	-
Cash, December 31	<u>\$ 10,090,604</u>	<u>\$ 10,198,295</u>	<u>\$ 11,411,593</u>	<u>\$ 1,213,298</u>

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

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
<i>Taxes</i>				
<i>Ad valorem tax</i>	\$ 3,477,737	\$ 3,477,737	\$ 3,589,479	\$ 111,742
<i>Penalty and interest</i>	50,000	50,000	30,947	(19,053)
<i>Total Taxes</i>	<u>3,527,737</u>	<u>3,527,737</u>	<u>3,620,426</u>	<u>92,689</u>
<i>Intergovernmental</i>				
<i>Federal shared revenues</i>	73,000	73,000	61,872	(11,128)
<i>Total Intergovernmental</i>	<u>73,000</u>	<u>73,000</u>	<u>61,872</u>	<u>(11,128)</u>
<i>Licenses, permits and fees</i>				
<i>Licenses, permits and fees</i>	865,000	865,000	829,850	(35,150)
<i>Total Licenses, permits and fees</i>	<u>865,000</u>	<u>865,000</u>	<u>829,850</u>	<u>(35,150)</u>
<i>Fines and forfeitures</i>				
<i>Fines and forfeitures</i>	280,000	280,000	295,743	15,743
<i>Total Fines and forfeitures</i>	<u>280,000</u>	<u>280,000</u>	<u>295,743</u>	<u>15,743</u>
<i>Interest</i>				
<i>Interest</i>	10,000	10,000	6,884	(3,116)
<i>Total Interest</i>	<u>10,000</u>	<u>10,000</u>	<u>6,884</u>	<u>(3,116)</u>
<i>Miscellaneous</i>				
<i>Miscellaneous</i>	1,000	1,000	118	(882)
<i>Total Miscellaneous</i>	<u>1,000</u>	<u>1,000</u>	<u>118</u>	<u>(882)</u>
Total revenues	<u>4,756,737</u>	<u>4,756,737</u>	<u>4,814,893</u>	<u>58,156</u>
Expenditures:				
<i>Current:</i>				
<i>Public transportation</i>				
<i>Personnel services</i>	966,605	921,392	897,043	24,349
<i>Benefits</i>	479,612	479,612	428,835	50,777
<i>Supplies</i>	442,200	450,288	421,001	29,287
<i>Other services and charges</i>	590,180	576,792	543,960	32,832
<i>Capital outlay</i>	2,240,640	2,364,000	2,303,085	60,915
<i>Total Public Transportation</i>	<u>4,719,237</u>	<u>4,792,084</u>	<u>4,593,924</u>	<u>198,160</u>
<i>Total expenditures</i>	<u>4,719,237</u>	<u>4,792,084</u>	<u>4,593,924</u>	<u>198,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,500</u>	<u>(35,347)</u>	<u>220,969</u>	<u>256,316</u>
Other financing sources (uses):				
<i>Transfers out</i>	(90,000)	(150,000)	(150,000)	--
<i>Sale of capital assets</i>	12,500	85,347	76,564	(8,783)
<i>Total other financing sources (uses)</i>	<u>(77,500)</u>	<u>(64,653)</u>	<u>(73,436)</u>	<u>(8,783)</u>
Net change in fund balances	<u>(40,000)</u>	<u>(100,000)</u>	<u>147,533</u>	<u>247,533</u>
Fund balances, January 1	<u>4,400,363</u>	<u>4,400,363</u>	<u>4,400,363</u>	<u>--</u>
Fund balances, December 31	<u>\$ 4,360,363</u>	<u>\$ 4,300,363</u>	<u>\$ 4,547,896</u>	<u>\$ 247,533</u>

WASHINGTON COUNTY, TEXAS
EMERGENCY MEDICAL SERVICE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT B-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts:				
<i>Charges for services</i>				
<i>Charges to customers</i>	\$ 1,809,000	\$ 1,829,000	\$ 1,838,049	\$ 9,049
<i>Total Charges for services</i>	1,809,000	1,829,000	1,838,049	9,049
<i>Interest</i>				
<i>Interest</i>	2,500	2,500	1,885	(615)
<i>Total Interest</i>	2,500	2,500	1,885	(615)
<i>Miscellaneous</i>				
<i>Miscellaneous</i>	--	--	2,544	2,544
<i>Total Miscellaneous</i>	--	--	2,544	2,544
Total revenues	1,811,500	1,831,500	1,842,478	10,978
Expenditures:				
Current:				
<i>Health and welfare</i>				
<i>Emergency Medical Services</i>				
<i>Personnel services</i>	1,212,106	1,224,468	1,224,466	2
<i>Benefits</i>	476,088	463,321	453,996	9,325
<i>Supplies</i>	118,000	115,704	115,684	20
<i>Other services and charges</i>	233,500	282,456	280,179	2,277
<i>Capital outlay</i>	77,350	136,495	136,440	55
<i>Total Emergency Medical Services</i>	2,117,044	2,222,444	2,210,765	11,679
<i>Total Health and Welfare</i>	2,117,044	2,222,444	2,210,765	11,679
Total expenditures	2,117,044	2,222,444	2,210,765	11,679
Excess (deficiency) of revenues over (under) expenditures	(305,544)	(390,944)	(368,287)	22,657
Other financing sources (uses):				
<i>Transfers in</i>	305,544	305,544	305,544	--
Total other financing sources (uses)	305,544	305,544	305,544	--
Net change in fund balances	--	(85,400)	(62,743)	22,657
Fund balances, January 1	212,960	212,960	212,960	--
Fund balances, December 31	\$ 212,960	\$ 127,560	\$ 150,217	\$ 22,657

WASHINGTON COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS - OPEB
Year Ended December 31, 2011

EXHIBIT B-4

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	\$2,231,824	(\$2,231,824)	0.00%	\$6,942,459	32.15%
12/31/09 A.	N/A	2,231,824	(2,231,824)	0.00%	7,051,177	31.65%
12/31/10	N/A	3,256,232	(3,256,232)	0.00%	7,026,790	46.34%
12/31/11 A.	N/A	3,256,232	(3,256,232)	0.00%	7,025,296	46.35%

(A) The plan receives an actuarial valuation biennially.

WASHINGTON COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Year Ended December 31, 2011

A. Budgetary Information

Annual budgets are adopted on the cash basis of accounting for the General Fund; certain Special Revenue Funds (Road and Bridge, Emergency Medical Service, District Attorney, JP Technology, EMS Donations, Sheriff Forfeiture, Forfeiture of Assets, County Clerk Record Management Preservation, Records Management Preservation - District Clerk, and Archive Fee - County Clerk) and the Debt Service Fund (Tax Note Series 2007).

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. Some supplemental appropriations were required during the year.

B. Budget/GAAP Reconciliation

The following is a reconciliation of net change in fund balances for budgeted funds to those funds on the modified accrual basis.

Fund	Per Budget Statements	Increase (Decrease) in Accrued Revenues	(Increase) Decrease in Accrued Expenditures	Per GAAP Statements
General	\$920,989	\$75,194	(\$255,672)	\$740,511
Road & Bridge	147,533	(55,759)	(3,690)	88,084
Emergency Medical Service	(62,743)	(103,331)	78,376	(87,698)
JP Technology	14,422	--	--	14,422
District Attorney	16,044	--	(6,169)	9,875
EMS Donations	(61,631)	--	898	(60,733)
Sheriff Forfeiture	(8,495)	--	--	(8,495)
Forfeiture of Assets	6,987	--	--	6,987
County Clerk Record Management	(7,253)	--	2,150	(5,103)
Records Management District Clerk	(1,310)	--	--	(1,310)
Record Management Preservation	14,722	--	--	14,722
Archive Fee - County Clerk	(15,561)	--	--	(15,561)
Tax Note Series 2007	96,371	(9,532)	31,600	118,439

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*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.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

OPEB Funding - Other Post Employment Benefits - This fund is used to accumulate monies to fund retiree health care benefits for all employees (except temporary staff) who must participate in TCDRS and are eligible to receive full retiree health benefits after retirement and until age 65.

Personnel Employee Testing - This fund is used to account for receipts and expenditures related to county personnel required medical testing while employed by Washington County.

Hotel Motel Tax - This fund is used to account for the collection of Hotel Motel taxes in Washington County and any approved expenditure through Commissioners' Court.

Hwy 290/36 Fund - This fund is used to accumulate monies for the payment of the Hwy 290/36 Project.

JP Technology Fund - This fund is used to account for fees collected by the Justice of the Peace Courts and related expenditures for technological improvements in the Justice of the Peace Courts.

District Attorney Fund - This fund is used to account for revenues and expenditures related to the operation of the District Attorney's office.

EMS Depreciation Fund This fund is used to account for revenues and expenditures related to the purchase of an ambulance or EMS equipment.

EMS Donations Fund - This fund is used to account for donations to assist the Emergency Medical Service.

Rural Addressing Fund - This fund is used to account for the County's revenue and expenditures relating to rural addressing within Washington County.

Law Library Fund - This fund is used to account for maintenance and operations of a law library open to residents of the County. Financing is provided by fees collected in connection with civil suit filings.

Check & Process Fund - This fund is used to account for "hot check" fees received by the County Attorney.

Sheriff Escrow Fund -This fund is used to account for revenues and expenditures of Estray livestock.

Child Foster Care Fund - This fund is used to account for revenues and expenditures related to the Foster Care Program.

District Attorney Forfeiture Fund - This fund is used to account for receipts awarded by the courts to the District Attorney from forfeited drug proceeds, and the disbursements for the benefit of drug enforcement.

Sheriff Forfeiture Fund - This fund is used to account for receipts awarded by the courts to the Sheriff from forfeited drug proceeds, and the disbursements for the benefit of drug enforcement.

Forfeiture of Assets This fund is used to account for receipts awarded by the courts to the Sheriff from forfeited drug proceeds, and the disbursements for the benefit of drug enforcement.

County Clerk Record Management Fund - This fund is used to account for the collection of the County Clerk's statutory document preservation fee and the expenditure of those fees for records management and preservation services.

Records Management Preservation - District Clerk Fund This fund is used to account for the collection of the District Clerk's statutory document preservation fee and the expenditure of those fees for records management and preservation services.

County and District Court Technology Fund - This fund is used to account for fees paid by defendants in county and district courts to be used to fund costs of education and training regarding technological enhancements and for purchase and maintenance of technological enhancements, including computer systems, networks, hardware, software, imaging systems, electronic kiosks, and docket management systems.

Record Management Preservation Fund - This fund is used to account for the collection of the County statutory document preservation fee and the expenditure for records management and preservation services.

Archive Fee County Clerk Fund - This fund is used to account for the collection of the County statutory archive fee and the expenditures as stated in the Local Government Code 118.025

Courthouse Security Fund - This fund is used to account for the collections and expenditures of fees for security services for buildings housing a County court, a County court at law or a District Court.

Unclaimed and Abandoned Property Fund - This fund is used to account for the collections and expenditures of unclaimed and abandoned property under Chapter 76 of Title 6, Unclaimed Property Code.

Homeland Security Fund - This fund is used to account for grants dedicated to improving the security position of the County.

Community Development Program Fund - This fund is used to account for a grant made to provide water utility improvements to a community in Washington County.

Tobacco Settlement Fund - This fund is used to account for tobacco settlement revenues received from the State of Texas.

Constable's Training Fund - This fund is used to account for the collection and expenditure of state provided education funds for LEOSE fees for Constables training.

Sheriff Equipment Grant Fund - This fund is used to account for a grant dedicated for equipment for law enforcement.

Sheriff's Training Fund - This fund is used to account for the collection and expenditure of state provided education funds for LEOSE fees for Sheriff Department training.

Clerks Election Fund - This fund is used to account for State funds received and related expenditures for public elections.

HAVA Grant Equipment Fund - This fund is used to account for equipment replacement fees from election services to be used to acquire replacement election equipment.

2008 Equipment Grant Fund - This fund is used to account for a grant dedicated to equipment for law enforcement.

Brazos Valley Home Consortium Fund - This fund is used to account for pass through funding from HUD related to the Brazos Valley Home Consortium.

Rural Health Pilot Program Fund - This fund is used to account for a TDRA grant, revenues and expenditures related to the construction of the Washington County Health and Service Center.

TDRA Fund - This fund is used to account for a grant from TDRA Disaster Recovery for Emergency Generators located at the Brenham Water Treatment Plant and Faith Mission Emergency Relief Center.

Constable Number One Training Fund - This fund is used to account for the collection and expenditure of state provided education funds for LEOSE fees for Constable Number One training.

Constable Number Two Training Fund - This fund is used to account for the collection and expenditure of state provided education funds for LEOSE fees for Constable Number Two training.

Constable Number Three Training Fund - This fund is used to account for the collection and expenditure of state provided education funds for LEOSE fees for Constable Number Three training.

Constable Number Four Training Fund - This fund is used to account for the collection and expenditure of state provided education funds for LEOSE fees for Constable Number Four training.

DEBT SERVICE

Debt Service Funds are used to account for the accumulation of resources for and the payment of General long-term debt and principal.

Tax Note Series 2007 Fund - This fund is used to account for the accumulation of resources and the payment of Tax Note Series 2007.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

Tax Note, Series 2007 Capital Projects Fund - This fund is used to account for construction of projects from the proceeds of the 2007 Tax Note Series 2007.

FIDUCIARY FUNDS

PRIVATE PURPOSE TRUST FUNDS

Private Purpose Trust Funds are used to report all trust arrangements (other than pension and investment trust funds) under which principal and income benefit Individuals, private organizations, or other governments.

School Land Damage Fund - This fund is used to account for receipts and expenditures related to damages of the school land located in Tom Green County.

Permanent School Available Fund - This fund is used to account for receipts and expenditures related to the school land located in Tom Green County.

School Land Improvement Fund - This fund is used to account for receipts and expenditures related to improvements to the school land located in Tom Green County.

AGENCY FUNDS

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

Justice of the Peace Number One - This fund is used to account for the collection and disbursement of fines and fees.

Justice of the Peace Number Two - This fund is used to account for the collection and disbursement of fines and fees.

Justice of the Peace Number Three - This fund is used to account for the collection and disbursement of fines and fees.

Justice of the Peace Number Four - This fund is used to account for the collection and disbursement of fines and fees.

County Clerk - This fund is used to account for the collection of fines and fees and other costs and distribution of those monies.

District Clerk - This fund is used to account for the collection of fines and fees and other costs and distribution of those monies.

Sheriff - This fund is used to account for the collection of fees and other cost and distribution of those monies.

Tax Assessor Collector -This fund is used to account for receipts pending disposition to individuals and entities, the County or other governments.

County Attorney - This fund is used to account for the collection of fees and other cost and distribution of those monies.

County Treasurer- This fund is used to account for receipts pending disposition to individuals and entities, the County or other governments.

Criminal Justice -This fund is used to account for receipts from court cost pending disposition to the County or other governments.

Narcotics - This fund is used to account for fees paid by convicted defendants of drug crimes.

Snack Fund - This fund is used to account for receipts and related expenditures from snack machines.

Forfeiture Fund - This fund is used to account for money seized by law enforcement and held awaiting court proceedings.

Cellular Phone - This fund is used to account for money held as a deposit by county employees to purchase a cell phone at a discounted rate with Washington County assuming limited liability for unpaid bills.

Community Service Restitution - This fund is used to account for money paid by defendants in lieu of community service.

Jail Board -This fund is used to account for money received from inmates monthly Social Security payment.

WASHINGTON COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2011

	Special Revenue Funds	Debt Service Fund Tax Note Series 2007	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
<i>Cash and cash equivalents</i>	\$ 2,798,118	\$ 338,103	\$ 3,136,221
Receivables (net of allowances for uncollectibles):			
<i>Taxes</i>	--	163,262	163,262
Restricted assets:			
<i>Cash and cash equivalents</i>	--	418,166	418,166
Total Assets	<u>\$ 2,798,118</u>	<u>\$ 919,531</u>	<u>\$ 3,717,649</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ 57,613	\$ --	\$ 57,613
<i>Accrued liabilities and other payables</i>	30,990	--	30,990
<i>Deferred revenue</i>	--	160,780	160,780
<i>Taxes collected in advance</i>	--	418,166	418,166
Total Liabilities	<u>88,603</u>	<u>578,946</u>	<u>667,549</u>
Fund balances:			
<i>Restricted</i>	2,198,714	340,585	2,539,299
<i>Committed</i>	362,500	--	362,500
<i>Assigned</i>	148,301	--	148,301
Total fund balances	<u>2,709,515</u>	<u>340,585</u>	<u>3,050,100</u>
Total Liabilities and Fund Balances	<u>\$ 2,798,118</u>	<u>\$ 919,531</u>	<u>\$ 3,717,649</u>

WASHINGTON COUNTY, TEXAS

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

	Special Revenue Funds	Debt Service Fund Tax Note Series 2007	Capital Projects Fund Tax Note Series 2007 Capital Projects	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:				
<i>Taxes</i>	\$ 87,127	\$ 584,843	\$ --	\$ 671,970
<i>Intergovernmental</i>	1,535,311	--	--	1,535,311
<i>Charges for services</i>	193,140	--	--	193,140
<i>Interest</i>	23,850	15,708	103	39,661
<i>Miscellaneous</i>	65,729	--	--	65,729
Total revenues	<u>1,905,157</u>	<u>600,551</u>	<u>103</u>	<u>2,505,811</u>
Expenditures:				
Current:				
<i>General administration</i>	108,305	--	--	108,305
<i>Judicial</i>	749,198	--	--	749,198
<i>Public facilities</i>	24,783	--	8,103	32,886
<i>Public safety</i>	148,563	--	--	148,563
<i>Public transportation</i>	728,488	--	--	728,488
<i>Health and welfare</i>	700,977	--	--	700,977
<i>Culture and recreation</i>	74,234	--	--	74,234
<i>Capital outlay</i>	--	--	3,854	3,854
Debt service:				
<i>Principal</i>	--	280,000	--	280,000
<i>Interest and fiscal charges</i>	--	202,112	--	202,112
Total expenditures	<u>2,534,548</u>	<u>482,112</u>	<u>11,957</u>	<u>3,028,617</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(629,391)</u>	<u>118,439</u>	<u>(11,854)</u>	<u>(522,806)</u>
Other financing sources (uses):				
<i>Transfers in</i>	811,902	--	--	811,902
<i>Transfers out</i>	(3,773)	--	--	(3,773)
Total other financing sources (uses)	<u>808,129</u>	<u>--</u>	<u>--</u>	<u>808,129</u>
Net change in fund balances	<u>178,738</u>	<u>118,439</u>	<u>(11,854)</u>	<u>285,323</u>
Fund balances, January 1	<u>2,530,777</u>	<u>222,146</u>	<u>11,854</u>	<u>2,764,777</u>
Fund balances, December 31	<u>\$ 2,709,515</u>	<u>\$ 340,585</u>	<u>\$ --</u>	<u>\$ 3,050,100</u>

WASHINGTON COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2011

	OPEB Funding	Personnel Employee Testing	Hotel Motel Tax	HWY 290/36
ASSETS				
<i>Cash and cash equivalents</i>	\$ 214,625	\$ 31,277	\$ 23,416	\$ 960,857
Total Assets	<u>\$ 214,625</u>	<u>\$ 31,277</u>	<u>\$ 23,416</u>	<u>\$ 960,857</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Accrued liabilities and other payables</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:				
<i>Restricted</i>	--	--	23,416	960,857
<i>Committed</i>	214,625	31,277	--	--
<i>Assigned</i>	--	--	--	--
Total fund balances	<u>214,625</u>	<u>31,277</u>	<u>23,416</u>	<u>960,857</u>
Total Liabilities and Fund Balances	<u>\$ 214,625</u>	<u>\$ 31,277</u>	<u>\$ 23,416</u>	<u>\$ 960,857</u>

<u>JP Technology</u>	<u>District Attorney</u>	<u>EMS Depreciation</u>	<u>EMS Donations</u>	<u>Rural Addressing</u>
\$ 65,393	\$ 236,367	\$ 4,678	\$ 98,819	\$ 143,623
<u>\$ 65,393</u>	<u>\$ 236,367</u>	<u>\$ 4,678</u>	<u>\$ 98,819</u>	<u>\$ 143,623</u>
\$ --	\$ --	\$ --	\$ 1,702	\$ --
--	30,990	--	--	--
<u>--</u>	<u>30,990</u>	<u>--</u>	<u>1,702</u>	<u>--</u>
65,393	205,377	--	--	--
--	--	--	97,117	--
<u>--</u>	<u>--</u>	<u>4,678</u>	<u>--</u>	<u>143,623</u>
<u>65,393</u>	<u>205,377</u>	<u>4,678</u>	<u>97,117</u>	<u>143,623</u>
<u>\$ 65,393</u>	<u>\$ 236,367</u>	<u>\$ 4,678</u>	<u>\$ 98,819</u>	<u>\$ 143,623</u>

WASHINGTON COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2011

	Law Library	Check and Process	Sheriff Escrow	Child Foster Care
ASSETS				
<i>Cash and cash equivalents</i>	\$ 21,023	\$ 33,001	\$ 9,319	\$ 76,707
Total Assets	<u>\$ 21,023</u>	<u>\$ 33,001</u>	<u>\$ 9,319</u>	<u>\$ 76,707</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ --	\$ --	\$ --
<i>Accrued liabilities and other payables</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:				
<i>Restricted</i>	21,023	33,001	9,319	76,707
<i>Committed</i>	--	--	--	--
<i>Assigned</i>	--	--	--	--
Total fund balances	<u>21,023</u>	<u>33,001</u>	<u>9,319</u>	<u>76,707</u>
Total Liabilities and Fund Balances	<u>\$ 21,023</u>	<u>\$ 33,001</u>	<u>\$ 9,319</u>	<u>\$ 76,707</u>

<u>District Attorney Forfeiture</u>	<u>Sheriff Forfeiture</u>	<u>Forfeiture of Assets</u>	<u>C.C. Record Management Preservation</u>	<u>Records Management Preservation DC</u>
\$ 2,542	\$ 2,406	\$ 13,731	\$ 53,563	\$ 13,704
<u>\$ 2,542</u>	<u>\$ 2,406</u>	<u>\$ 13,731</u>	<u>\$ 53,563</u>	<u>\$ 13,704</u>
\$ --	\$ --	\$ --	\$ --	\$ 1,050
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,050</u>
2,542	2,406	13,731	53,563	12,654
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>2,542</u>	<u>2,406</u>	<u>13,731</u>	<u>53,563</u>	<u>12,654</u>
<u>\$ 2,542</u>	<u>\$ 2,406</u>	<u>\$ 13,731</u>	<u>\$ 53,563</u>	<u>\$ 13,704</u>

WASHINGTON COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2011

	County and District Court Technology	Record Management Preservation	Archive Fee County Clerk	Courthouse Security
ASSETS				
<i>Cash and cash equivalents</i>	\$ 3,165	\$ 212,523	\$ 34,816	\$ 87,360
Total Assets	<u>\$ 3,165</u>	<u>\$ 212,523</u>	<u>\$ 34,816</u>	<u>\$ 87,360</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ --	\$ 4,000	\$ 19,550	\$ --
<i>Accrued liabilities and other payables</i>	--	--	--	--
Total Liabilities	<u>--</u>	<u>4,000</u>	<u>19,550</u>	<u>--</u>
Fund balances:				
<i>Restricted</i>	3,165	208,523	15,266	87,360
<i>Committed</i>	--	--	--	--
<i>Assigned</i>	--	--	--	--
Total fund balances	<u>3,165</u>	<u>208,523</u>	<u>15,266</u>	<u>87,360</u>
Total Liabilities and Fund Balances	<u>\$ 3,165</u>	<u>\$ 212,523</u>	<u>\$ 34,816</u>	<u>\$ 87,360</u>

<u>Unclaimed and Abandoned Property</u>	<u>Homeland Security</u>	<u>Community Development Program</u>	<u>Tobacco Settlement</u>	<u>Sheriff's Equipment Grant</u>
\$ 7,357	\$ 1,113	\$ 384	\$ 369,620	\$ 2,038
<u>\$ 7,357</u>	<u>\$ 1,113</u>	<u>\$ 384</u>	<u>\$ 369,620</u>	<u>\$ 2,038</u>
\$ --	\$ --	\$ --	\$ 31,311	\$ --
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>31,311</u>	<u>--</u>
7,357	1,113	384	338,309	2,038
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>7,357</u>	<u>1,113</u>	<u>384</u>	<u>338,309</u>	<u>2,038</u>
<u>\$ 7,357</u>	<u>\$ 1,113</u>	<u>\$ 384</u>	<u>\$ 369,620</u>	<u>\$ 2,038</u>

WASHINGTON COUNTY, TEXAS**COMBINING BALANCE SHEET****NONMAJOR SPECIAL REVENUE FUNDS**

DECEMBER 31, 2011

	Sheriff's Training	Clerks Election	HAVA Grant Equipment
ASSETS			
<i>Cash and cash equivalents</i>	\$ 7,031	\$ 19,481	\$ 3,440
Total Assets	<u>\$ 7,031</u>	<u>\$ 19,481</u>	<u>\$ 3,440</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ --	\$ --	\$ --
<i>Accrued liabilities and other payables</i>	--	--	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances:			
<i>Restricted</i>	7,031	--	3,440
<i>Committed</i>	--	19,481	--
<i>Assigned</i>	--	--	--
Total fund balances	<u>7,031</u>	<u>19,481</u>	<u>3,440</u>
Total Liabilities and Fund Balances	<u>\$ 7,031</u>	<u>\$ 19,481</u>	<u>\$ 3,440</u>

2008 Equipment Grant	Rural Health Pilot Program	TDRA	Constable Number One Training	Constable Number Two Training
\$ 50	\$ 26,915	\$ 33	\$ 1,205	\$ 667
\$ 50	\$ 26,915	\$ 33	\$ 1,205	\$ 667
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
50	26,915	33	1,205	667
--	--	--	--	--
50	26,915	33	1,205	667
\$ 50	\$ 26,915	\$ 33	\$ 1,205	\$ 667

WASHINGTON COUNTY, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

DECEMBER 31, 2011

	Constable Number Three Training	Constable Number Four Training	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
ASSETS			
<i>Cash and cash equivalents</i>	\$ 8,499	\$ 7,370	\$ 2,798,118
Total Assets	<u>\$ 8,499</u>	<u>\$ 7,370</u>	<u>\$ 2,798,118</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ --	\$ --	\$ 57,613
<i>Accrued liabilities and other payables</i>	--	--	30,990
Total Liabilities	<u>--</u>	<u>--</u>	<u>88,603</u>
Fund balances:			
<i>Restricted</i>	8,499	7,370	2,198,714
<i>Committed</i>	--	--	362,500
<i>Assigned</i>	--	--	148,301
Total fund balances	<u>8,499</u>	<u>7,370</u>	<u>2,709,515</u>
Total Liabilities and Fund Balances	<u>\$ 8,499</u>	<u>\$ 7,370</u>	<u>\$ 2,798,118</u>

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WASHINGTON COUNTY, TEXAS

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

	OPEB Funding	Personnel Employee Testing	Hotel Motel Tax	HWY 290/36
Revenues:				
<i>Taxes</i>	\$ --	\$ --	\$ 87,127	\$ --
<i>Intergovernmental</i>	--	--	--	--
<i>Charges for services</i>	--	--	--	--
<i>Interest</i>	--	--	289	10,377
<i>Miscellaneous</i>	--	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>87,416</u>	<u>10,377</u>
Expenditures:				
Current:				
<i>General administration</i>	--	--	--	--
<i>Judicial</i>	--	--	--	--
<i>Public facilities</i>	--	--	--	--
<i>Public safety</i>	--	--	--	--
<i>Public transportation</i>	--	--	--	249,520
<i>Health and welfare</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	74,234	--
Total expenditures	<u>--</u>	<u>--</u>	<u>74,234</u>	<u>249,520</u>
Excess (deficiency) of revenues over (under) expenditures	<u>--</u>	<u>--</u>	<u>13,182</u>	<u>(239,143)</u>
Other financing sources (uses):				
<i>Transfers in</i>	214,625	31,277	--	200,000
<i>Transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>214,625</u>	<u>31,277</u>	<u>--</u>	<u>200,000</u>
Net change in fund balances	214,625	31,277	13,182	(39,143)
Fund balances, January 1	--	--	10,234	1,000,000
Fund balances, December 31	<u>\$ 214,625</u>	<u>\$ 31,277</u>	<u>\$ 23,416</u>	<u>\$ 960,857</u>

JP Technology	District Attorney	EMS Depreciation	EMS Donations	Rural Addressing
\$ --	\$ --	\$ --	\$ --	\$ --
--	368,445	--	--	--
22,437	--	--	--	--
--	--	59	--	536
--	1,155	--	55,625	1,113
<u>22,437</u>	<u>369,600</u>	<u>59</u>	<u>55,625</u>	<u>1,649</u>
--	--	--	--	3,817
8,015	719,725	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	116,358	--
<u>8,015</u>	<u>719,725</u>	<u>--</u>	<u>116,358</u>	<u>3,817</u>
14,422	(350,125)	59	(60,733)	(2,168)
--	360,000	--	--	--
--	--	--	--	--
<u>--</u>	<u>360,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
14,422	9,875	59	(60,733)	(2,168)
50,971	195,502	4,619	157,850	145,791
<u>\$ 65,393</u>	<u>\$ 205,377</u>	<u>\$ 4,678</u>	<u>\$ 97,117</u>	<u>\$ 143,623</u>

WASHINGTON COUNTY, TEXAS

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

	Law Library	Check and Process	Sheriff Escrow	Child Foster Care
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--
Charges for services	11,340	11,016	--	--
Interest	722	--	--	1,845
Miscellaneous	--	--	1,303	2,955
Total revenues	<u>12,062</u>	<u>11,016</u>	<u>1,303</u>	<u>4,800</u>
Expenditures:				
Current:				
General administration	6,552	--	--	--
Judicial	--	--	--	--
Public facilities	--	--	--	--
Public safety	--	--	825	--
Public transportation	--	--	--	--
Health and welfare	--	--	--	12,942
Culture and recreation	--	--	--	--
Total expenditures	<u>6,552</u>	<u>--</u>	<u>825</u>	<u>12,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,510</u>	<u>11,016</u>	<u>478</u>	<u>(8,142)</u>
Other financing sources (uses):				
Transfers in	--	--	--	6,000
Transfers out	--	(3,773)	--	--
Total other financing sources (uses)	<u>--</u>	<u>(3,773)</u>	<u>--</u>	<u>6,000</u>
Net change in fund balances	5,510	7,243	478	(2,142)
Fund balances, January 1	15,513	25,758	8,841	78,849
Fund balances, December 31	<u>\$ 21,023</u>	<u>\$ 33,001</u>	<u>\$ 9,319</u>	<u>\$ 76,707</u>

Sheriff Forfeiture	Forfeiture of Assets	C.C. Record Management Preservation	Records Management Preservation DC	County and District Court Technology
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	9,886	40,917	5,414	2,222
71	101	644	156	--
--	--	--	170	--
<u>71</u>	<u>9,987</u>	<u>41,561</u>	<u>5,740</u>	<u>2,222</u>
--	--	46,664	--	--
--	--	--	7,050	--
--	--	--	--	--
8,566	3,000	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>8,566</u>	<u>3,000</u>	<u>46,664</u>	<u>7,050</u>	<u>--</u>
(8,495)	6,987	(5,103)	(1,310)	2,222
--	--	--	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(8,495)	6,987	(5,103)	(1,310)	2,222
10,901	6,744	58,666	13,964	943
<u>\$ 2,406</u>	<u>\$ 13,731</u>	<u>\$ 53,563</u>	<u>\$ 12,654</u>	<u>\$ 3,165</u>

WASHINGTON COUNTY, TEXAS

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

	Record Management Preservation	Archive Fee County Clerk	Courthouse Security	Unclaimed and Abandoned Property
Revenues:				
<i>Taxes</i>	\$ --	\$ --	\$ --	\$ --
<i>Intergovernmental</i>	--	--	--	--
<i>Charges for services</i>	20,767	33,114	34,755	--
<i>Interest</i>	2,575	--	--	90
<i>Miscellaneous</i>	--	--	--	463
Total revenues	<u>23,342</u>	<u>33,114</u>	<u>34,755</u>	<u>553</u>
Expenditures:				
Current:				
<i>General administration</i>	--	48,675	--	--
<i>Judicial</i>	8,620	--	--	--
<i>Public facilities</i>	--	--	24,783	--
<i>Public safety</i>	--	--	--	--
<i>Public transportation</i>	--	--	--	--
<i>Health and welfare</i>	--	--	--	--
<i>Culture and recreation</i>	--	--	--	--
Total expenditures	<u>8,620</u>	<u>48,675</u>	<u>24,783</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,722</u>	<u>(15,561)</u>	<u>9,972</u>	<u>553</u>
Other financing sources (uses):				
<i>Transfers in</i>	--	--	--	--
<i>Transfers out</i>	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	14,722	(15,561)	9,972	553
Fund balances, January 1	193,801	30,827	77,388	6,804
Fund balances, December 31	<u>\$ 208,523</u>	<u>\$ 15,266</u>	<u>\$ 87,360</u>	<u>\$ 7,357</u>

Homeland Security	Community Development Program	Tobacco Settlement	Sheriff's Equipment Grant	Sheriff's Training
\$ --	\$ --	\$ --	\$ --	\$ --
93,610	--	25,022	--	3,987
--	--	--	--	174
156	5	5,022	26	137
--	--	--	--	--
<u>93,766</u>	<u>5</u>	<u>30,044</u>	<u>26</u>	<u>4,298</u>
--	--	--	--	--
--	--	--	--	--
96,694	--	31,311	--	6,704
--	--	--	--	--
--	--	--	--	--
<u>96,694</u>	<u>--</u>	<u>31,311</u>	<u>--</u>	<u>6,704</u>
(2,928)	5	(1,267)	26	(2,406)
--	--	--	--	--
--	--	--	--	--
<u>(2,928)</u>	<u>5</u>	<u>(1,267)</u>	<u>26</u>	<u>(2,406)</u>
4,041	379	339,576	2,012	9,437
<u>\$ 1,113</u>	<u>\$ 384</u>	<u>\$ 338,309</u>	<u>\$ 2,038</u>	<u>\$ 7,031</u>

WASHINGTON COUNTY, TEXAS

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

	Clerks Election	HAVA Grant Equipment	2008 Equipment Grant
Revenues:			
Taxes	\$ --	\$ --	\$ --
Intergovernmental	--	--	--
Charges for services	--	--	--
Interest	299	--	1
Miscellaneous	2,945	--	--
Total revenues	<u>3,244</u>	<u>--</u>	<u>1</u>
Expenditures:			
Current:			
General administration	2,597	--	--
Judicial	--	--	--
Public facilities	--	--	--
Public safety	--	--	--
Public transportation	--	--	--
Health and welfare	--	--	--
Culture and recreation	--	--	--
Total expenditures	<u>2,597</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	<u>647</u>	<u>--</u>	<u>1</u>
Other financing sources (uses):			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	647	--	1
Fund balances, January 1	18,834	3,440	49
Fund balances, December 31	<u>\$ 19,481</u>	<u>\$ 3,440</u>	<u>\$ 50</u>

Brazos Valley Home Consortium	Rural Health Pilot Program	TDRA	Constable Number One Training	Constable Number Two Training
\$ --	\$ --	\$ --	\$ --	\$ --
563,889	--	478,968	--	727
--	--	--	--	--
--	385	33	22	7
<u>563,889</u>	<u>385</u>	<u>479,001</u>	<u>22</u>	<u>734</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	1,143	320
563,889	7,788	478,968	--	--
<u>563,889</u>	<u>7,788</u>	<u>478,968</u>	<u>1,143</u>	<u>320</u>
--	(7,403)	33	(1,121)	414
--	--	--	--	--
--	--	--	--	--
--	(7,403)	33	(1,121)	414
--	34,318	--	2,326	253
<u>\$ --</u>	<u>\$ 26,915</u>	<u>\$ 33</u>	<u>\$ 1,205</u>	<u>\$ 667</u>

WASHINGTON COUNTY, TEXAS

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

	Constable Number Three Training	Constable Number Four Training	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenues:			
Taxes	\$ --	\$ --	\$ 87,127
Intergovernmental	--	663	1,535,311
Charges for services	--	--	192,042
Interest	108	91	23,757
Miscellaneous	--	--	65,729
Total revenues	<u>108</u>	<u>754</u>	<u>1,903,966</u>
Expenditures:			
Current:			
General administration	--	--	108,305
Judicial	--	--	743,410
Public facilities	--	--	24,783
Public safety	--	--	148,563
Public transportation	--	--	728,488
Health and welfare	--	--	700,977
Culture and recreation	--	--	74,234
Total expenditures	<u>--</u>	<u>--</u>	<u>2,528,760</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>108</u>	 <u>754</u>	 <u>(624,794)</u>
Other financing sources (uses):			
Transfers in	--	--	811,902
Transfers out	--	--	(3,773)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>808,129</u>
Net change in fund balances	108	754	183,335
Fund balances, January 1	8,391	6,616	2,523,638
Fund balances, December 31	<u>\$ 8,499</u>	<u>\$ 7,370</u>	<u>\$ 2,706,973</u>

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

EXHIBIT C-5

	Budget	Actual	Variance Positive (Negative)
Receipts:			
<i>Charges for services</i>			
Justice court number one fees	\$ --	\$ 6,073	\$ 6,073
Justice court number one two	--	3,570	3,570
Justice court number one three	--	4,449	4,449
Justice court number one four	--	8,345	8,345
Total Charges for services	<u>--</u>	<u>22,437</u>	<u>22,437</u>
 Total receipts	 <u>--</u>	 <u>22,437</u>	 <u>22,437</u>
Disbursements:			
Current:			
<i>Judicial</i>			
Justice Court Number One			
Supplies	2,045	2,044	1
Other services and charges	5,971	5,971	--
Total Justice Court Number One	<u>8,016</u>	<u>8,015</u>	<u>1</u>
Total Judicial	<u>8,016</u>	<u>8,015</u>	<u>1</u>
Total disbursements	<u>8,016</u>	<u>8,015</u>	<u>1</u>
 Net change in cash	 (8,016)	 14,422	 22,438
 Cash, January 1	 50,971	 50,971	 --
Cash, December 31	<u>\$ 42,955</u>	<u>\$ 65,393</u>	<u>\$ 22,438</u>

WASHINGTON COUNTY, TEXAS

EXHIBIT C-6

DISTRICT ATTORNEY

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget	Actual	Variance Positive (Negative)
Receipts:			
<i>Intergovernmental</i>			
<i>Federal shared revenues</i>	\$ 326,151	\$ 321,283	\$ (4,868)
<i>State shared revenues</i>	59,474	47,162	(12,312)
<i>Total Intergovernmental</i>	<u>385,625</u>	<u>368,445</u>	<u>(17,180)</u>
<i>Miscellaneous</i>			
<i>Miscellaneous</i>	1,000	1,155	155
<i>Total Miscellaneous</i>	<u>1,000</u>	<u>1,155</u>	<u>155</u>
Total receipts	<u>386,625</u>	<u>369,600</u>	<u>(17,025)</u>
Disbursements:			
Current:			
<i>Judicial</i>			
<i>District Attorney</i>			
<i>Personnel services</i>	469,046	458,655	10,391
<i>Benefits</i>	184,937	168,510	16,427
<i>Supplies</i>	22,247	16,470	5,777
<i>Other services and charges</i>	70,395	55,921	14,474
<i>Capital outlay</i>	14,000	14,000	--
<i>Total District Attorney</i>	<u>760,625</u>	<u>713,556</u>	<u>47,069</u>
<i>Total Judicial</i>	<u>760,625</u>	<u>713,556</u>	<u>47,069</u>
Total disbursements	<u>760,625</u>	<u>713,556</u>	<u>47,069</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(374,000)</u>	<u>(343,956)</u>	<u>30,044</u>
Other financing sources (uses):			
<i>Transfers in</i>	360,000	360,000	--
Total other financing sources (uses)	<u>360,000</u>	<u>360,000</u>	<u>--</u>
Net change in cash	(14,000)	16,044	30,044
Cash, January 1	220,323	220,323	--
Cash, December 31	<u>\$ 206,323</u>	<u>\$ 236,367</u>	<u>\$ 30,044</u>

WASHINGTON COUNTY, TEXAS

EXHIBIT C-7

EMS DONATIONS

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2011

	Budget	Actual	Variance Positive (Negative)
Receipts:			
<i>Miscellaneous</i>			
<i>Contributions and donations</i>	\$ 28,000	\$ 55,625	\$ 27,625
<i>Total Miscellaneous</i>	<u>28,000</u>	<u>55,625</u>	<u>27,625</u>
Total receipts	<u>28,000</u>	<u>55,625</u>	<u>27,625</u>
Disbursements:			
Current:			
<i>Health and welfare</i>			
<i>Emergency Medical Services</i>			
<i>Benefits</i>	6,499	6,500	(1)
<i>Supplies</i>	17,645	15,922	1,723
<i>Other services and charges</i>	14,285	14,283	2
<i>Capital outlay</i>	95,551	80,551	15,000
<i>Total Emergency Medical Services</i>	<u>133,980</u>	<u>117,256</u>	<u>16,724</u>
<i>Total Health and Welfare</i>	<u>133,980</u>	<u>117,256</u>	<u>16,724</u>
Total disbursements	<u>133,980</u>	<u>117,256</u>	<u>16,724</u>
Net change in cash	(105,980)	(61,631)	44,349
Cash, January 1	160,450	160,450	--
Cash, December 31	<u>\$ 54,470</u>	<u>\$ 98,819</u>	<u>\$ 44,349</u>

WASHINGTON COUNTY, TEXAS
SHERIFF FORFEITURE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
Receipts:			
Interest			
Interest	\$ --	\$ 71	\$ 71
Total Interest	<u> --</u>	<u> 71</u>	<u> 71</u>
Total revenues	<u> --</u>	<u> 71</u>	<u> 71</u>
Expenditures:			
Current:			
Public safety			
Sheriff			
Supplies	4,000	4,000	--
Other services and charges	4,566	4,566	--
Total Sheriff	<u>8,566</u>	<u>8,566</u>	<u> --</u>
Total Public Safety	<u>8,566</u>	<u>8,566</u>	<u> --</u>
Total expenditures	<u>8,566</u>	<u>8,566</u>	<u> --</u>
Net change in cash	(8,566)	(8,495)	71
Cash, January 1	10,901	10,901	--
Cash, December 31	<u>\$ 2,335</u>	<u>\$ 2,406</u>	<u>\$ 71</u>

WASHINGTON COUNTY, TEXAS
FORFEITURE OF ASSETS
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-10

	Budget	Actual	Variance Positive (Negative)
Receipts:			
<i>Charges for services</i>			
<i>Fees of office</i>	\$ --	\$ 9,886	\$ 9,886
<i>Total Charges for services</i>	<u> --</u>	<u> 9,886</u>	<u> 9,886</u>
<i>Interest</i>			
<i>Interest</i>	--	101	101
<i>Total Interest</i>	<u> --</u>	<u> 101</u>	<u> 101</u>
<i>Total receipts</i>	<u> --</u>	<u> 9,987</u>	<u> 9,987</u>
Disbursements:			
Current:			
<i>Public safety</i>			
<i>Sheriff</i>			
<i>Supplies</i>	3,000	3,000	--
<i>Total Sheriff</i>	<u> 3,000</u>	<u> 3,000</u>	<u> --</u>
<i>Total Public Safety</i>	<u> 3,000</u>	<u> 3,000</u>	<u> --</u>
<i>Total disbursements</i>	<u> 3,000</u>	<u> 3,000</u>	<u> --</u>
Net change in cash	(3,000)	6,987	9,987
Cash, January 1	6,744	6,744	--
Cash, December 31	<u>\$ 3,744</u>	<u>\$ 13,731</u>	<u>\$ 9,987</u>

WASHINGTON COUNTY, TEXAS
 COUNTY CLERK RECORD MANAGEMENT PRESERVATION
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
Receipts:			
<i>Charges for services</i>			
<i>Fees of office</i>	\$ 40,500	\$ 41,301	\$ 801
<i>Total Charges for services</i>	<u>40,500</u>	<u>41,301</u>	<u>801</u>
<i>Interest</i>			
<i>Interest</i>	1,000	644	(356)
<i>Total Interest</i>	<u>1,000</u>	<u>644</u>	<u>(356)</u>
Total receipts	<u>41,500</u>	<u>41,945</u>	<u>445</u>
Disbursements:			
Current:			
<i>General Administration</i>			
<i>County Clerk</i>			
<i>Supplies</i>	14,355	12,204	2,151
<i>Other services and charges</i>	30,948	33,482	(2,534)
<i>Capital outlay</i>	3,512	3,512	--
<i>Total County Clerk</i>	<u>48,815</u>	<u>49,198</u>	<u>(383)</u>
<i>Total General Administration</i>	<u>48,815</u>	<u>49,198</u>	<u>(383)</u>
Total disbursements	<u>48,815</u>	<u>49,198</u>	<u>(383)</u>
Net change in cash	(7,315)	(7,253)	62
Cash, January 1	60,816	60,816	-
Cash, December 31	<u>\$ 53,501</u>	<u>\$ 53,563</u>	<u>\$ 62</u>

WASHINGTON COUNTY, TEXAS

RECORDS MANAGEMENT PRESERVATION - DISTRICT CLERK

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-12

	Budget	Actual	Variance Positive (Negative)
Receipts:			
<i>Charges for services</i>			
<i>Fees of office</i>	\$ 6,100	\$ 5,414	\$ (686)
<i>Total Charges for services</i>	<u>6,100</u>	<u>5,414</u>	<u>(686)</u>
<i>Interest</i>			
<i>Interest</i>	200	156	(44)
<i>Total Interest</i>	<u>200</u>	<u>156</u>	<u>(44)</u>
<i>Miscellaneous</i>			
<i>Rent</i>	-	170	170
<i>Total Miscellaneous</i>	<u>-</u>	<u>170</u>	<u>170</u>
<i>Total receipts</i>	<u>6,300</u>	<u>5,740</u>	<u>(560)</u>
Disbursements:			
<i>Current:</i>			
<i>Judicial</i>			
<i>District Clerk</i>			
<i>Supplies</i>	6,000	7,050	(1,050)
<i>Total District Clerk</i>	<u>6,000</u>	<u>7,050</u>	<u>(1,050)</u>
<i>Total Judicial</i>	<u>6,000</u>	<u>7,050</u>	<u>(1,050)</u>
<i>Total disbursements</i>	<u>6,000</u>	<u>7,050</u>	<u>(1,050)</u>
Net change in cash	300	(1,310)	(1,610)
Cash, January 1	13,964	13,964	-
Cash, December 31	<u>\$ 14,264</u>	<u>\$ 12,654</u>	<u>\$ (1,610)</u>

WASHINGTON COUNTY, TEXAS
RECORD MANAGEMENT RESERVATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-13

	Budget	Actual	Variance Positive (Negative)
Receipts:			
<i>Charges for services</i>			
<i>Fees of office</i>	\$ --	\$ 20,767	\$ 20,767
<i>Total Charges for services</i>	<u> --</u>	<u>20,767</u>	<u>20,767</u>
<i>Interest</i>			
<i>Interest</i>	--	2,575	2,575
<i>Total Interest</i>	<u> --</u>	<u>2,575</u>	<u>2,575</u>
<i>Total receipts</i>	<u> --</u>	<u>23,342</u>	<u>23,342</u>
Disbursements:			
Current:			
<i>Judicial</i>			
<i>District Clerk</i>			
<i>Other services and charges</i>	4,620	4,620	--
<i>Capital outlay</i>	--	4,000	(4,000)
<i>Total District Clerk</i>	<u>4,620</u>	<u>8,620</u>	<u>(4,000)</u>
<i>Total Judicial</i>	<u>4,620</u>	<u>8,620</u>	<u>(4,000)</u>
<i>Total disbursements</i>	<u>4,620</u>	<u>8,620</u>	<u>(4,000)</u>
Net change in cash	(4,620)	14,722	19,342
Cash, January 1	193,801	193,801	--
Cash, December 31	<u>\$ 189,181</u>	<u>\$ 208,523</u>	<u>\$ 19,342</u>

WASHINGTON COUNTY, TEXAS
ARCHIVE FEE - COUNTY CLERK
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-14

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Receipts:			
<i>Charges for services</i>			
<i>Fees of office</i>	\$ 31,000	\$ 33,114	\$ 2,114
<i>Total Charges for services</i>	<u>31,000</u>	<u>33,114</u>	<u>2,114</u>
Total receipts	<u>31,000</u>	<u>33,114</u>	<u>2,114</u>
Disbursements:			
Current:			
<i>General Administration</i>			
<i>County Clerk</i>			
<i>Other services and charges</i>	30,500	48,675	(18,175)
<i>Total County Clerk</i>	<u>30,500</u>	<u>48,675</u>	<u>(18,175)</u>
<i>Total General Administration</i>	<u>30,500</u>	<u>48,675</u>	<u>(18,175)</u>
Total disbursements	<u>30,500</u>	<u>48,675</u>	<u>(18,175)</u>
Net change in cash	500	(15,561)	(16,061)
Cash, January 1	30,827	30,827	--
Cash, December 31	<u>\$ 31,327</u>	<u>\$ 15,266</u>	<u>\$ (16,061)</u>

WASHINGTON COUNTY, TEXAS

TAX NOTE SERIES 2007

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-15

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Receipts:			
<i>Taxes</i>			
<i>Ad valorem tax</i>	\$ 478,735	\$ 557,880	\$ 77,238
<i>Penalty and interest</i>	5,100	4,894	(206)
<i>Total Taxes</i>	<u>483,835</u>	<u>562,774</u>	<u>77,032</u>
 <i>Interest</i>			
<i>Interest</i>	3,100	15,709	12,609
<i>Total Interest</i>	<u>3,100</u>	<u>15,709</u>	<u>12,609</u>
 Total receipts	<u>486,935</u>	<u>578,483</u>	<u>89,641</u>
Disbursements:			
Debt service:			
<i>Principal</i>	280,000	280,000	--
<i>Interest and fiscal charges</i>	203,212	202,112	1,100
Total disbursements	<u>483,212</u>	<u>482,112</u>	<u>1,100</u>
Net change in cash balances	3,723	96,371	90,741
Cash balances, January 1	661,804	661,804	--
Cash balances, December 31	<u>\$ 665,527</u>	<u>\$ 756,268</u>	<u>\$ 90,741</u>

WASHINGTON COUNTY, TEXAS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PRIVATE-PURPOSE TRUST FUNDS
 DECEMBER 31, 2011

	School Land Damages	Permanent School Available	School Land Improvement	Total Private- Purpose Trust Funds (See Exhibit A-9)
ASSETS				
<i>Cash and cash equivalents</i>	\$ 36,938	\$ 1,318,803	\$ 106,403	\$ 1,462,144
Total Assets	<u>\$ 36,938</u>	<u>\$ 1,318,803</u>	<u>\$ 106,403</u>	<u>\$ 1,462,144</u>
LIABILITIES				
NET ASSETS				
<i>Held in trust for other purposes</i>	\$ 36,938	\$ 1,318,803	\$ 106,403	\$ 1,462,144

WASHINGTON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

ALL PRIVATE-PURPOSE TRUST FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2011

	School Land Damages	Permanent School Available	School Land Improvement	Total Private-Purpose Trust Funds (See Exhibit A-13)
Additions:				
Investment Income	\$ 522	\$ 20,876	\$ 1,579	\$ 22,977
Lease income	--	208,207	11,858	220,065
Miscellaneous	--	112,360	--	112,360
Total Additions	<u>522</u>	<u>341,443</u>	<u>13,437</u>	<u>355,402</u>
Deductions:				
Administrative Expenses	1,417	31,682	49,343	82,442
Payments to schools	--	303,709	--	303,709
Total Deductions	<u>1,417</u>	<u>335,391</u>	<u>49,343</u>	<u>386,151</u>
Change in Net Assets	(895)	6,052	(35,906)	(30,749)
Net Assets-Beginning of the Year	37,833	1,312,751	142,309	1,492,893
Net Assets-End of the Year	<u>\$ 36,938</u>	<u>\$ 1,318,803</u>	<u>\$ 106,403</u>	<u>\$ 1,462,144</u>

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WASHINGTON COUNTY, TEXAS*COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**AGENCY FUNDS**DECEMBER 31, 2011*

	Justice of the Peace Number One	Justice of the Peace Number Two	Justice of the Peace Number Three	Justice of the Peace Number Four
ASSETS				
<i>Cash and cash equivalents</i>	\$ 4,989	\$ 6,354	\$ 7,112	\$ 12,588
<i>Due from other funds</i>	--	--	--	--
Total Assets	<u>\$ 4,989</u>	<u>\$ 6,354</u>	<u>\$ 7,112</u>	<u>\$ 12,588</u>
LIABILITIES				
<i>Due to other funds</i>	\$ 4,989	\$ 6,354	\$ 7,112	\$ 12,588
<i>Due to other governments</i>	--	--	--	--
<i>Due to others</i>	--	--	--	--
Total Liabilities	<u>\$ 4,989</u>	<u>\$ 6,354</u>	<u>\$ 7,112</u>	<u>\$ 12,588</u>

County Clerk	District Clerk	Sheriff	Tax Assessor Collector	County Attorney
\$ 191,302	\$ 1,036,260	\$ 237,113	\$ 488,095	\$ 504
--	--	--	--	--
<u>\$ 191,302</u>	<u>\$ 1,036,260</u>	<u>\$ 237,113</u>	<u>\$ 488,095</u>	<u>\$ 504</u>
\$ 9,158	\$ 3,096	\$ --	\$ --	\$ --
--	--	--	483,552	--
182,144	1,033,164	237,113	4,543	504
<u>\$ 191,302</u>	<u>\$ 1,036,260</u>	<u>\$ 237,113</u>	<u>\$ 488,095</u>	<u>\$ 504</u>

WASHINGTON COUNTY, TEXAS**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS**

DECEMBER 31, 2011

	County Treasurer	Criminal Justice	Narcotics	Snack Account
ASSETS				
<i>Cash and cash equivalents</i>	\$ 21,609	\$ 80,518	\$ 306	\$ 807
<i>Due from other funds</i>	--	43,297	--	--
Total Assets	<u>\$ 21,609</u>	<u>\$ 123,815</u>	<u>\$ 306</u>	<u>\$ 807</u>
LIABILITIES				
<i>Due to other funds</i>	\$ --	\$ --	\$ --	\$ --
<i>Due to other governments</i>	--	123,487	--	--
<i>Due to others</i>	21,609	328	306	807
Total Liabilities	<u>\$ 21,609</u>	<u>\$ 123,815</u>	<u>\$ 306</u>	<u>\$ 807</u>

<u>Forfeiture</u>	<u>Cellular Phone</u>	<u>Community Service Restitution</u>	<u>Jail Board</u>	<u>Total Agency Funds (See Exhibit A-9)</u>
\$ 8,937	\$ 1,627	\$ 27,682	\$ 24,288	\$ 2,150,091
--	--	--	--	43,297
<u>\$ 8,937</u>	<u>\$ 1,627</u>	<u>\$ 27,682</u>	<u>\$ 24,288</u>	<u>\$ 2,193,388</u>
\$ --	\$ --	\$ --	\$ --	\$ 43,297
--	--	--	--	607,039
8,937	1,627	27,682	24,288	1,543,052
<u>\$ 8,937</u>	<u>\$ 1,627</u>	<u>\$ 27,682</u>	<u>\$ 24,288</u>	<u>\$ 2,193,388</u>

WASHINGTON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-19

Page 1 of 5

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
Justice of the Peace Number One				
ASSETS				
Cash and cash equivalents	\$ 10,857	\$ 356,431	\$ 362,299	\$ 4,989
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 10,857	\$ 356,431	\$ 362,299	\$ 4,989
LIABILITIES				
Due to Other Funds	\$ 10,857	\$ 356,431	\$ 362,299	\$ 4,989
Due to Other Governments	--	--	--	--
Due to Others	--	--	--	--
Total Liabilities	\$ 10,857	\$ 356,431	\$ 362,299	\$ 4,989
Justice of the Peace Number Two				
ASSETS				
Cash and cash equivalents	\$ 7,921	\$ 253,791	\$ 255,358	\$ 6,354
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 7,921	\$ 253,791	\$ 255,358	\$ 6,354
LIABILITIES				
Due to Other Funds	\$ 7,921	\$ 253,791	\$ 255,358	\$ 6,354
Due to Other Governments	--	--	--	--
Due to Others	--	--	--	--
Total Liabilities	\$ 7,921	\$ 253,791	\$ 255,358	\$ 6,354
Justice of the Peace Number Three				
ASSETS				
Cash and cash equivalents	\$ 5,314	\$ 319,908	\$ 318,110	\$ 7,112
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 5,314	\$ 319,908	\$ 318,110	\$ 7,112
LIABILITIES				
Due to Other Funds	\$ 5,314	\$ 319,908	\$ 318,110	\$ 7,112
Due to Other Governments	--	--	--	--
Due to Others	--	--	--	--
Total Liabilities	\$ 5,314	\$ 319,908	\$ 318,110	\$ 7,112
Justice of the Peace Number Four				
ASSETS				
Cash and cash equivalents	\$ 12,180	\$ 464,622	\$ 464,214	\$ 12,588
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 12,180	\$ 464,622	\$ 464,214	\$ 12,588
LIABILITIES				
Due to Other Funds	\$ 12,180	\$ 464,622	\$ 464,214	\$ 12,588
Due to Other Governments	--	--	--	--
Due to Others	--	--	--	--
Total Liabilities	\$ 12,180	\$ 464,622	\$ 464,214	\$ 12,588

WASHINGTON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2011

EXHIBIT C-19

Page 2 of 5

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
County Clerk				
ASSETS				
Cash and cash equivalents	\$ 159,783	\$ 1,078,330	\$ 1,046,811	\$ 191,302
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 159,783	\$ 1,078,330	\$ 1,046,811	\$ 191,302
LIABILITIES				
Due to Other Funds	\$ 11,565	\$ 856,606	\$ 859,013	\$ 9,158
Due to Other Governments	--	--	--	--
Due to Others	148,218	221,723	187,797	182,144
Total Liabilities	\$ 159,783	\$ 1,078,329	\$ 1,046,810	\$ 191,302
District Clerk				
ASSETS				
Cash and cash equivalents	\$ 973,125	\$ 671,343	\$ 608,208	\$ 1,036,260
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 973,125	\$ 671,343	\$ 608,208	\$ 1,036,260
LIABILITIES				
Due to Other Funds	\$ 4,790	\$ 282,978	\$ 284,672	\$ 3,096
Due to Other Governments	--	--	--	--
Due to Others	968,335	388,365	323,536	1,033,164
Total Liabilities	\$ 973,125	\$ 671,343	\$ 608,208	\$ 1,036,260
Sheriff				
ASSETS				
Cash and cash equivalents	\$ 277,759	\$ 299,711	\$ 340,357	\$ 237,113
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 277,759	\$ 299,711	\$ 340,357	\$ 237,113
LIABILITIES				
Due to Other Funds	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	--	--	--	--
Due to Others	277,759	299,711	340,357	237,113
Total Liabilities	\$ 277,759	\$ 299,711	\$ 340,357	\$ 237,113
Tax Assessor Collector				
ASSETS				
Cash and cash equivalents	\$ 519,457	\$ 13,738,498	\$ 13,769,861	\$ 488,094
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 519,457	\$ 13,738,498	\$ 13,769,861	\$ 488,094
LIABILITIES				
Due to Other Funds	\$ --	\$ 5,385,508	\$ 5,385,508	\$ --
Due to Other Governments	516,941	8,350,878	8,384,268	483,551
Due to Others	2,516	2,112	85	4,543
Total Liabilities	\$ 519,457	\$ 13,738,498	\$ 13,769,861	\$ 488,094

WASHINGTON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2011

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
County Attorney				
ASSETS				
Cash and cash equivalents	\$ 797	\$ 81,532	\$ 81,825	\$ 504
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 797	\$ 81,532	\$ 81,825	\$ 504
LIABILITIES				
Due to Other Funds	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	--	--	--	--
Due to Others	797	81,532	81,825	504
Total Liabilities	\$ 797	\$ 81,532	\$ 81,825	\$ 504
County Treasurer				
ASSETS				
Cash and cash equivalents	\$ 36,795	\$ 11,297,067	\$ 11,312,253	\$ 21,609
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 36,795	\$ 11,297,067	\$ 11,312,253	\$ 21,609
LIABILITIES				
Due to Other Funds	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	--	--	--	--
Due to Others	36,795	11,297,067	11,312,253	21,609
Total Liabilities	\$ 36,795	\$ 11,297,067	\$ 11,312,253	\$ 21,609
Criminal Justice				
ASSETS				
Cash and cash equivalents	\$ 104,319	\$ 698,118	\$ 721,919	\$ 80,518
Investments	--	--	--	--
Due from Other Funds	52,627	43,297	52,627	43,297
Total Assets	\$ 156,946	\$ 741,415	\$ 774,546	\$ 123,815
LIABILITIES				
Due to Other Funds	\$ --	\$ 105,744	\$ 105,744	\$ --
Due to Other Governments	156,946	635,674	668,805	123,815
Due to Others	--	--	--	--
Total Liabilities	\$ 156,946	\$ 741,418	\$ 774,549	\$ 123,815
Narcotics				
ASSETS				
Cash and cash equivalents	\$ 306	\$ --	\$ --	\$ 306
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 306	\$ --	\$ --	\$ 306
LIABILITIES				
Due to Other Funds	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	--	--	--	--
Due to Others	306	--	--	306
Total Liabilities	\$ 306	\$ --	\$ --	\$ 306

WASHINGTON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2011

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
Snack Account				
ASSETS				
Cash and cash equivalents	\$ 308	\$ 2,051	\$ 1,552	\$ 807
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 308	\$ 2,051	\$ 1,552	\$ 807
LIABILITIES				
Due to Other Funds	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	--	--	--	--
Due to Others	308	2,051	1,552	807
Total Liabilities	\$ 308	\$ 2,051	\$ 1,552	\$ 807
Forfeiture				
ASSETS				
Cash and cash equivalents	\$ 8,824	\$ 113	\$ --	\$ 8,937
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 8,824	\$ 113	\$ --	\$ 8,937
LIABILITIES				
Due to Other Funds	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	--	--	--	--
Due to Others	8,824	113	--	8,937
Total Liabilities	\$ 8,824	\$ 113	\$ --	\$ 8,937
Cellular Phone				
ASSETS				
Cash and cash equivalents	\$ 1,606	\$ 21	\$ --	\$ 1,627
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 1,606	\$ 21	\$ --	\$ 1,627
LIABILITIES				
Due to Other Funds	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	--	--	--	--
Due to Others	1,606	21	--	1,627
Total Liabilities	\$ 1,606	\$ 21	\$ --	\$ 1,627
Community Service Restitution				
ASSETS				
Cash and cash equivalents	\$ 8,264	\$ 19,418	\$ --	\$ 27,682
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 8,264	\$ 19,418	\$ --	\$ 27,682
LIABILITIES				
Due to Other Funds	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	--	--	--	--
Due to Others	8,264	19,418	--	27,682
Total Liabilities	\$ 8,264	\$ 19,418	\$ --	\$ 27,682

WASHINGTON COUNTY, TEXAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED DECEMBER 31, 2011

	Balance December 31, 2010	Additions	Deductions	Balance December 31, 2011
Jail Board				
ASSETS				
Cash and cash equivalents	\$ 23,782	\$ 506	\$ --	\$ 24,288
Investments	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	\$ 23,782	\$ 506	\$ --	\$ 24,288
LIABILITIES				
Due to Other Funds	\$ --	\$ --	\$ --	\$ --
Due to Other Governments	--	--	--	--
Due to Others	23,782	506	--	24,288
Total Liabilities	\$ 23,782	\$ 506	\$ --	\$ 24,288
TOTAL AGENCY FUNDS:				
ASSETS				
Cash and cash equivalents	\$ 2,151,397	\$ 29,281,460	\$ 29,282,767	\$ 2,150,090
Investments	--	--	--	--
Due from Other Funds	52,627	43,297	52,627	43,297
Total Assets	\$ 2,204,024	\$ 29,324,757	\$ 29,335,394	\$ 2,193,387
LIABILITIES				
Due to Other Funds	\$ 52,627	\$ 8,025,588	\$ 8,034,918	\$ 43,297
Due to Other Governments	673,887	8,986,552	9,053,073	607,366
Due to Others	1,477,510	12,312,619	12,247,405	1,542,724
Total Liabilities	\$ 2,204,024	\$ 29,324,759	\$ 29,335,396	\$ 2,193,387

*Capital Assets Used in the
Operation of Governmental Funds*

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WASHINGTON COUNTY, TEXAS
COMPARATIVE SCHEDULES BY SOURCE OF
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS
DECEMBER 31, 2011 AND 2010

EXHIBIT D-1

	<u>2011</u>	<u>2010</u>
Capital assets:		
Land	\$ 299,947	\$ 299,947
Buildings	14,731,649	14,263,731
Machinery and equipment	8,982,526	8,407,714
Infrastructure	84,374,210	82,326,250
Construction in progress	-	335,781
Total governmental capital assets	<u>\$ 108,388,332</u>	<u>\$ 105,633,423</u>
Total investment in capital assets	<u>\$ 108,388,332</u>	<u>\$ 105,633,423</u>

WASHINGTON COUNTY, TEXAS

EXHIBIT D-2

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES

DECEMBER 31, 2011

<u>Governmental Funds Capital Assets</u>	<u>12/31/10</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>12/31/11</u>
Land	\$ 299,947	\$ --	\$ --	\$ --	\$ 299,947
Buildings	14,263,731	--	--	467,918	14,731,649
Machinery and Equipment	8,407,714	989,733	414,921	--	8,982,526
Infrastructure	82,326,250	2,367,722	319,762	--	84,374,210
Construction in progress	335,781	132,137	--	(467,918)	--
Total Capital Assets	<u>\$ 105,633,423</u>	<u>\$ 3,489,592</u>	<u>\$ 734,683</u>	<u>\$ --</u>	<u>\$ 108,388,332</u>

WASHINGTON COUNTY, TEXAS

EXHIBIT D-3

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF
MACHINERY AND EQUIPMENT USED IN GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2011

Function and Activity	Capital Assets December 31, 2010	Additions	Deductions	Transfers	Capital Assets December 31, 2011
General Administration:					
County Judge	\$ 9,442	\$ --	\$ --	\$ --	\$ 9,442
Receptionist/Rural Addressing	7,114	--	--	--	7,114
County Clerk	99,303	--	--	--	99,303
Veteran's Office	8,307	--	--	--	8,307
County auditor	22,057	--	--	--	22,057
Personnel and benefits	15,872	--	--	--	15,872
Finance and Administration	--	--	--	--	--
Total General Administration	162,095	--	--	--	162,095
Judicial:					
District Court	--	--	--	--	--
District Attorney	101,134	21,708	--	--	122,842
District Clerk	67,805	--	--	--	67,805
County Court Room	--	--	--	--	--
County Court at Law	9,514	--	--	--	9,514
Justice Court Number 1	22,092	--	--	--	22,092
Justice Court Number 2	22,092	--	--	--	22,092
Justice Court Number 3	35,181	--	--	--	35,181
Justice Court Number 4	22,092	--	--	--	22,092
Total Judicial	279,910	21,708	--	--	301,618
Legal:					
County Attorney	62,588	--	--	--	62,588
Total Legal	62,588	--	--	--	62,588
Elections:					
Elections	281,420	--	--	--	281,420
Total Elections	281,420	--	--	--	281,420
Financial Administration:					
Tax Assessor Collector	39,251	--	--	--	39,251
County Treasurer	51,881	--	--	--	51,881
Total Financial Administration	91,132	--	--	--	91,132
Public Facilities:					
County Courthouse	270,619	22,947	--	--	293,566
Total Public Facilities	270,619	22,947	--	--	293,566

WASHINGTON COUNTY, TEXAS

EXHIBIT D-3

**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF
MACHINERY AND EQUIPMENT USED IN GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2011**

<u>Function and Activity</u>	<u>Capital Assets December 31, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	<u>Capital Assets December 31, 2011</u>
Public Safety:					
Constable Number 1	\$ --	\$ --	\$ --	\$ --	\$ --
Constable Number 2	23,418	5,665	--	--	29,083
Constable Number 3	--	--	--	--	--
Constable Number 4	--	--	--	--	--
Sheriff	1,484,211	238,092	88,245	(22,668)	1,634,058
Department of Public Safety	--	--	--	--	--
County Jail	274,113	--	--	--	274,113
Probation	6,854	--	--	--	6,854
Fire Protection	116,115	--	--	--	116,115
Emergency Management	80,601	--	--	--	80,601
Juvenile Boot Camp	--	--	--	--	--
Total Public Safety	1,985,312	243,757	88,245	(22,668)	2,140,824
Health and Welfare:					
Health Center	--	478,968	--	--	478,968
Environmental	122,487	--	--	--	122,487
Emergency Medical Service	1,055,687	192,717	95,325	--	1,153,079
Total Health and Welfare	1,178,174	671,685	95,325	--	1,754,534
Culture and Recreation:					
Fairgrounds	283,051	--	12,900	31,668	270,151
Total Culture and Recreation	283,051	--	12,900	31,668	270,151
Conservation:					
Extension Service	--	--	--	--	--
Total Conservation	--	--	--	--	--
Public Transportation:					
Road and Bridge	3,813,414	29,635	218,451	(9,000)	3,624,598
Total Public Transportation	3,813,414	29,635	218,451	(9,000)	3,624,598
Total Machinery and Equipment	\$ 8,407,715	\$ 989,732	\$ 414,921	\$ --	\$ 8,982,526

STATISTICAL SECTION

This part of the Washington County, Texas's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Page
Financial Trends	124
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	129
<i>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.</i>	
Debt Capacity	136
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	140
<i>These schedules offer demographic and economic indicators to help the reader understand how the County's financial activities take place and to help make comparisons over time and with other governments.</i>	
Operating Information	142
<i>These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

WASHINGTON COUNTY, TEXAS

NET ASSETS BY COMPONENT
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010 (1)	2011
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$ 10,402,475	\$ 14,084,229	\$ 14,755,155	\$ 15,632,961	\$ 16,721,205	\$ 17,967,171	\$ 20,297,058	\$ 24,670,221	\$ 25,952,290
Restricted	131,607	180,631	193,827	236,840	6,179,609	3,347,594	2,123,739	436,609	370,554
Unrestricted	9,788,767	7,891,860	8,436,878	8,926,638	4,408,438	6,666,108	10,452,835	11,739,875	11,980,572
Total Governmental Activities Net Assets	<u>\$ 20,322,849</u>	<u>\$ 22,156,720</u>	<u>\$ 23,385,860</u>	<u>\$ 24,796,439</u>	<u>\$ 27,309,252</u>	<u>\$ 27,980,873</u>	<u>\$ 32,873,632</u>	<u>\$ 36,846,505</u>	<u>\$ 38,303,416</u>

Note: (1) Restated for inclusion of Hotel Motel Tax Fund.

TABLE E-2

WASHINGTON COUNTY, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010 (1)	2011
Expenses									
Governmental Activities:									
General administration	\$ 2,548,425	\$ 2,169,550	\$ 2,095,650	\$ 2,310,350	\$ 2,442,884	\$ 3,061,530	\$ 2,528,107	\$ 3,360,556	\$ 2,624,671
Judicial	1,581,687	1,676,158	1,645,084	1,703,681	1,819,939	2,033,467	1,878,601	1,996,330	2,138,707
Legal	223,311	238,803	259,424	295,006	286,252	318,552	256,107	348,606	351,269
Elections	12,718	33,139	23,745	52,501	80,941	143,025	120,467	125,964	65,890
Financial administration	475,835	492,774	494,043	502,310	526,021	543,000	555,346	575,103	594,937
Public facilities	174,011	139,616	197,887	147,049	198,215	205,363	187,593	356,400	267,839
Public safety	2,997,607	3,250,078	3,311,667	3,597,156	3,807,837	4,134,627	3,786,082	4,252,891	4,016,176
Public transportation	4,996,514	3,693,283	4,113,431	3,150,223	3,488,002	3,593,139	3,333,454	3,515,421	4,759,585
Health and welfare	1,511,774	2,297,822	2,339,473	2,538,751	2,573,518	3,300,213	2,667,005	3,293,700	3,644,069
Culture and recreation	406,507	389,018	422,663	350,449	401,394	470,385	404,081	411,842	462,313
Conservation	128,794	128,231	129,134	128,835	136,557	179,561	195,992	201,709	171,843
Data processing	46,095	52,296	74,212	81,945	105,152	129,155	395,330	233,672	216,176
Interest on long-term debt	65,845	37,354	30,316	14,319	74,880	217,233	213,854	219,662	213,199
Total Governmental Activities Expenses	15,169,123	14,596,122	15,136,729	14,872,575	15,941,592	18,329,250	16,602,019	18,901,856	19,526,674
Program Revenues									
Governmental Activities:									
Charges for services:									
General administration	421,669	380,373	303,483	496,005	534,782	604,537	669,603	599,239	594,257
Judicial	823,827	1,035,250	1,059,824	823,535	1,193,574	1,112,238	1,262,508	1,154,049	1,115,864
Legal	22,505	18,204	21,136	18,944	18,476	12,952	10,082	10,014	11,214
Elections	--	2,716	--	--	--	4,838	--	--	--
Financial administration	218,238	216,200	226,050	267,093	250,430	248,002	257,838	259,819	262,907
Public facilities	--	--	33,452	41,713	39,905	35,483	41,439	37,404	34,755
Public safety	142,072	346,376	96,559	178,008	95,736	87,418	52,178	71,310	59,322
Public transportation	1,203,714	1,240,796	1,159,706	1,182,387	1,213,741	1,206,589	1,167,532	1,195,039	1,213,181
Health and welfare	898,219	1,134,317	1,589,742	841,016	1,622,696	1,128,597	2,842,336	2,064,191	1,747,101
Culture and recreation	45,727	69,005	54,194	65,343	78,092	64,951	63,389	50,801	63,410
Conservation	--	--	--	--	--	--	--	--	--
Data processing	--	--	--	--	--	--	--	--	--
Operating Grants and Contributions	499,781	1,206,617	1,274,537	1,147,641	1,132,988	1,498,788	770,170	990,129	1,260,405
Capital Grants and Contributions	707,601	834,000	73,896	--	128,784	139,454	976,286	3,153,472	667,767
Total Governmental Activities Program Revenue	4,983,353	6,483,854	5,892,579	5,041,685	6,309,204	6,143,847	8,113,351	9,585,467	7,030,183
Total Primary Government Net Expense	\$ (10,185,770)	\$ (8,112,268)	\$ (9,244,150)	\$ (9,830,890)	\$ (9,632,388)	\$ (12,185,403)	\$ (8,488,658)	\$ (9,316,389)	\$ (12,496,491)

Note: (1) Restated for inclusion of the Hotel Motel Tax Fund.

WASHINGTON COUNTY, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense)/Revenue									
Governmental Activities	\$ (10,185,770)	\$ (8,112,268)	\$ (9,243,950)	\$ (9,830,890)	\$ (9,632,388)	\$ (12,185,403)	\$ (8,488,658)	\$ (9,316,389)	\$ (12,496,491)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Taxes									
Property Taxes	\$ 7,373,240	\$ 7,800,236	\$ 8,253,126	\$ 8,733,704	\$ 9,413,935	\$ 9,859,045	\$ 10,905,949	\$ 10,825,033	\$ 11,282,943
Sales Taxes	1,480,313	1,536,129	1,710,323	1,860,749	1,987,078	2,093,743	1,945,697	1,987,768	2,071,819
Hotel/Motel Taxes	--	--	--	--	--	--	--	54,831	87,127
Mixed Beverage Taxes	19,861	16,676	19,868	22,507	22,826	29,763	28,698	30,634	30,010
Investment Earnings	304,734	279,530	290,040	409,109	625,919	666,243	457,061	365,025	245,735
Miscellaneous	318,533	214,265	233,232	232,049	187,332	208,375	233,145	194,513	200,219
Gain (Loss) on Sale of Capital Assets	49,885	28,603	(34,399)	(16,649)	(51,889)	(145)	(189,133)	--	28,410
Total Governmental Activities	\$ 9,546,566	\$ 9,875,439	\$ 10,472,190	\$ 11,241,469	\$ 12,145,201	\$ 12,857,024	\$ 13,381,417	\$ 13,457,804	\$ 13,946,263
Change in Net Assets									
Governmental Activities	\$ (639,204)	\$ 1,763,171	\$ 1,228,240	\$ 1,410,579	\$ 2,512,813	\$ 671,621	\$ 4,892,759	\$ 4,141,415	\$ 1,449,772

Note: The County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

WASHINGTON COUNTY, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2002	2003	2004	2005	2006	2007	2008	2009	2010 (1)	2011
General Fund										
Reserved	\$ --	\$ --	\$ --	\$ --	\$ 16,332	\$ --	\$ --	\$ --	\$ --	\$ --
Nonspendable	--	--	--	--	--	--	--	--	--	1,133
Committed	--	--	--	--	--	--	--	--	--	45,500
Unreserved	5,484,375	5,000,347	4,204,175	4,422,171	4,829,020	5,280,797	4,873,972	5,723,629	5,221,064	--
Unassigned	--	--	--	--	--	--	--	--	--	5,914,942
Total General Fund	\$ 5,484,375	\$ 5,000,347	\$ 4,204,175	\$ 4,422,171	\$ 4,845,352	\$ 5,280,797	\$ 4,873,972	\$ 5,723,629	\$ 5,221,064	\$ 5,961,575
All Other Governmental Funds										
Reserved	\$ 262,894	\$ 288,856	\$ 64,335	\$ 78,474	\$ 312,206	\$ 441,736	\$ 511,264	\$ 799,791	\$ 377,501	--
Nonspendable	--	--	--	--	--	--	--	--	--	86,468
Restricted	--	--	--	--	--	--	--	--	--	2,539,299
Committed	--	--	--	--	--	--	--	--	--	2,085,774
Unreserved, Reported In:										
Special Revenue Funds	2,522,777	2,018,857	1,612,968	1,252,425	2,297,517	3,106,813	3,609,211	3,984,050	4,217,721	--
Capital Projects Funds	--	--	--	--	--	5,881,444	2,908,896	1,611,492	11,854	--
Assigned	--	--	--	--	--	--	--	--	--	188,383
Unassigned	--	--	--	--	--	--	--	--	--	--
Total All Other Governmental Funds	\$ 2,785,671	\$ 2,307,713	\$ 1,677,303	\$ 1,330,899	\$ 2,609,723	\$ 9,429,993	\$ 7,029,371	\$ 6,395,333	\$ 4,607,076	\$ 4,899,924

Note: (1) Restated for inclusion of Hotel Motel Tax Fund.

WASHINGTON COUNTY, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 8,597,487	\$ 8,905,665	\$ 9,330,514	\$ 8,209,092	\$ 10,614,655	\$ 11,421,568	\$ 11,979,610	\$ 12,828,931	\$ 12,856,473	\$ 13,533,720
Intergovernmental	617,813	686,406	2,355,880	818,848	1,274,702	1,181,788	1,425,979	932,913	1,465,363	1,793,079
Licenses, permits and fees	948,285	915,666	885,079	229,808	946,189	965,377	944,132	937,879	914,576	895,074
Fines and forfeitures	678,998	668,709	844,352	531,675	1,077,407	1,048,213	969,690	1,023,641	1,044,477	969,108
Charges for services	1,705,482	1,765,004	1,923,688	1,251,171	2,468,183	2,853,216	2,725,913	3,031,231	3,109,097	3,038,883
Interest	632,988	304,734	279,530	194,344	409,109	625,919	666,242	457,059	365,025	245,794
Miscellaneous	315,807	425,955	349,369	977,183	389,837	331,410	630,347	581,818	452,800	347,735
Total Revenues	13,496,860	13,672,139	15,968,412	12,212,121	17,180,082	18,227,471	19,341,913	19,793,272	20,207,811	20,823,339
Expenditures										
General Administration	1,489,951	2,432,196	2,068,942	4,271,948	2,482,208	2,378,304	3,041,397	2,724,790	3,800,415	2,617,245
Judicial	1,514,091	1,569,213	1,659,605	823,459	1,685,302	1,845,296	1,990,444	1,952,380	1,914,552	2,064,494
Legal	194,159	222,003	236,931	397,612	292,261	291,384	311,911	289,289	322,016	325,181
Elections	23,956	48,388	29,449	27,881	27,881	56,153	122,989	95,744	96,849	41,740
Financial Administration	463,379	486,612	490,900	358,360	501,114	529,086	534,602	576,256	550,133	569,805
Public Facilities	210,928	175,139	157,362	393,639	161,251	187,644	148,388	121,298	284,791	307,236
Public Safety	2,779,112	2,788,571	3,169,847	2,395,288	3,497,270	3,722,516	3,975,468	3,840,776	4,018,211	4,283,387
Public Transportation	4,095,829	4,594,125	5,213,646	2,289,428	3,605,571	4,341,269	4,644,373	4,395,433	4,873,305	5,413,464
Health and Welfare	1,563,231	1,493,329	2,353,097	367,068	2,555,426	2,581,372	3,281,820	2,874,720	3,607,059	3,517,020
Culture and Recreation	2,104,398	423,439	375,216	192,690	366,088	387,861	458,620	393,356	386,559	435,205
Conservation	138,692	130,486	126,140	111,108	128,540	136,583	128,977	145,331	149,207	120,655
Nondepartmental	87,589	--	--	--	--	--	--	--	--	--
Data Processing	--	46,095	52,296	52,490	77,275	102,985	134,031	386,219	242,275	214,474
Capital outlay	--	--	380,095	--	--	121,401	3,128,066	1,322,700	1,535,801	3,854
Debt Service										
Principal	300,000	320,000	365,000	411,154	390,000	380,000	240,000	245,000	260,000	280,000
Interest	88,263	71,163	24,780	45,380	20,753	9,720	207,872	216,480	197,115	202,112
Bond issue costs	--	--	20,623	--	--	85,000	--	--	73,980	--
Total Expenditures	15,053,578	14,800,759	16,723,939	12,109,624	15,790,940	17,136,534	22,348,958	19,589,772	22,312,268	20,395,872
Excess of Revenues										
Over (Under) Expenditures	(1,556,718)	(1,128,620)	(755,527)	102,497	1,389,142	1,090,937	(3,007,045)	203,500	(2,104,457)	427,461
Other Financing Sources (Uses)										
Debt issued	--	105,470	330,099	105,470	--	6,000,000	--	--	4,148,698	--
Proceeds from Capital Lease	--	--	--	--	--	125,724	165,378	--	156,325	--
Sale of capital assets	13,268	49,885	--	--	31,790	39,054	39,049	12,119	55,971	105,857
Payment to refunded bond escrow agent	--	--	--	--	--	--	--	--	(4,378,817)	--
Transfers In	1,155,533	878,826	--	878,826	990,748	837,477	721,511	1,038,863	803,971	1,518,219
Transfers Out	(1,555,533)	(878,826)	--	(878,826)	(990,748)	(837,477)	(721,511)	(1,038,863)	(803,971)	(1,025,317)
Total Other Financing Sources (Uses)	(386,732)	155,355	330,099	105,470	31,790	6,164,778	204,427	12,119	(17,823)	598,759
Net Change in Fund Balances	\$ (1,943,450)	\$ (973,285)	\$ (425,428)	\$ 207,967	\$ 1,420,932	\$ 7,255,715	\$ (2,802,618)	\$ 215,619	\$ (2,122,280)	\$ 1,026,220
Debt Service As A Percentage Of Noncapital Expenditures	2.6%	2.6%	2.5%	3.8%	2.6%	3.1%	2.7%	3.1%	2.7%	2.8%

WASHINGTON COUNTY, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales & Use Tax</u>	<u>Hotel Motel Tax</u>	<u>Mixed Beverage Tax</u>	<u>Total</u>
2002	\$ 7,115,874	\$ 1,451,207	\$ --	\$ 30,408	\$ 8,597,487
2003	5,981,687	1,480,313	--	28,862	7,490,862
2004	7,770,413	1,536,129	--	23,972	9,330,514
2005	8,260,737	1,710,323	--	19,868	9,990,928
2006	8,731,399	1,860,749	--	22,507	10,614,655
2007	9,431,664	1,967,078	--	22,826	11,421,568
2008	9,856,104	2,093,743	--	29,783	11,979,610
2009	10,854,536	1,945,697	--	28,698	12,828,931
2010	(1) 10,825,033	1,987,768	54,831	30,634	12,898,266
2011	11,344,764	2,071,819	87,127	30,010	13,533,720
Percent Change 2002-2011	59.4%	42.8%	N/A	-1.3%	57.4%

Notes: (1) Restated for inclusion of Hotel Motel Tax Fund.

TABLE E-7

WASHINGTON COUNTY, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2002	\$ 2,220,857,648	\$ 291,028,884	\$ 833,102,104	\$ 1,678,784,428	\$ 0.4506	\$ 1,678,784,428	100.00%
2003	2,403,584,871	280,753,210	962,633,522	1,721,704,559	0.4516	1,721,704,559	100.00%
2004	2,653,651,784	281,716,131	1,073,142,584	1,862,225,331	0.4435	1,862,225,331	100.00%
2005	3,013,283,207	115,469,697	1,125,364,640	2,003,388,264	0.4435	2,003,388,264	100.00%
2006	3,599,782,017	126,306,573	1,521,514,127	2,204,574,463	0.4335	2,204,574,463	100.00%
2007	3,856,161,072	137,731,867	1,689,092,817	2,304,800,122	0.4349	2,304,800,122	100.00%
2008	4,556,437,301	145,219,238	2,075,524,320	2,626,132,219	0.4260	2,626,132,219	100.00%
2009	5,042,854,781	146,442,675	2,564,528,316	2,624,769,140	0.4260	2,624,769,140	100.00%
2010	5,050,895,746	141,541,219	2,566,437,511	2,625,999,454	0.4358	2,625,999,454	100.00%
2011	5,098,546,377	144,770,673	2,519,884,947	2,723,432,103	0.4408	2,723,432,103	100.00%

Source: Washington County Appraisal District.

WASHINGTON COUNTY, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES (1)
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year	County Direct Rates			Overlapping Rates			Total
	Operating Rate	General Obligation Debt Service	Total Direct Rate	Cities	School Districts	Other Entities	
2002	\$ 0.4283	\$ 0.0223	\$ 0.4506	\$ 0.9116	\$ 3.1350	\$ 0.3749	\$ 4.8721
2003	0.4287	0.0229	0.4516	0.9116	3.1410	0.3767	4.8809
2004	0.4218	0.0217	0.4435	0.9362	3.0394	0.3752	4.7943
2005	0.4203	0.0232	0.4435	0.9662	3.1400	0.3710	4.9207
2006	0.4145	0.0190	0.4335	1.0063	2.8445	0.3713	4.6556
2007	0.4094	0.0255	0.4349	1.0063	2.1484	0.3748	3.9644
2008	0.4057	0.0203	0.4260	0.8242	2.3840	0.3732	4.0074
2009	0.4054	0.0206	0.4260	0.9040	2.2484	0.3745	3.9529
2010	0.4143	0.0215	0.4358	0.9261	2.2784	0.3759	4.0162
2011	0.4193	0.0215	0.4408	1.0432	2.3050	0.4066	4.1956

Source: Washington County Appraisal District.

(1) Rates shown are per \$100 valuation.

WASHINGTON COUNTY, TEXAS

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Ferguson Burleson Cty Gas						
Enervest Operating LLC	\$ 113,805,960	1	4.17%	\$ --	--	--
Blue Bell Creameries	38,067,024	2	1.40%	27,140,205	4	1.62%
ETC Texas Pipeline LTD	34,970,490	3	1.28%	--	--	--
LCRA Transmission Srv Corp	29,914,050	4	1.10%	12,594,270	7	0.75%
Valmont/ALS	25,831,650	5	0.95%	15,807,915	6	0.94%
MIC Group LLC (East)	15,399,600	6	0.57%	--	--	--
Moore Wallace North America	14,777,560	7	0.54%	--	--	--
MIC Group LLC (West)	14,487,680	8	0.53%	--	--	--
Germania Farm Mutual Aid	11,980,930	9	0.44%	--	--	--
Bluebonnet Electric Co-op	11,640,440	10	0.43%	--	--	--
Chesapeake Operating Inc.	--	--	--	64,324,920	1	3.83%
RME Petroleum Company	--	--	--	59,311,160	2	3.53%
Mount Vernon Mills Inc.	--	--	--	29,240,530	3	1.74%
Southwestern Bell Tele. Co.	--	--	--	16,313,770	5	0.97%
Wallace Computer Services	--	--	--	12,472,160	8	0.74%
Cleaners Hangers Company	--	--	--	11,606,250	9	0.69%
Acacia Natural Gas Corp.	--	--	--	10,770,120	10	0.64%
Subtotal	310,675,384		11.41%	259,581,300		15.46%
Remaining roll	2,412,756,719		88.59%	1,419,203,128		84.54%
Total Tax Roll	\$ 2,723,432,103		100.00%	\$ 1,678,784,428		100.00%

Source: Washington County Appraisal District.

WASHINGTON COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 7,550,141	\$ 6,203,734	82.17%	\$ 1,336,556	\$ 7,540,290	99.87%
2003	7,749,465	6,945,213	89.62%	793,597	7,738,810	99.86%
2004	8,239,532	6,925,968	84.06%	1,303,822	8,229,790	99.88%
2005	8,854,181	7,119,197	80.40%	1,724,588	8,843,785	99.88%
2006	8,662,269	8,243,244	95.16%	402,628	8,645,872	99.81%
2007	9,868,180	6,696,240	67.86%	3,150,551	9,846,791	99.78%
2008	11,001,543	7,529,945	68.44%	3,434,860	10,964,805	99.67%
2009	10,986,024	7,930,365	72.19%	3,002,602	10,932,967	99.52%
2010	11,230,219	8,309,397	73.99%	2,498,922	10,808,319	96.24%
2011	11,512,075	8,600,967	74.71%	--	8,600,967	74.71%

Source: Washington County Appraisal District.

WASHINGTON COUNTY, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS
(UNAUDITED)

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Agriculture, Forestry, Fishing	\$ 424,521	\$ 486,757	\$ 794,347	\$ 683,028	\$ 840,273	\$ 875,957	\$ 825,056	\$ 883,179	\$ 1,001,057	\$ 993,631
Mining, Quarrying, Oil & Gas Extraction	4,429,019	4,074,180	5,031,752	5,795,590	9,988,519	13,291,271	15,121,252	7,366,365	6,967,840	9,779,446
Construction	5,851,746	7,251,055	6,033,882	6,219,090	7,158,483	12,444,050	11,623,105	10,926,290	8,891,187	9,875,170
Manufacturing	15,720,718	14,206,439	14,490,189	15,920,090	22,109,669	21,320,761	31,212,300	16,999,814	16,092,110	21,177,375
Wholesale Trade	11,726,580	11,439,626	12,569,848	14,633,361	18,894,769	20,173,172	21,178,974	20,115,000	19,459,708	24,221,339
Retail Trade	132,653,269	136,164,568	140,613,223	164,917,205	177,476,490	187,303,876	196,109,138	199,311,363	198,150,129	201,256,824
Transportation, Warehousing	63,083	160,143	110,151	525,320	677,844	678,903	867,649	844,699	930,562	906,730
Information	3,567,788	41,037,793	47,000,979	3,799,529	3,566,199	8,009,760	3,244,115	4,020,651	4,206,617	4,783,441
Finance, Insurance	1,228,011	1,073,465	813,183	949,048	1,182,103	1,074,663	1,399,762	2,649,199	2,399,368	1,904,981
Real Estate, Rental, Leasing	4,757,216	4,061,529	4,780,975	5,886,379	7,037,224	9,124,739	9,840,229	9,056,098	8,611,936	6,395,980
Professional, Scientific, Technical Services	2,779,794	3,237,794	2,975,877	3,256,781	3,502,326	3,469,522	4,158,079	2,880,206	3,144,548	3,586,538
Admin, Support, Waste Mgmt, Remediation	8,989,897	9,267,636	10,677,395	11,560,766	13,190,979	13,546,035	13,755,153	11,571,632	12,249,849	13,075,134
Education Services	--	1,963,393	1,766,503	1,464,746	1,795,168	2,078,487	2,007,344	2,005,029	2,127,085	2,385,290
Health Care, Social Assistance	41,728	--	29,011	41,445	33,136	101,972	160,959	138,637	160,731	131,745
Arts, Entertainment, Recreation	1,423,211	1,392,056	1,384,150	1,271,849	1,345,394	1,830,592	2,188,321	2,320,025	2,257,489	2,294,091
Accommodation, Food Services	27,223,922	27,298,823	28,656,885	31,888,757	34,995,646	37,475,500	39,299,377	39,546,344	40,062,123	40,813,070
Other Services	7,773,947	8,097,578	8,926,551	9,114,023	9,127,128	9,740,900	10,543,028	10,476,284	10,932,399	10,833,950
Public Administration	--	--	--	--	1,778,439	--	--	--	--	--
Other	1,281,655	1,312,806	265,927	2,657	--	--	--	--	--	--
Total	\$ 229,738,105	\$ 272,525,641	\$ 286,920,828	\$ 277,929,664	\$ 314,699,789	\$ 342,540,160	\$ 363,533,841	\$ 341,110,815	\$ 337,644,738	\$ 354,414,735
Direct Sales Tax Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Source: State Comptrollers Office

WASHINGTON COUNTY, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>County Direct Rate</u>	<u>City of Brenham</u>	<u>State</u>
2002	0.50%	1.50%	6.25%
2003	0.50%	1.50%	6.25%
2004	0.50%	1.50%	6.25%
2005	0.50%	1.50%	6.25%
2006	0.50%	1.50%	6.25%
2007	0.50%	1.50%	6.25%
2008	0.50%	1.50%	6.25%
2009	0.50%	1.50%	6.25%
2010	0.50%	1.50%	6.25%
2011	0.50%	1.50%	6.25%

Source: State Comptrollers Office.

TABLE E-13

WASHINGTON COUNTY, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt		
	General Obligation Bonds	Tax Notes	Total General Bonded Debt	Capital Lease Obligations	Promissory Note Payable	Total Other Governmental Debt
2002	\$ 1,410,000	\$ --	\$ 1,410,000	\$ 112,122	\$ 365,794	\$ 477,916
2003	1,090,000	--	1,090,000	100,819	341,397	442,216
2004	765,000	360,000	1,125,000	292,537	315,571	608,108
2005	390,000	360,000	750,000	432,100	288,180	720,280
2006	--	360,000	360,000	285,460	259,128	544,588
2007	--	6,000,000	6,000,000	266,504	228,315	494,819
2008	--	5,760,000	5,760,000	243,038	195,634	438,672
2009	--	5,515,000	5,515,000	98,874	160,972	259,846
2010	--	5,035,000	5,035,000	103,207	124,209	227,416
2011	--	4,755,000	4,755,000	52,102	85,217	137,319
Fiscal Year				Total Governmental Debt	Percentage of Personal Income	Per Capita
2002				\$ 1,887,916	0.21%	61
2003				1,532,216	0.17%	49
2004				1,733,108	0.19%	56
2005				1,470,280	0.15%	47
2006				904,588	0.09%	28
2007				6,494,819	0.58%	201
2008				6,198,672	0.54%	197
2009				5,774,846	0.48%	178
2010				5,262,416	0.44%	156
2011				4,892,319	0.37%	144

WASHINGTON COUNTY, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Total		
2002	\$ 1,410,000	\$ --	\$ --	\$ 1,410,000	0.08%	\$ 46
2003	1,090,000	--	--	1,090,000	0.06%	35
2004	1,125,000	--	--	1,125,000	0.06%	36
2005	750,000	--	--	750,000	0.04%	24
2006	360,000	--	--	360,000	0.02%	11
2007	--	--	6,000,000	6,000,000	0.26%	185
2008	--	--	5,760,000	5,760,000	0.22%	183
2009	--	--	5,255,000	5,255,000	0.20%	162
2010	--	--	5,035,000	5,035,000	0.19%	149
2011	--	--	4,755,000	4,755,000	0.17%	140

WASHINGTON COUNTY, TEXAS**DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt Repaid With Property Taxes			
Cities			
City of Brenham	\$ 32,932,387	36.52%	\$ 12,025,920
City of Burton	439,919	0.64%	2,802
School Districts			
Brenham Independent School District	27,544,959	68.22%	18,791,448
Burton Independent School District	7,345,000	12.60%	925,323
Subtotal, Overlapping Debt			31,745,492
County Direct Debt	4,755,000	100.00%	4,755,000
Total Direct and Overlapping Debt			\$ 36,500,492

Sources: Assessed value data used to estimate applicable percentages provided by the Washington County Appraisal District.

WASHINGTON COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Value of Property	\$ 2,440,899,898	\$ 2,817,971,659	\$ 2,874,597,521	\$ 3,013,283,207	\$ 3,599,792,017	\$ 3,856,161,072	\$ 4,556,437,301	\$ 5,042,854,781	\$ 5,050,895,746	\$ 5,098,546,377
Debt Limit, 10% of Assessed Debt	244,089,990	261,797,166	287,459,752	301,328,321	359,978,202	385,616,107	455,643,730	504,285,478	505,089,575	509,854,638
Amount of Debt Applicable to Limit										
General Obligation Bonds	1,410,000	1,090,000	1,125,000	750,000	360,000	6,000,000	5,760,000	5,515,000	5,035,000	4,755,000
Less Resources for Repayment	(172,476)	(202,705)	(126,526)	(133,730)	(198,219)	(298,165)	(403,857)	(478,592)	(222,146)	(340,585)
Total Net Debt Applicable to Limit	<u>1,237,524</u>	<u>887,295</u>	<u>998,474</u>	<u>616,270</u>	<u>161,781</u>	<u>5,701,835</u>	<u>5,356,143</u>	<u>5,036,408</u>	<u>4,812,854</u>	<u>4,414,415</u>
Legal Debt Margin	\$ <u>242,852,466</u>	\$ <u>260,909,871</u>	\$ <u>286,461,276</u>	\$ <u>300,712,051</u>	\$ <u>359,816,421</u>	\$ <u>379,914,272</u>	\$ <u>450,287,587</u>	\$ <u>499,249,070</u>	\$ <u>500,276,721</u>	\$ <u>505,440,223</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.51%	0.34%	0.35%	0.20%	0.04%	1.48%	1.18%	1.00%	0.95%	0.87%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 5,098,546,377
Debt Limit (10% of Assessed Value)	<u>509,854,638</u>
Debt Applicable to Limit:	
General Obligation Bonds	4,755,000
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>340,585</u>
Total Net Debt Applicable to Limit	<u>4,414,415</u>
Legal Debt Margin	\$ <u>505,440,223</u>

WASHINGTON COUNTY, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS
 (UNAUDITED)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Population (1)	30,709	30,964	31,161	31,248	32,000	32,360	31,396	32,412	33,718	34,025
Personal Income - (000's) (1) \$	879,028 \$	886,623 \$	931,157 \$	965,934 \$	988,224 \$	1,111,641 \$	1,137,483 \$	1,195,879 \$	1,195,879 \$	1,321,804
Per Capita Personal Income (1) \$	28,624 \$	28,634 \$	29,882 \$	29,882 \$	30,882 \$	34,929 \$	35,618 \$	36,896 \$	36,896 \$	40,185
Median Age (1)	37	37	37	37	37	37	37	38	38	39
School Enrollment (2)	5,169	5,162	5,390	5,286	5,287	5,288	5,144	5,275	5,263	5,247
College Enrollment (3)	13,806	14,057	14,027	14,360	14,046	14,616	15,607	17,155	17,680	18,156
Unemployment (4)	4.30%	5.00%	4.80%	4.50%	4.30%	4.10%	4.10%	6.10%	6.40%	6.00%

(1) Population, personal income, per capital personal income, median age provided by the Chamber of Commerce.

(2) School enrollment provided by the Washington County Schools.

(3) College enrollment provided by Blinn Junior College.

(4) Unemployment percentages provided by the Texas Workforce Commission.

WASHINGTON COUNTY, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

(UNAUDITED)

Employer	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Brenham State Supported	1,033	1	6.21%	965	1	7.16%
Blue Bell Creameries	854	2	5.13%	800	2	5.94%
Brenham I.S.D.	734	3	4.41%	650	3	4.82%
Blinn College	477	4	2.87%	600	4	4.45%
MIC Group	432	5	2.60%	385	5	2.86%
Valmont Industries	370	6	2.22%	305	7	2.26%
Wal-Mart Supercenter	335	7	2.01%	--	--	--
City of Brenham	314	8	1.89%	--	--	--
Scott & White Hospital	292	9	1.76%	250	10	1.85%
Germania Insurance	288	10	1.73%	--	--	--
Mount Vernon Mills	--	--	--	320	6	2.37%
Trinity Medical Center	--	--	--	300	8	2.23%
Sealey Mattress	--	--	--	275	9	2.04%
Total	5,129		30.84%	4,850		35.98%
Total employment	16,632		100.00%	13,479		100.00%

Mount Vernon Mills

Source:

Texas Workforce Commission

Texas Metropolitan Statistical Area Data

Economic Development Foundation of Brenham

Washington County

WASHINGTON COUNTY, TEXAS

FULL-TIME-EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Function/Program	Full-Time-Equivalent Employees as of Year End									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Administration	9	8	8	8	8	9	17	21	21	21
Judicial/Courts	33	30	31	31	29	31	31	30	31	29
Legal	3	3	3	3	3	4	5	5	5	5
Financial Administration	7	7	7	7	7	7	8	7	7	7
Public Facilities	3	3	3	3	3	5	3	3	3	2
Public Safety	58	56	57	57	60	65	57	65	61	59
Public Transportation	29	31	31	30	29	29	29	27	27	27
Health and Welfare	23	22	21	27	25	27	39	37	41	28
Culture and Recreation	3	4	3	3	3	3	5	4	4	4
Conservation	2	2	2	2	2	2	5	5	5	3
Elections	--	--	--	--	--	--	--	2	--	--
Agriculture and Marine Services	6	7	7	6	7	7	--	--	--	--
Total	<u>n/a</u>	<u>n/a</u>	<u>173</u>	<u>177</u>	<u>176</u>	<u>189</u>	<u>199</u>	<u>206</u>	<u>205</u>	<u>185</u>

Source: County human resources.
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WASHINGTON COUNTY, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(UNAUDITED)

Function/Program	Fiscal Year					
	2002	2003	2004	2005	2006	2007
General Government						
Marriage license issued	285	225	262	256	305	250
Birth certificates	335	335	370	335	374	422
Death certificates	318	346	334	347	295	329
Judicial						
County court						
Instruments recorded	8,764	9,241	8,403	8,148	7,650	7,300
Probate cases filed	160	158	172	162	183	159
Civil cases filed	116	115	157	218	237	268
Criminal Cases-County Attorney	785	889	987	941	1,159	1,153
District court						
Civil cases filed	143	226	172	158	187	166
Tax cases filed	49	66	51	39	78	61
Civil motions filed	13	17	14	13	9	3
Criminal Cases Filed	246	277	243	272	229	277
Criminal motions filed	98	129	142	87	121	102
Justice Court (1)						
Cases filed	6,574	7,621	8,762	10,678	11,163	9,743
Fines/court cost collected	\$ 1,012,327	\$ 985,257	\$ 1,239,795	\$ 1,370,050	\$ 1,621,613	\$ 1,593,003
County Court at Law						
Cases filed	352	345	376	378	341	328
Motions filed	161	134	100	178	247	221
Juvenile						
Cases filed	78	66	75	64	43	40
Legal						
County Attorney						
Restitution	\$ 82,077	\$ 74,174	\$ 80,420	\$ 77,820	\$ 63,283	\$ 53,816
Merchant Fees	\$ 25,414	\$ 29,237	\$ 29,900	\$ 29,872	\$ 23,694	\$ 20,589
Public Safety						
Total Warrants Served	241	308	259	180	239	188
Jail bookings	2,717	3,246	3,453	2,885	3,131	2,879
Jail average daily occupancy	77	87	95	86	106	91
Public Facilities						
Fairground Rentals Dollars	\$ 111,488	\$ 109,285	\$ 121,247	\$ 109,907	\$ 79,472	\$ 70,293
Arena Rental Dollars	\$ 22,056	\$ 40,769	\$ 20,789	\$ 21,509	\$ 27,674	\$ 30,818
Event Center Dollars	\$ n/a	\$ n/a	\$ 26,155	\$ 25,245	\$ 33,465	\$ 34,555
VIP Room	\$ n/a	\$ n/a	\$ --	\$ --	\$ --	\$ --
Road and Bridge						
Miles of County Roads	620	624	624	625	625	625
Miles of paved roads	258	285	285	319	325	338
Miles of unpaved roads	362	339	339	306	300	287

Source: County offices.

Notes: (1) September to December 2011 data not included due to software failure.

TABLE E-20

2008	2009	2010	2011
279	261	270	258
507	399	390	338
324	302	277	276
7,015	6,388	7,031	6,374
176	169	173	170
201	219	207	203
1,124	1,120	1,205	1,355
143	137	169	148
84	98	83	107
3	7	9	4
323	255	268	220
115	113	53	52
8,066	11,600	9,555	5,887
\$ 1,371,676	\$ 1,642,824	\$ 1,415,659	\$ 1,009,389
318	304	334	318
172	197	246	248
48	43	18	41
\$ 51,987	\$ 43,385	\$ 43,397	\$ 52,082
\$ 19,825	\$ 14,800	\$ 14,600	\$ 14,645
190	454	461	386
2,894	3,005	3,014	3,213
97	103	96	105
\$ 82,168	\$ 72,168	\$ 82,270	\$ 89,935
\$ 23,399	\$ 27,867	\$ 10,350	\$ 9,303
\$ 36,800	\$ 36,208	\$ 40,603	\$ 46,039
\$ --	\$ 6,200	\$ 5,400	\$ 10,825
625	626	626	626
352	375	394	412
273	251	232	215

WASHINGTON COUNTY, TEXAS**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM****LAST TEN FISCAL YEARS****(UNAUDITED)**

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Evidence Building	--	--	1	1	1	1	1	1	1	1
Jails	1	1	1	1	1	1	1	1	1	1
Patrol Units	13	13	13	13	13	15	15	15	15	15
Public Facilities										
Courthouse Annex	1	1	1	1	1	1	1	1	1	1
Courthouse	1	1	1	1	1	1	1	1	1	1
Event Center and Office Building	1	1	1	1	1	1	1	1	1	1
Health and Welfare										
EMS Station 1	1	1	1	1	1	1	1	1	1	1
EMS Station 2	--	--	--	--	--	--	1	1	1	1
Road and Bridge										
Miles of Paved Roads	258	285	285	319	325	338	352	375	394	412
Miles of Unpaved Roads	362	339	339	306	300	287	273	251	232	215
Bridges	121	122	122	122	122	122	122	122	117	117

Source: County offices.