

WALKER COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Prepared by:
County Auditor Department

WALKER COUNTY, TEXAS

TABLE OF CONTENTS

| | <u>Page</u> | <u>Exhibit/Table</u> |
|---|-------------|----------------------|
| INTRODUCTORY SECTION | | |
| Letter of Transmittal | 1 | |
| GFOA Certificate of Achievement..... | 5 | |
| Organizational Chart | 6 | |
| List of Principal Officials | 7 | |
| FINANCIAL SECTION | | |
| Independent Auditors' Report..... | 9 | |
| Management's Discussion and Analysis (Required Supplementary Information)..... | 12 | |
| <u>Basic Financial Statements:</u> | | |
| Government-wide Financial Statements: | | |
| Statement of Net Position..... | 23 | A-1 |
| Statement of Activities..... | 25 | A-2 |
| Fund Financial Statements: | | |
| Balance Sheet - Governmental Funds | 26 | A-3 |
| Reconciliation of the Governmental Funds | | |
| Balance Sheet to the Statement of Net Position..... | 29 | A-4 |
| Statement of Revenues, Expenditures, and Changes in | | |
| Fund Balances - Governmental Funds..... | 30 | A-5 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in | | |
| Fund Balances of Governmental Funds to the Statement of Activities..... | 32 | A-6 |
| Statement of Fiduciary Assets and Liabilities - Fiduciary Fund | 33 | A-7 |
| Notes to the Financial Statements | 34 | |
| <u>Required Supplementary Information:</u> | | |
| Budgetary Comparison Schedules: | | |
| General Fund | 54 | B-1 |
| Grants and Contracts Fund | 62 | B-2 |
| Road and Bridge Fund | 64 | B-3 |
| EMS Fund..... | 66 | B-4 |
| Schedule of Funding Progress - Pension Plan and OPEB Plan..... | 67 | |
| Notes to Required Supplementary Information..... | 68 | |
| <u>Combining Statements and Budget Comparisons as Supplementary Information:</u> | | |
| Special Revenue Funds: | | |
| Combining Balance Sheet - Nonmajor Special Revenue Funds | 72 | C-1 |
| Combining Statement of Revenues, Expenditures, and Changes in | | |
| Fund Balances - Nonmajor Special Revenue Funds | 78 | C-2 |
| Budgetary Comparison Schedules: | | |
| Fire Suppression – US Forest Fire Suppression Fund..... | 86 | C-3 |
| District Attorney Hot Check Fee Fund | 87 | C-4 |
| Court Reporter Service Fund | 88 | C-5 |
| County Law Library Fund..... | 89 | C-6 |
| Court House Security Fund..... | 90 | C-7 |
| Justice Courts Security Fund | 91 | C-8 |
| Elections Equipment Fund | 92 | C-9 |
| Tax Assessor Elections Service Contract Fund | 93 | C-10 |
| County Clerk Records Management and Preservation Fund | 94 | C-11 |
| County Clerk Records Archive Fund | 95 | C-12 |
| County Records Management and Preservation Fund | 96 | C-13 |
| County Records Preservation II Fund..... | 97 | C-14 |
| District Clerk Records Management and Preservation Fund..... | 98 | C-15 |
| Sheriff Forfeiture Fund | 99 | C-16 |

WALKER COUNTY, TEXAS

TABLE OF CONTENTS

| | <u>Page</u> | <u>Exhibit/Table</u> |
|---|-------------|----------------------|
| District Attorney Forfeiture Fund | 100 | C-17 |
| Juvenile Grant Fund | 101 | C-18 |
| EERP Early Retiree Retirement Plan Fund | 102 | C-19 |
| Tax Assessor Special Inventory Tax Fund | 103 | C-20 |
| District Clerk Rider Fund..... | 104 | C-21 |
| District Attorney Prosecutors Supplement Fund | 105 | C-22 |
| Pretrial Intervention Program Fund | 106 | C-23 |
| County Jury Fee Fund | 107 | C-24 |
| Justice Courts Technology Fund..... | 108 | C-25 |
| County and District Courts Technology Fund | 109 | C-26 |
| Sheriff Inmate Medical Fund | 110 | C-27 |
| Debt Service Fund: | | |
| Budgetary Comparison Schedule: | | |
| Debt Service Fund | 112 | C-28 |
| Capital Projects Fund: | | |
| Budgetary Comparison Schedule: | | |
| Jail Construction Fund..... | 114 | C-29 |
| Fiduciary Funds: | | |
| Agency Funds: | | |
| Combining Statement of Fiduciary Assets and Liabilities | 116 | C-30 |
| Combining Statement of Changes in Assets and Liabilities..... | 117 | C-31 |
| OTHER SUPPLEMENTARY INFORMATION | | |
| Capital Assets Used in Governmental Funds: | | |
| Comparative Schedules by Source | 119 | C-32 |
| Schedule by Function and Activity | 120 | C-33 |
| Schedule of Changes by Function and Activity..... | 121 | C-34 |
| STATISTICAL SECTION | | |
| Net Position by Component..... | 125 | Table E-1 |
| Changes in Net Position..... | 126 | Table E-2 |
| Governmental Activities Tax Revenues by Source..... | 128 | Table E-3 |
| Fund Balances of Governmental Funds..... | 129 | Table E-4 |
| Changes in Fund Balances of Governmental Funds | 130 | Table E-5 |
| General Governmental Tax Revenues by Source | 131 | Table E-6 |
| Assessed Value and Estimated Actual Value of Taxable Property | 132 | Table E-7 |
| Property Tax Rates - Direct and Overlapping Governments..... | 133 | Table E-8 |
| Principal Property Taxpayers | 134 | Table E-9 |
| Property Tax Levies and Collections | 135 | Table E-10 |
| Ratios of Net Long-term Debt Outstanding | 136 | Table E-11 |
| Direct and Overlapping Governmental Activities Debt..... | 137 | Table E-12 |
| Legal Debt Margin Information | 138 | Table E-13 |
| Demographic and Economic Statistics..... | 139 | Table E-14 |
| Principal Employers | 140 | Table E-15 |
| Full-Time Equivalent County Government Employees by Function | 141 | Table E-16 |
| Operating Indicators by Function..... | 142 | Table E-17 |
| Capital Asset Statistics by Function..... | 143 | Table E-18 |

WALKER COUNTY, TEXAS
TABLE OF CONTENTS

| | <u>Page</u> | <u>Exhibit/Table</u> |
|---|-------------|----------------------|
| COMPLIANCE SECTION | | |
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 145 | |
| Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and Texas Uniform Grant Management Standards | 147 | |
| Schedule of Findings and Questioned Costs - State Programs | 149 | |
| Summary Schedule of Prior Audit Findings - State Programs | 150 | |
| Schedule of Expenditures of State Awards | 151 | D-1 |
| Notes to Schedule of Expenditures of State Awards | 153 | |

(This page was intentionally left blank)

INTRODUCTORY SECTION

(This page was intentionally left blank)

WALKER COUNTY AUDITOR

1301 Sam Houston Avenue Room 206

Huntsville, Texas 77320

(936) 436-4948

March 21, 2014

The Honorable District Judges of the 12th and 278th Districts
The Honorable Commissioners' Court
Walker County, Texas

Gentlemen:

The Comprehensive Annual Financial Report of Walker County, Texas, for the year ended September 30, 2013, is submitted herewith. This report was prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board and is in compliance with Vernon's Texas Codes Annotated (VTCA) Local Government Code. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures rests with the County. I believe the data as presented is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and results of operations of Walker County as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activity have been included.

Walker County's financial statements have been audited by Herford, Lynch, Sellars & Kirkham, out of their Conroe office. The goal of the independent audit was to provide reasonable assurance that the financial statements of Walker County for the year ended September 30, 2013 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that Walker County's financial statements for the fiscal year ended September 30, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Walker County was part of a broader, federally and/or state mandated "Single Audit" designed to meet the special needs of federal and/or state grantor agencies. The standards governing Single Audits 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 control and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and/or state awards. The Single Audit report is in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the Texas Uniform Grant Management Standards. Information related to this single audit, including a Schedule of Expenditures of Federal and/or State Awards, the independent auditors' reports on internal controls and compliance with applicable laws and regulations, and a Schedule of Findings are included in this report. GAAP requires that management provide 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. Walker County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Walker County, created in 1846, covers approximately 810 square miles in the rolling hills of the East Texas Pineywoods and according to 2012 census serves a population of approximately 68,408. Walker County is located approximately 60 miles north of metropolitan Houston and 165 miles south of metropolitan Dallas/Fort Worth. Interstate 45 runs through the County.

The financial reporting entity of Walker County includes all the funds of the County. The County provides a full range of services including police protection, legal and judicial services, and maintenance of roads and bridges. The transactions of all elected county, district and precinct officers are also included. Although these officials are responsible solely to the electorate, the officials receive funding for the operation of their departments from the Commissioners' Court, which has discretion over those expenditures.

The County operates under the Commissioners' Court form of elected government and is a political subdivision of the State of Texas. The County is empowered to levy a property tax on both real and personal property located within its boundaries. Policy and decision making authority are vested in the Commissioners' Court, which consists of the County Judge and four Commissioners. This Court is responsible for adopting the budget, appointing committees, and overseeing the general business of the County. The Commissioners, as well as the Judge, are elected to four-year terms with alternate elections every two years so that the court will contain senior members.

In addition to law enforcement, judicial, and infrastructure expenditures, Walker County funds other services. Additional services include fire protection and comprehensive 911 dispatch operations, which are provided by interlocal agreements between Walker County and the City of Huntsville. Volunteer fire departments within the County also receive financial support from the County. In addition, Emergency Medical Services are provided.

Local Economic Condition and Outlook

Walker County provides access to the highly popular Sam Houston National Forest where rich vegetation and numerous lakes allow visitors to participate in activities such as fishing, camping, and hiking. Also, Walker County visitors and residents alike enjoy the scenery provided by the world's tallest statue of an American hero; the 67-foot high replica of Sam Houston known as A Tribute to Courage. Meanwhile, indoor entertainment can be found at the Sam Houston Memorial Museum, the Texas Prison Museum, and a variety of cultural and sporting events offered by Sam Houston State University, in Huntsville.

The county seat is Huntsville, Texas. Two other municipalities located within the County include the City of New Waverly and the City of Riverside. Walker County has abundant wildlife and contains approximately 54,000 acres of the Sam Houston National Forest within its boundaries. Lake Livingston, a popular attraction, borders the County's eastern boundary while Lake Conroe rests on the southern boundary. The rural setting, with access to the outdoors, recreational facilities, and urban amenities, provides Walker County citizens and tourists with much enjoyment year round.

According to the 2012 census, Walker County's population reached 68,408. State and local government are significant sources of employment for this area while additional hiring focuses on agribusiness, forest production, and timber industries due to the vast number of natural resources available.

The unemployment rate in the County for 2013 was 6.6%, compared with the state unemployment rate of 6.3% and national unemployment rate of 7.0%. This county rate compares to 6.5%, for the prior year according to information provided by the Texas Workforce Commission. Walker County has traditionally had very stable employment, due primarily to an economy based on employment at Sam Houston State University and Texas Department of Criminal Justice. The State's prison system is headquartered in Walker County with seven major facilities housing an estimated 14,173 inmates.

Sam Houston State University, also located in Walker County, reported an enrollment of approximately 19,214 students for the fall of 2013 as compared to 18,461 for 2012.

A favorable economic outlook is due to the steady number of building permits issued locally and the associated construction values for residential and commercial development along with a stable enrollment rate at Sam Houston State University. These factors along with Walker County's rural setting, its proximity to major metropolitan areas, and a historically stable job market should contribute to its continued growth.

The H.E.A.R.T.S Veteran's Museum of Texas, a local 501 c(3) organization, has built a museum collection over the last 15 years to commemorate and honor U.S. military veterans from all branches of service. In order to provide a facility to house the collection, the State Legislature authorized an allocation to Walker County through the General Land Office. The 12,500 sq. ft. facility is adjacent to the County Storm Shelter project located on a five acre site located at 445 SH 75 S, in Huntsville, Texas.

Long-term financial planning. Walker County issued \$20,000,000 in Certificates of Obligation for construction of a new jail facility. This followed several years of planning and discussion. A tax rate increase was necessary to pay the debt. The jail is expected to be occupied in April 2014.

Monies are also included in the budget for continuing improvements to bridges and water way crossings. The County intends to continue with improving roads and bridges. The Commissioners in a joint effort over the past several years have been able to procure equipment necessary to seal-coat roads with high traffic and high maintenance needs. This has improved the accessibility of property and decreased labor-intensive maintenance in these areas. The budget allocations for the last several years included funds to supplement the road maintenance funds.

Walker County continues to support the rural water supply programs throughout the County, which have greatly enhanced services to rural county residents. These projects are funded through federal community development pass-through grants.

Emergency planning and public safety. Walker County continues its focus on enhanced service related to public safety and a greater level of preparedness for emergencies. An emergency notification system (Code Red) was purchased in previous years and the public safety radio system updated, enhancing interoperability for all public safety/emergency management. The Code Red system allows for telephone notification of citizens about situations that may affect public safety. The County Judge acts as the Director of the Office of Emergency Management (OEM). He is assisted by an Emergency Management Coordinator, a Deputy Coordinator, a volunteer Director of Communications and a Donations Manager. The Emergency Operations Center (EOC), a joint operations center with the Cities of Huntsville, New Waverly and Riverside has been upgraded in many areas. The communications area of the EOC is at its highest level of inter-operability. Walker County EOC has a radio tower and radio system for contact with not only local jurisdictions but also state agencies. Walker County has adopted the NIMS system for running the EOC during an emergency. The Walker County Sheriff's Office has been able to remain above the State average on crime clearance. In prior years, the County received a Homeland Security grant to get fiber communication between the law enforcement facilities/agencies. The City of Huntsville participated with the County in this endeavor as did Sam Houston State University.

Walker County operates a shelter that was funded from FEMA and ORCA monies in previous years. Walker County continues to maintain and update information to Walker County maps for use by emergency medical services, fire departments, and communications providers among others. As this project progresses, the citizens of Walker County are expected to see more efficient emergency services due to the standardized addressing system as well as have access to updated and more accurate maps.

Internal Controls. Internal controls are management tools designed to help management meet its responsibilities and achieve its objectives. Basic objectives include meeting requirements of the offices as set out in state statute with effectiveness and efficiency (achieving the purpose of the department and county and making good use of the resources entrusted to Walker County elected officials and department heads). While management is primarily responsible for internal controls, the governing body plays a role in assisting management in fulfilling its duties. Commissioners Court, the governing body of the County, has adopted policies and procedures to aid in this process. An internal audit function is funded in the budget and regular internal audits are conducted with the focus on internal controls put in place by management/elected officials of the various departments of the County. Reports are regularly presented to the elected officials and /department heads and Commissioners Court. Inherent limitations are associated with internal controls. Cost considerations often prevent management from installing the most desirable system including budget limitations not allowing for the desired segregation of duties; internal controls are potentially subject to management and employee override; and the risk of collusion exists. In County government another limitation is that most department heads are elected officials and state statute grants limited authority to the governing body to direct procedures and operations of an elected official.

Financial Polices and impact on current period financial statements. The County has the policy of funding all on-going costs with revenues generated in the current year. During the budget process each year fund balances are reviewed and generally one-time and capital costs are funded from available funds (fund balance). Contingency is also historically funded from available funds. The budgeted collections rate in the budget for current property taxes in past years has been budgeted in the 94% - 96% range. Collections have historically been in the 95% - 97% range. For the past several years, collections have been budgeted at 94% due to the volatile economy; however collections have remained stable. In the fiscal year beginning October 1, 2012, as in previous years, one-time costs were funded with funds available in fund balance. There was a tax increase in 2012 and 2013. The total budget for FY 13/14, that began October 1, 2013 is \$30,494,793 compared to the original budget of \$28,390,878 for the FY 12/13, year covered by this report, an increase of \$2,103,915 of which \$739,076 is a transfer between governmental funds.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Walker County for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the seventeenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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 meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements. The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the County Auditor's Office. I would like to express my appreciation to everyone in the office for their loyal and dedicated service. I would also like to commend the members of the Commissioners' Court for conducting the financial operations of Walker County in a responsible manner.

Respectfully submitted,



Patricia Allen, CPA, CGFM
County Auditor



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Walker County
Texas**

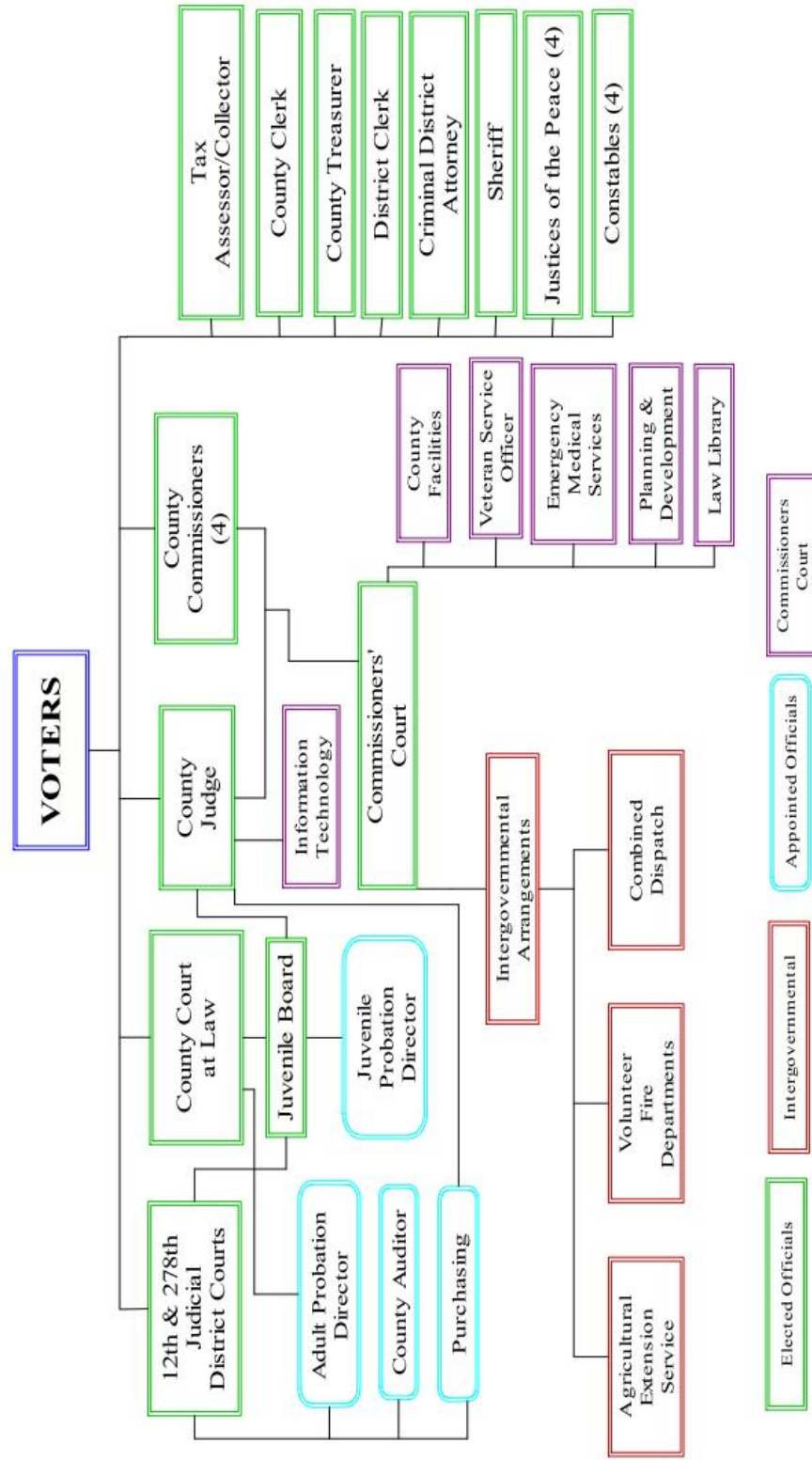
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012



Executive Director/CEO

Walker County, Texas Organization



WALKER COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2013

Elected Officials

| | |
|----------------------------|--------------------------------------|
| Donald Kraemer..... | Judge, 12th Judicial District Court |
| Kenneth Keeling | Judge, 278th Judicial District Court |
| Robert D. Pierce, II | County Judge |
| Barbara Hale | Judge, County Court at Law |
| B.J. Gaines, Jr. | Commissioner, Precinct 1 |
| Ronnie White | Commissioner, Precinct 2 |
| Bobby Warren..... | Commissioner, Precinct 3 |
| Tim Paulsel..... | Commissioner, Precinct 4 |
| Diana McRae..... | Tax Assessor/Collector |
| Sharon Duke..... | County Treasurer |
| Robyn Flowers..... | District Clerk |
| Kari French..... | County Clerk |
| Clint McRae..... | Sheriff |
| David P. Weeks | Criminal District Attorney |
| Janie Farris..... | Justice of the Peace, Precinct 1 |
| Michael Countz..... | Justice of the Peace, Precinct 2 |
| Mark Holt..... | Justice of the Peace, Precinct 3 |
| James F. Mature..... | Justice of the Peace, Precinct 4 |
| John Hooks | Constable, Precinct 1 |
| Reed Prehoda | Constable, Precinct 2 |
| Steve Hill | Constable, Precinct 3 |
| Gene Bartee | Constable, Precinct 4 |

Appointed Officials

| | |
|----------------------|------------------------------|
| Patricia Allen..... | County Auditor |
| Kristin Hunter..... | Director, Adult Probation |
| Jill Saumell | Director, Juvenile Probation |
| Mike Williford | County Purchasing Agent |

(This page was intentionally left blank)

FINANCIAL SECTION

(This page was intentionally left blank)

HLSK

Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

Conroe
1406 Wilson Rd., Suite 100
Conroe, Texas 77304
Tel 936-756-8117
Metro 936-441-1338
Fax 936-756-8132

Members of the
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Private Companies Practice Section
of the AICPA Division for Firms

Cleveland
111 East Bonthe
Cleveland, Texas 77327
Tel 281-592-6443
Fax 281-592-7706

INDEPENDENT AUDITORS' REPORT

Commissioners' Court
Walker County, Texas
1100 University Avenue
Huntsville, Texas 77340

Members of the Commissioners' Court:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Walker County, Texas (County), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Walker County, Texas, as of September 30, 2013, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note B.11 to the financial statements, in 2013, the County adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Walker County, Texas' basic financial statements. The introductory section, combining statements and budget comparisons, other supplementary information, statistical section and compliance section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The combining statements and budget comparisons and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and budget comparisons and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, other supplementary information, and statistical sections have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2014, on our consideration of the Walker 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* in considering Walker County, Texas' internal control over financial reporting and compliance.

Respectfully submitted,

Hereford, Lynch, Sellars & Kirkham, P.C.

HEREFORD, LYNCH, SELLARS & KIRKHAM, P.C.
Certified Public Accountants

Conroe, Texas
March 21, 2014

Management's Discussion Analysis

The following discussion and analysis of Walker County's financial performance provides an overview of the County's financial activities for the year ended September 30, 2013. Please read this discussion and analysis in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section. Walker County has prepared this financial report in compliance with the Governmental Accounting Standards Board (GASB) Statement No. 34 and GASB 54 and amendments thereafter.

Financial Highlights

- On a government-wide basis, the assets of Walker County exceeded its liabilities at the close of its most recent fiscal year by \$16,329,239 (net position). Of this amount \$4,122,953 may be used to meet the ongoing obligations to citizens and creditors. The balance is invested in capital assets and restricted for debt.
- On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$19,358,917. General revenues of \$18,270,876 (Exhibit A-2) were \$1,088,041 less than expenses net of program revenue. An accrual of \$1,385,545 for postemployment benefits is included in the expenses. This is the fourth year the County has recorded this liability resulting in a total of \$5,276,569 recorded as the net OPEB obligation at the end of the fiscal year. A prior period adjustment in the amount of \$295,135 added to the decrease in net position as a result of the implementation of GASB 65. The result is a decrease in net position from the September 30, 2012 balance of \$17,709,415 to \$16,326,239 at September 30, 2013.
- The General Fund, on a current financial resource basis (fund level), reported revenues over expenditures over revenues and other financing sources (uses) of \$497,309 as compared to a planned reduction of \$2,076,952 (Exhibits A-5 and B-1), the result primarily of spending funds that were designated for one-time projects.
- As of September 30, 2013, unassigned fund balance in the General Fund was \$3,887,335. The total unassigned Fund Balance for the prior year was \$3,327,237.
- Unassigned Fund balance as a percentage of expenditures for the General Fund is 24%, an amount that is in line with the minimum requirement goal set by Commissioners' Court. The adopted budget for FY 2014 included use of fund balance for one-time expenditures. The amount included in the FY 2014 budget is classified as Fund Balance Assigned - One time allocation in the financial report and is not included in the Unassigned Fund Balance number mentioned above. See Note 9 on page 39 for a discussion of the Fund Balance classifications.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to Walker County's basic financial statements. The County's Comprehensive Annual Financial Report consists of five sections: introductory, financial, other supplementary, statistical, and compliance. The financial section of this report has five components - independent auditors' report, management's discussion and analysis (this narrative), the basic financial statements, required supplementary information, and combining statements and budget comparisons as supplementary information.

The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The primary focus of these financial statements is on both the County as a whole (government-wide financial statements) and individual parts of the County (fund financial statements). The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. The fund financial statements, on the other hand, focus on individual parts of the County and provide more detail of the County's operations than the government-wide financial statements.

Government-wide Financial Statements. The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position and the statement of activities, which are the government-wide statements, report information about the County as a whole and about its activities in a way that helps answer whether the County is

in a better or worse financial position as a result of the current year's activity. The statement of net position presents information on all of the assets and liabilities of Walker County, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of Walker County is improving or deteriorating. Other non-financial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered to assess the overall health of the County. These statements include all assets and liabilities on the accrual basis of accounting.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (cash is received or paid). 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.) Again, this reflects the accrual method of accounting, rather than the modified accrual basis that is used in the fund level financial statements.

Government-wide financial statements of a government distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business activities). Walker County has no business type activities. Services provided by Walker County reported as governmental activities include general government, financial, judicial, public safety, correction and rehabilitation, health and welfare, culture and education, public transportation, and interest and fiscal charges. Walker County financial statements include only the primary government and do not include other governments or component units such as a county hospital or school district.

Fund Financial Statements. 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. Walker County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Traditional users of government financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more detailed information about the County's most significant funds, rather than the County as a whole. Funds of the County are divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statement. However, unlike the government-wide financial statements, governmental funds 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. Walker County's basic services are included in the governmental funds. The governmental funds financial statements provide a detailed short-term view that helps readers of the financial statements determine the availability of financial resources to fund the County's major programs.

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.

Walker County's report includes thirty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, Jail Project capital project fund, grants and contracts fund, road and bridge fund, and the EMS fund which are considered to be major funds. Data from twenty-five other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements beginning on page 72.

Walker County adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the general fund and other funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found beginning on page 26.

Proprietary Funds. There are two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Walker County does not currently have any enterprise funds.

Internal service funds are used by some state and local governments to accumulate and allocate costs internally among the unit's various functions. They may be used for such things as a central garage or for its management of information systems. Walker County does not use internal service funds, but rather accounts for costs in the fund where the activity or program is reported.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support Walker County programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is the trustee, or fiduciary, for assets which are held by the County as an agent, pending distribution to authorized recipients. The County currently maintains agency funds only. As an example, the County Clerk and District Clerk each function in a fiduciary capacity. These assets are reported in a separate statement of fiduciary assets and liabilities (Exhibit C-30).

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34 to 51 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Walker County. The County adopts an annual budget for its General Fund and special revenue funds including its Road and Bridge Fund. Required supplementary information begins on page 54 of this report. Budgetary comparison schedules have been prepared to demonstrate compliance with the budget for the General Fund (Exhibit B-1), the Grants and Contracts Fund (Exhibit B-2), Road and Bridge Fund (Exhibit B-3), and EMS Fund (Exhibit B-4). The County also presents a schedule of funding progress for its pension plan and its OPEB plan as required. Information for the Non-Major Governmental Funds begins on page 72.

Government-wide Financial Analysis

Below is condensed financial information for the fiscal year 2013 with comparative data for 2012. The following schedule focuses on the net position of the County as a whole and gives data as of September 30th (the County's fiscal year end date) of each year.

WALKER COUNTY, TEXAS NET POSITION

| | Governmental Activities | | | | | |
|---|-------------------------|------------|----------------------|------------|-----------------------|------|
| | 2013 | | 2012 | | Increase (Decrease) | |
| | Amount | % | Amount | % | Amount | % |
| Cash, Cash Equivalents, & Investments | \$ 16,512,382 | 36 | \$ 28,312,215 | 61 | \$ (11,799,833) | (42) |
| Receivables, Prepaids, & Deferred Charges | 4,230,948 | 9 | 3,942,744 | 9 | 288,204 | 7 |
| Capital Assets, Net of Depreciation | 25,150,832 | 55 | 13,675,687 | 30 | 11,475,145 | 84 |
| Total Assets | 45,894,162 | 100 | 45,930,646 | 100 | (36,484) | |
| Current Liabilities | 5,658,490 | 19 | 4,890,855 | 17 | 767,635 | 16 |
| Noncurrent Liabilities | 23,909,433 | 81 | 23,330,376 | 83 | 579,057 | 2 |
| Total Liabilities | 29,567,923 | 100 | 28,221,231 | 100 | 1,346,692 | |
| Net Position: | | | | | | |
| Invested in Capital Assets, | | | | | | |
| net of Debt | 12,086,797 | 74 | 12,439,349 | 70 | (352,552) | (3) |
| Restricted | 116,489 | 1 | - | - | 116,489 | - |
| Unrestricted | 4,122,953 | 25 | 5,270,066 | 30 | (1,147,113) | (22) |
| Total Net Position | \$ 16,326,239 | 100 | \$ 17,709,415 | 100 | \$ (1,383,176) | |

As mentioned earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by \$16,326,239 at September 30, 2013 as compared to \$17,709,415 at September 30, 2012. Of the County's net position at the fiscal year end, 74% is investment in capital assets (land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. Walker County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although investments in capital assets is reported net of debt, it should be noted that the

resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the assets at fiscal year end may represent resources that are subject to restrictions on how they may be used. Restricted net position of the County was \$116,489 for debt service. Unrestricted assets of \$4,122,953 (25% of total net position) may be used to meet the government's ongoing obligations to citizens and creditors.

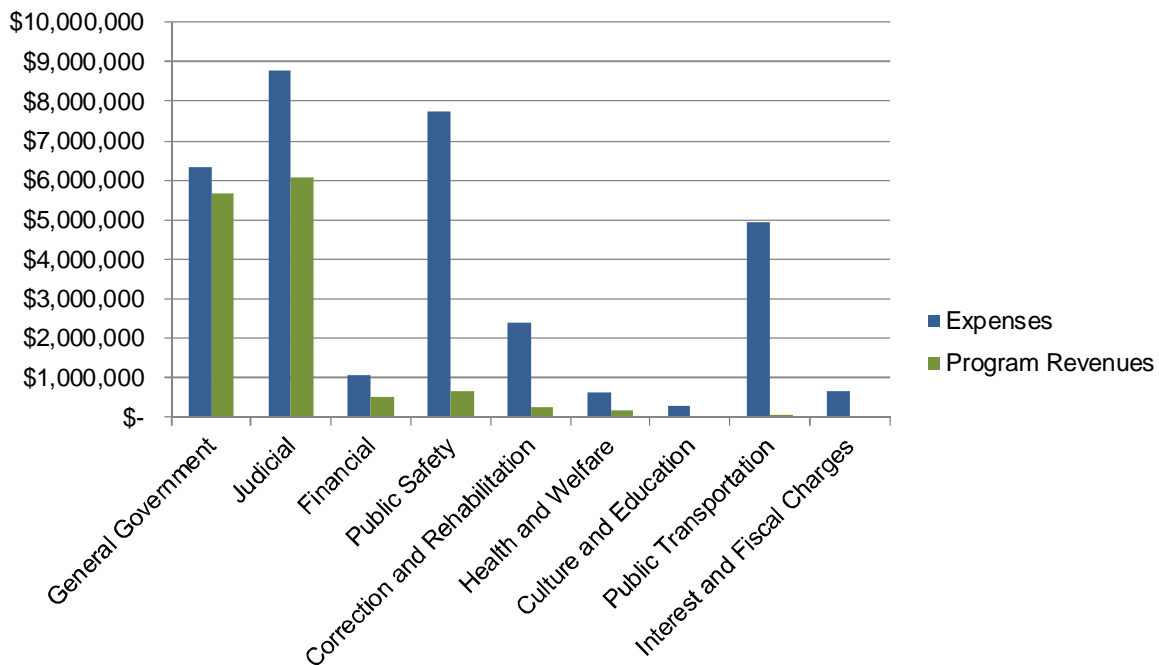
Government-wide Activities. Net position of Walker County on a government-wide view decreased by \$1,088,041 for the current year. Included in the number is \$1,385,545 for postemployment benefits. Key elements of decrease are as follows.

WALKER COUNTY, TEXAS' CHANGES IN NET POSITION

| | Governmental Activities | | | | | |
|---|-------------------------|------------|----------------------|------------|-----------------------|-------|
| | 2013 | | 2012 | | Increase (Decrease) | |
| | Amount | % | Amount | % | Amount | % |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 7,078,261 | 22 | \$ 6,853,089 | 24 | \$ 225,172 | 3 |
| Operating Grants and Contributions | 6,363,325 | 20 | 5,823,400 | 21 | 539,925 | 9 |
| General Revenues: | | | | | | |
| Property Taxes | 15,100,734 | 48 | 13,019,116 | 46 | 2,081,618 | 16 |
| Other Taxes | 3,134,572 | 10 | 2,608,382 | 9 | 526,190 | 20 |
| Investment Earnings | 35,570 | - | 13,696 | - | 21,874 | 160 |
| Total Revenues | 31,712,462 | 100 | 28,317,683 | 100 | 3,394,779 | |
| Expenses: | | | | | | |
| General Government | 6,320,712 | 19 | 4,863,509 | 16 | 1,457,203 | 30 |
| Financial | 1,057,993 | 3 | 1,496,460 | 5 | (438,467) | (29) |
| Judicial | 8,780,081 | 27 | 8,912,108 | 29 | (132,027) | (1) |
| Public Safety | 7,749,329 | 24 | 7,622,032 | 25 | 127,297 | 2 |
| Correction and Rehabilitation | 2,397,990 | 7 | 1,940,555 | 6 | 457,435 | 24 |
| Health & Welfare | 620,634 | 2 | 580,721 | 2 | 39,913 | 7 |
| Culture and Education | 279,181 | 1 | 184,623 | - | 94,558 | 51 |
| Public Transportation | 4,921,612 | 15 | 5,347,720 | 17 | (426,108) | (8) |
| Interest and Fiscal Charges | 672,971 | 2 | 11,750 | - | 661,221 | 5,627 |
| Total Expenses | 32,800,503 | 100 | 30,959,478 | 100 | 1,841,025 | |
| Change in Net Position | (1,088,041) | | (2,641,795) | | 1,553,754 | |
| Net Position - Beginning | 17,709,415 | | 20,351,210 | | (2,641,795) | |
| Prior Period Adjustment - Implement GASB 65 for Bond Issuance Costs | (295,135) | | - | | (295,135) | |
| Net Position - Beginning, as restated | 17,414,280 | | 20,351,210 | | (2,936,930) | |
| Net Position - Ending | \$ 16,326,239 | | \$ 17,709,415 | | \$ (1,383,176) | |

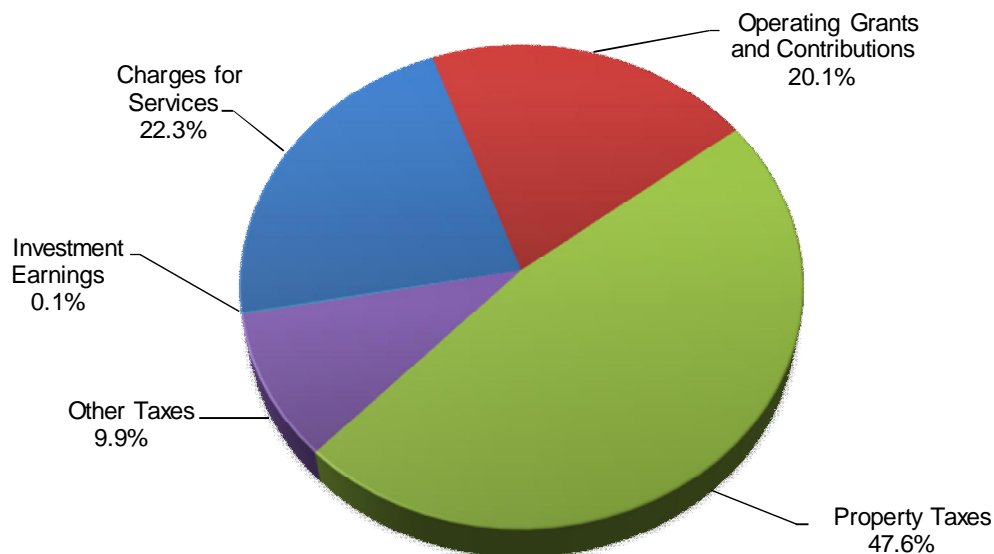
Net position decreased as a result of the accrual of the OPEB obligation. The following graphic presentation depicts expenses and program revenues for fiscal year 2013 for governmental activities (government-wide).

**Walker County, Texas
Expenses and Program Revenues
Government-wide Governmental Activities
For the Year Ending September 30, 2013**



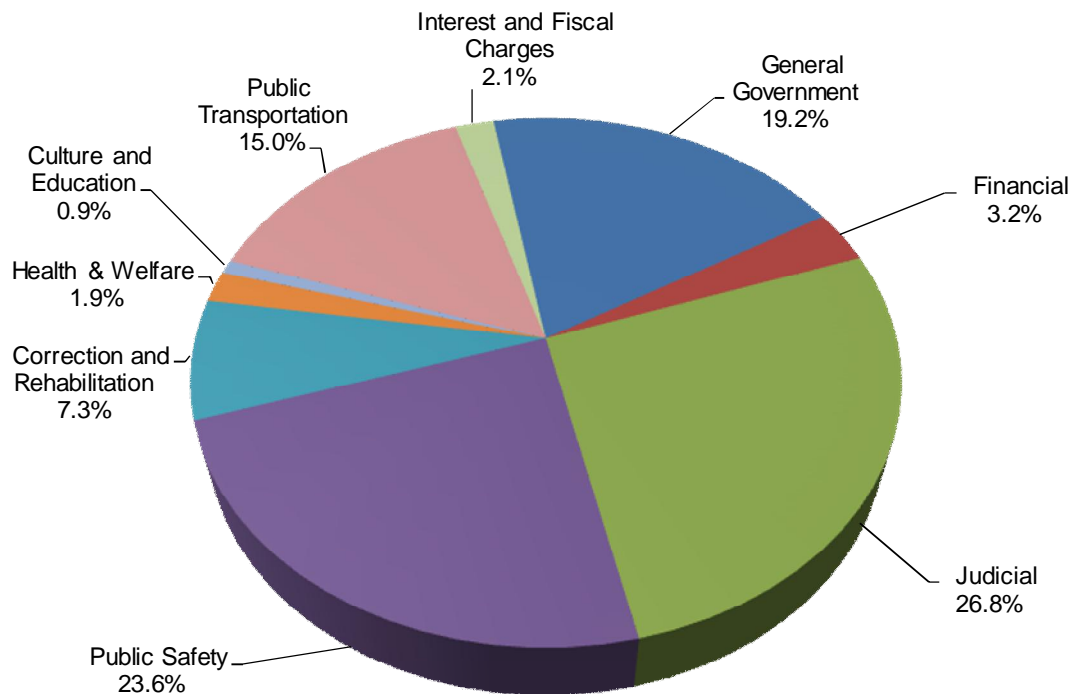
The following graphic presents revenues by source for fiscal year 2013 for governmental activities (government-wide).

**Walker County, Texas
Revenues by Source-Government-wide
Governmental Activities
For the Year Ending September 30, 2013**



The following graphic presentation presents expenditures by function for fiscal year 2013 for governmental activities (government-wide).

**Walker County, Texas
Expenses by Function-Government-wide
Governmental Activities
For the Year Ending September 30, 2013**



Financial Analysis of the County's Funds

As noted earlier, Walker County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Walker County maintains several governmental funds.

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

The County's governmental funds reflect a combined ending fund balance of \$14,900,378 (Exhibit A-5) compared to \$26,800,056 in the prior year. There was a \$20,000,000 debt issue during the fiscal year 2012 for construction of a jail. During the fiscal year ended, September 30, 2013, approximately \$12,544,132 was spent on the construction of the jail, resulting in the significant decrease in the combined governmental fund balance.

As required by GASB Statement 54, funds balances are classified as restricted, committed, assigned or as unassigned. Unassigned fund balance as of September 30, 2013 is \$3,887,335 compared to \$3,327,237 in the fiscal year ending September 30, 2012. This amount is available for day-to-day operations of the County. The General Fund showed an increase of \$497,309, a result of revenues over budget and expenditures coming in under budget. Debt Service Fund showed an increase of \$141,968. Road and Bridge Fund showed a decrease of \$199,867. The increase in the EMS fund of \$144,562 is a result of an increased transfer from the General Fund.

One measure of liquidity is to compare fund balance to total fund expenditures. The unassigned fund balance in the General Fund is approximately 24% of General Fund expenditures. Property tax collections exceeded budget. Also during the fiscal year 2013 fiscal year, a law suit was settled that resulted in approximately a \$350,000 payment in lieu of taxes. Vacancies and unfilled positions accounted for expenditures less than budgeted. A \$661,500 transfer to the Road and Bridge Fund for special projects and purchase of capital equipment including vehicles for the Sheriff Department and a Constable were paid from a budgeted reduction of the General Fund balance.

The fund balance of the Road and Bridge Fund, a fund used to account for the costs of providing road maintenance to the County, is \$1,008,717, down from \$1,208,584 in the prior fiscal year end. Road and Bridge Fund expenditures total \$4,679,062 compared to \$4,338,731 in FY 2012. The unspent funds continue to be committed for road maintenance in future years. Revenues and other financing sources total \$4,565,787 netting a \$199,867 decrease in fund balance. Funds in all four precincts are reallocated for road and bridge expenditures in the next budget year.

The Other Governmental Funds category fund balance increased by \$29,462. This category includes numerous funds.

General Fund Budgetary Highlights

This is the third year of reporting under the requirements of GASB 54. Funds previously budgeted in Other Governmental Funds and the Projects Fund are now reported in the General Fund. The Projects budget items are adopted by Commissioners' Court as a multi-year budget and the project budget items do not lapse at fiscal year end. The remaining funds from projects approved in prior years that have not completed are reflected as amendments to the original budget for the current year. The portion of fund balance that was committed for projects increased from \$721,980 in the prior fiscal year to \$862,695 at the end of the fiscal year ended September 30, 2013.

The Original Budget budgeted decrease was a planned reduction of fund balance for one-time capital expenditures, budgeted projects, contingency line items and a transfer to the Road and Bridge Fund for special projects. It is the policy of the County to maintain the fund balance at 16% to 24% (2 to 3 months) of the operating budget. County policy requires that the fund balance not be drawn down to fund on-going operating costs. The actual difference between revenues and expenditures was an increase to fund balance in the amount of \$497,309.

Differences between the original expenditure budget and final amended expenditure budget are a result primarily of grants and state funds received after adoption of the budget, and payment in lieu of taxes as a result of law suit settlement. A budgetary comparison for the General Fund can be found in required supplementary information section beginning on page 54. Increases to the revenue budget total \$744,612. The increase includes payments in lieu of taxes in the amount of \$283,472, the result of settlement of a law suit, and intergovernmental transfer primarily from the state in the amount of \$442,581. Increases to the expenditure budget were primarily in the area of transfers to other governmental funds. Some of the transfers were later determined to not be required.

Actual General Fund revenues exceeded the amended budgeted General Fund revenues, departmental expenditures were less than the amended budget and transfers were less than the amended budget during the year ended September 30, 2013. Of the total projects budgeted through September 30, 2013, there are remaining funds of \$862,695 for expenditure in future years.

Capital Assets and Debt Administration

Capital Assets. Walker County's investment in capital assets on a government-wide basis as of September 30, 2013 is \$25,150,832 (net of accumulated depreciation). Included in this total is \$680,552 in land. Investment in capital assets includes land, buildings, improvements, machinery and equipment, and bridges. As required by GASB Statement 34, depreciation is included for all depreciable assets on the government-wide statements.

WALKER COUNTY, TEXAS' CAPITAL ASSETS

(net of depreciation)

| | Governmental Activities | | | | | |
|--------------------------------------|-------------------------|------------|----------------------|------------|----------------------|-------|
| | 2013 | | 2012 | | Increase (Decrease) | |
| | Amount | % | Amount | % | Amount | % |
| Land | \$ 680,552 | 3 | \$ 680,552 | 5 | \$ - | - |
| Buildings, Facilities, and Equipment | 7,973,468 | 32 | 8,974,144 | 66 | (1,000,676) | (11) |
| Vehicles | 1,260,752 | 5 | 1,055,519 | 8 | 205,233 | 19 |
| Office Furniture and Fixtures | 611,047 | 2 | 733,692 | 5 | (122,645) | (17) |
| Machinery and Equipment | 955,844 | 4 | 1,274,713 | 9 | (318,869) | (25) |
| Construction in Progress | 13,669,169 | 54 | 957,067 | 7 | 12,712,102 | 1,328 |
| Totals | \$ 25,150,832 | 100 | \$ 13,675,687 | 100 | \$ 11,475,145 | |

Additional information on the County's capital assets can be found in the notes on page 43 and in the other supplementary section on pages 119 to 121 of this report.

Long-term Debt. In June of 2012, a certificate of obligation in the amount of \$20,000,000 was issued for the construction of a county jail. At the time of that debt issue, the County was debt free. The debt issued for the jail construction is to be paid off over a 20 year period. County policy requires that the term of payment must in all cases be less than the expected life of the asset. Debt outstanding at September 30, 2013 is \$19,315,000.

All debt is backed by the full faith and credit of the government, meaning that the County has pledged to levy a property tax sufficient to pay the debt. A tax increase was levied as part of the FY 2012-2013 budget year to pay the debt. The payments annually are generally in the \$1,380,000 range.

WALKER COUNTY, TEXAS' OUTSTANDING DEBT FOR CERTIFICATES OF OBLIGATION

| | Governmental Activities | | | | | |
|-----------------------------|-------------------------|------------|----------------------|------------|---------------------|-----|
| | 2013 | | 2012 | | Increase (Decrease) | |
| | Amount | % | Amount | % | Amount | % |
| Certificates of Obligation: | | | | | | |
| CO Series 2012 | \$ 19,315,000 | 100 | \$ 20,000,000 | 100 | \$ (685,000) | (3) |
| Totals | \$ 19,315,000 | 100 | \$ 20,000,000 | 100 | \$ (685,000) | |

For the fiscal year ended September 30, 2013, payments on certificates of obligation debt totaled \$685,000.

Additional information on debt can be found in the notes to the financial statements on page 44. In addition to debt for certificates of obligation the County has recorded debt for compensated absences of \$908,287 and a long-term obligation for post-employment benefits of \$5,276,569. This obligation for post-employment benefits is discussed on pages 48 to 50 of this report.

Economic Factors, Budget and Rate information for FY beginning October 1, 2012

- The unemployment rate in the County for 2013 was 6.6%, as compared to the state unemployment rate of 6.3% and national unemployment rate of 7.0%. This rate compares to 6.5% for the prior year according to information provided by the Texas Workforce Commission. Walker County has traditionally had very stable employment, due primarily to an economy based on employment at Sam Houston State University and Texas Department of Criminal Justice. The State's prison system is headquartered in Walker County with seven major facilities housing an estimated 14,173 inmates.
- The new improvement/construction value added to the tax roll for FY 2013(tax year 2012) totaled \$54,133,334 as compared to \$56,336,670 for the prior year. \$50,000,000+ had been consistent for the last nine years. For FY 2014 (tax year 2013), taxable new growth totaled \$44,249,743.
- Commissioners' Court approved a \$30,494,793 expenditure budget for FY 2014, an increase from the \$28,390,878 budget for the 2013 fiscal year. A large portion of the increase is due to an increase to other governmental funds.
- The tax rate adopted for the FY 2014 budget is \$0.6778 per \$100 of valuation, up from the \$0. 6355 for FY 2013. Operations costs for the new jail were added to the budget as well as other operating cost increases.
- Walker County revenues for FY 2014 at the date of this report generally continue to be in line with expectations. Total sales tax receipts are up about 12% to date in FY 2014 as compared to this time in FY 2013. Charges for service revenues as a total are in line with the budget. Ad valorem tax collections are at the approximate same percentage of levy through February. Walker County continues to closely monitor its revenues and expenditures.

Request for Information

This financial report is designed to provide a general overview of Walker County's finances for all of those with an interest in the County's finances. Questions concerning this report or requests for additional financial information should be addressed to Walker County Auditor, 1301 Sam Houston Avenue, Room 206, Huntsville, TX 77340 or P.O. Box 1260, Huntsville, TX 77342-1260.

BASIC FINANCIAL STATEMENTS

(This page was intentionally left blank)

WALKER COUNTY, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

EXHIBIT A-1

| | Governmental Activities |
|--|----------------------------|
| ASSETS: | |
| <i>Cash and Cash Equivalents</i> | \$ 16,512,382 |
| <i>Taxes Receivable</i> | 1,257,473 |
| <i>Accounts Receivable</i> | 431,505 |
| <i>Fines and Fees Receivable</i> | 660,764 |
| <i>Prepaid Items</i> | 33,227 |
| <i>Due from Others</i> | 3,437 |
| <i>Due from Other Governments</i> | 1,844,542 |
| Capital Assets Not Being Depreciated: | |
| <i>Land</i> | 680,552 |
| <i>Construction in Progress</i> | 13,669,169 |
| <i>Capital Assets, Net of Accumulated Depreciation</i> | 10,801,111 |
| Total Assets | <u>45,894,162</u> |
| LIABILITIES: | |
| <i>Accounts Payable</i> | 2,420,476 |
| <i>Accrued Interest Payable</i> | 25,488 |
| <i>Due to Others</i> | 204,070 |
| <i>Due to Other Governments</i> | 54,570 |
| <i>Accrued Liabilities</i> | 1,236,886 |
| <i>Unearned Revenue</i> | 8,713 |
| Noncurrent Liabilities: | |
| <i>Due Within One Year</i> | 1,708,287 |
| <i>Due in More Than One Year</i> | 23,909,433 |
| Total Liabilities | <u>29,567,923</u> |
| NET POSITION: | |
| <i>Net Investment in Capital Assets</i> | 12,086,797 |
| Restricted for: | |
| <i>Debt Service</i> | 116,489 |
| <i>Unrestricted</i> | 4,122,953 |
| Total Net Position | <u>\$ 16,326,239</u> |

The accompanying notes are an integral part of this statement.

(This page was intentionally left blank)

WALKER COUNTY, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT A-2

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) |
|-------------------------------|----------------------|----------------------|------------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Revenue and Changes in Net Position |
| Governmental Activities: | | | | Governmental Activities |
| General Government | \$ 6,320,712 | \$ 5,438,239 | \$ 222,159 | \$ (660,314) |
| Financial | 1,057,993 | 503,007 | - | (554,986) |
| Judicial | 8,780,081 | 530,432 | 5,539,827 | (2,709,822) |
| Public Safety | 7,749,329 | 253,021 | 426,861 | (7,069,447) |
| Correction and Rehabilitation | 2,397,990 | 160,918 | 93,296 | (2,143,776) |
| Health and Welfare | 620,634 | 109,604 | 75,310 | (435,720) |
| Culture and Education | 279,181 | - | 5,872 | (273,309) |
| Public Transportation | 4,921,612 | 83,040 | - | (4,838,572) |
| Interest and Fiscal Charges | 672,971 | - | - | (672,971) |
| Total Governmental Activities | <u>32,800,503</u> | <u>7,078,261</u> | <u>6,363,325</u> | <u>(19,358,917)</u> |
| Total Primary Government | <u>\$ 32,800,503</u> | <u>\$ 7,078,261</u> | <u>\$ 6,363,325</u> | <u>(19,358,917)</u> |

General Revenues:

| | |
|---|----------------------|
| Property Taxes | 15,100,734 |
| Sales Taxes | 2,696,082 |
| Mixed Beverage and Other Taxes | 438,490 |
| Investment Earnings | 35,570 |
| Total General Revenues | <u>18,270,876</u> |
| Change in Net Position | <u>(1,088,041)</u> |
| Net Position - Beginning | <u>17,709,415</u> |
| Prior Period Adjustment - Implement GASB 65 for Bond Issuance Costs | <u>(295,135)</u> |
| Net Position - Beginning, as restated | <u>17,414,280</u> |
| Net Position - Ending | <u>\$ 16,326,239</u> |

The accompanying notes are an integral part of this statement.

WALKER COUNTY, TEXAS
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

| | General Fund | Debt Service Fund | Capital Project - Jail Construction Fund |
|--|---------------------|-------------------|--|
| ASSETS: | | | |
| <i>Cash and Cash Equivalents</i> | \$ 5,971,136 | \$ 141,977 | \$ 8,343,001 |
| <i>Taxes Receivable</i> | 1,257,473 | - | - |
| <i>Accounts Receivable</i> | 17,982 | - | - |
| <i>Prepaid Items</i> | 33,227 | - | - |
| <i>Due from Other Governments</i> | 550,172 | - | - |
| <i>Due from Other Funds</i> | 1,175,047 | - | - |
| <i>Due from Others</i> | - | - | - |
| Total Assets | <u>\$ 9,005,037</u> | <u>\$ 141,977</u> | <u>\$ 8,343,001</u> |
| LIABILITIES: | | | |
| <i>Accounts Payable</i> | \$ 283,253 | \$ - | \$ 1,974,172 |
| <i>Due to Others</i> | 278,802 | - | - |
| <i>Due to Other Funds</i> | - | - | - |
| <i>Due to Other Governments</i> | - | - | - |
| <i>Accrued Liabilities</i> | 1,162,154 | - | - |
| <i>Unearned Revenue</i> | 8,713 | - | - |
| Total Liabilities | <u>1,732,922</u> | <u>-</u> | <u>1,974,172</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | |
| <i>Unavailable Revenue - Property Taxes</i> | 1,257,473 | - | - |
| Total Deferred Inflows of Resources | <u>1,257,473</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES: | | | |
| <i>Nonspendable - Prepaid Items</i> | 33,227 | - | - |
| <i>Restricted for Debt Service</i> | - | 141,977 | - |
| <i>Restricted for Special Revenue Funds</i> | - | - | - |
| <i>Restricted for Capital Projects Fund</i> | - | - | 6,368,829 |
| <i>Committed for Projects</i> | 862,695 | - | - |
| <i>Committed for Public Transportation</i> | - | - | - |
| <i>Committed for Public Safety</i> | - | - | - |
| <i>Assigned-One-Time Allocation</i> | 1,231,385 | - | - |
| <i>Unassigned</i> | 3,887,335 | - | - |
| Total Fund Balances | <u>6,014,642</u> | <u>141,977</u> | <u>6,368,829</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 9,005,037</u> | <u>\$ 141,977</u> | <u>\$ 8,343,001</u> |

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

| Grants - Other Fund | Road and Bridge Fund | Walker County EMS Fund | Other Governmental Funds | Total Governmental Funds |
|------------------------|-------------------------|---------------------------|--------------------------------|--------------------------------|
| \$ 28,641 | \$ 1,022,368 | \$ 156,529 | \$ 848,730 | \$ 16,512,382 |
| - | - | - | - | 1,257,473 |
| - | - | 413,523 | - | 431,505 |
| - | - | - | - | 33,227 |
| 1,257,318 | - | - | 37,052 | 1,844,542 |
| - | - | - | - | 1,175,047 |
| 3,437 | - | - | - | 3,437 |
| <u>\$ 1,289,396</u> | <u>\$ 1,022,368</u> | <u>\$ 570,052</u> | <u>\$ 885,782</u> | <u>\$ 21,257,613</u> |
| \$ 84,117 | \$ 13,651 | \$ 22,897 | \$ 42,386 | \$ 2,420,476 |
| - | - | - | - | 278,802 |
| 1,174,409 | - | - | 638 | 1,175,047 |
| - | - | - | 54,570 | 54,570 |
| - | - | - | - | 1,162,154 |
| - | - | - | - | 8,713 |
| <u>1,258,526</u> | <u>13,651</u> | <u>22,897</u> | <u>97,594</u> | <u>5,099,762</u> |
| - | - | - | - | 1,257,473 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,257,473</u> |
| - | - | - | - | 33,227 |
| - | - | - | - | 141,977 |
| 30,870 | - | - | 788,188 | 819,058 |
| - | - | - | - | 6,368,829 |
| - | - | - | - | 862,695 |
| - | 1,008,717 | - | - | 1,008,717 |
| - | - | 547,155 | - | 547,155 |
| - | - | - | - | 1,231,385 |
| - | - | - | - | 3,887,335 |
| <u>30,870</u> | <u>1,008,717</u> | <u>547,155</u> | <u>788,188</u> | <u>14,900,378</u> |
| <u>\$ 1,289,396</u> | <u>\$ 1,022,368</u> | <u>\$ 570,052</u> | <u>\$ 885,782</u> | <u>\$ 21,257,613</u> |

(This page was intentionally left blank)

WALKER COUNTY, TEXAS**EXHIBIT A-4**

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013*

Total Fund Balances - Governmental Funds (Exhibit A-3) \$ 14,900,378

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore,
are not reported in the funds. 25,150,832

Certain deferred revenues are not available to pay current period expenditures and, therefore,
are deferred in the governmental funds. 1,257,473

Certain court fines receivables are not available to pay current period expenditures and,
therefore, are not reported in the funds. 660,764

Long-term liabilities are not due and payable in the current period and, therefore, are not
reported in the governmental funds. Liabilities at year end related to such items consist of:

| | | |
|----------------------------------|--------------------|---------------------|
| Bonds, Certificate of Obligation | \$ (19,315,000) | |
| Premium on Bond | (117,864) | |
| Accrued Interest on Debt | (25,488) | |
| Compensated Absences | (908,287) | |
| Post-employment Benefits (OPEB) | <u>(5,276,569)</u> | <u>(25,643,208)</u> |

Total Net Position - Governmental Activities (Exhibit A-1) \$ 16,326,239

WALKER COUNTY, TEXAS**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

| | General Fund | Debt Service Fund | Capital Project - Jail Construction Fund |
|--|---------------------|-------------------|--|
| REVENUES: | | | |
| <i>Property Taxes</i> | \$ 11,527,986 | \$ 1,473,806 | \$ - |
| <i>Property Tax Penalty and Interest</i> | 213,997 | 8,701 | - |
| <i>Sales Tax</i> | 2,696,082 | - | - |
| <i>In Lieu of Tax</i> | 367,715 | - | - |
| <i>Mixed Beverage</i> | 70,775 | - | - |
| <i>Licenses and Permits</i> | 108,270 | - | - |
| <i>Fines and Forfeitures</i> | 95,724 | - | - |
| <i>Intergovernmental</i> | 879,904 | - | - |
| <i>Charges for Services</i> | 1,933,723 | - | - |
| <i>Interest Income</i> | 8,549 | 425 | 24,947 |
| <i>Other</i> | 190,423 | - | - |
| Total Revenues | <u>18,093,148</u> | <u>1,482,932</u> | <u>24,947</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| <i>General Government</i> | 3,167,873 | - | - |
| <i>Financial</i> | 1,703,224 | - | - |
| <i>Judicial</i> | 4,306,502 | - | - |
| <i>Public Safety</i> | 4,165,864 | - | - |
| <i>Correction and Rehabilitation</i> | 2,127,007 | - | 12,544,132 |
| <i>Health and Welfare</i> | 524,192 | - | - |
| <i>Culture and Education</i> | 184,803 | - | - |
| <i>Public Transportation</i> | 12,960 | - | - |
| Debt Service: | | | |
| <i>Principal Retirement</i> | - | 685,000 | - |
| <i>Interest and Fiscal Charges</i> | - | 655,964 | - |
| Total Expenditures | <u>16,192,425</u> | <u>1,340,964</u> | <u>12,544,132</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,900,723</u> | <u>141,968</u> | <u>(12,519,185)</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| <i>Transfers In</i> | 88,555 | - | - |
| <i>Transfers Out</i> | (1,491,969) | - | - |
| Total Other Financing Sources (Uses) | <u>(1,403,414)</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 497,309 | 141,968 | (12,519,185) |
| Fund Balances - Beginning | 5,517,333 | 9 | 18,888,014 |
| Fund Balances - Ending | <u>\$ 6,014,642</u> | <u>\$ 141,977</u> | <u>\$ 6,368,829</u> |

EXHIBIT A-5

| <u>Grants - Other Fund</u> | <u>Road and Bridge Fund</u> | <u>Walker County EMS Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------|---------------------------------|-----------------------------------|---|---|
| \$ - | \$ 1,778,887 | \$ - | \$ - | \$ 14,780,679 |
| - | - | - | - | 222,698 |
| - | - | - | - | 2,696,082 |
| - | - | - | - | 367,715 |
| - | - | - | - | 70,775 |
| - | - | - | - | 108,270 |
| - | 1,092,757 | - | 398,582 | 1,587,063 |
| 4,986,784 | 207,040 | 35,000 | 370,521 | 6,479,249 |
| - | 859,672 | 2,204,292 | 29,985 | 5,027,672 |
| - | 960 | 44 | 645 | 35,570 |
| 21,183 | 83,046 | 2,771 | - | 297,423 |
| <u>5,007,967</u> | <u>4,022,362</u> | <u>2,242,107</u> | <u>799,733</u> | <u>31,673,196</u> |
| 560 | - | - | 164,643 | 3,333,076 |
| - | - | - | 4,882 | 1,708,106 |
| 4,565,991 | - | - | 537,992 | 9,410,485 |
| 272,809 | - | 3,010,901 | 80,979 | 7,530,553 |
| - | - | - | - | 14,671,139 |
| 84,237 | - | - | - | 608,429 |
| 93,297 | - | - | - | 278,100 |
| - | 4,679,062 | - | - | 4,692,022 |
| - | - | - | - | 685,000 |
| - | - | - | - | 655,964 |
| <u>5,016,894</u> | <u>4,679,062</u> | <u>3,010,901</u> | <u>788,496</u> | <u>43,572,874</u> |
| <u>(8,927)</u> | <u>(656,700)</u> | <u>(768,794)</u> | <u>11,237</u> | <u>(11,899,678)</u> |
| 15,000 | 543,425 | 913,356 | 18,225 | 1,578,561 |
| - | (86,592) | - | - | (1,578,561) |
| <u>15,000</u> | <u>456,833</u> | <u>913,356</u> | <u>18,225</u> | <u>-</u> |
| 6,073 | (199,867) | 144,562 | 29,462 | (11,899,678) |
| 24,797 | 1,208,584 | 402,593 | 758,726 | 26,800,056 |
| <u>\$ 30,870</u> | <u>\$ 1,008,717</u> | <u>\$ 547,155</u> | <u>\$ 788,188</u> | <u>\$ 14,900,378</u> |

WALKER COUNTY, TEXAS**EXHIBIT A-6****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Total Net Change in Fund Balance - Governmental Funds (Exhibit A-5) \$ (11,899,678)

Amounts reported for governmental activities in the statement of activities are different because:

Some property taxes will not be collected for several months after the County's fiscal year end and are not considered "available" revenues and, therefore, are unrecorded in the governmental funds. Deferred tax revenues increased by this amount this year. 93,948

Some court fines will not be collected for several months after the County's fiscal year end and are not considered "available" revenues and, therefore, are deferred in the governmental funds. Court revenues increased by this amount this year. 6,104

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | | |
|----------------------|--------------------|------------|
| Capital Outlay | \$ 13,595,819 | |
| Depreciation Expense | <u>(2,059,888)</u> | 11,535,931 |

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (60,786)

Long-term debt (e.g., certificate of obligation, compensated absences and post employment benefits) provides current financial resources to governmental funds, while the repayment of the long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | | |
|---|--------------------|------------------|
| Payment of principal | \$ 685,000 | |
| Amortization of bond premium | 6,488 | |
| Accrued interest on debt | (23,495) | |
| Compensated absences liability increased | (46,008) | |
| Payables for post employment benefits which increased | <u>(1,385,545)</u> | <u>(763,560)</u> |

Change in Net Position - Governmental Activities (Exhibit A-2) \$ (1,088,041)

The accompanying notes are an integral part of this statement.

WALKER COUNTY, TEXAS**EXHIBIT A-7****STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****FIDUCIARY FUND****SEPTEMBER 30, 2013****ASSETS:***Cash and Cash Equivalents*

\$ 3,155,108

Accounts Receivable

714

Total Assets

\$ 3,155,822**LIABILITIES:***Accounts Payable*

\$ 13,203

Due to Others

1,814,244

Due to Other Governments

1,328,375

Total Liabilities

\$ 3,155,822

The accompanying notes are an integral part of this statement.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

A. Summary of Significant Accounting Policies

1. Reporting Entity

The government of Walker County, Texas is a political subdivision of the State of Texas, formed in 1846. The combined financial statements of Walker County, Texas (the "County") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The County's combined financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 61, "The Financial Reporting Entity: Omnibus An Amendment of GASB Statements No. 14 and No. 34," include whether:

- The organization is legally separate (can sue and be sued in its name)
- The County holds the corporate powers of the organization
- The County appoints a voting majority of the organization's board
- The County is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the County
- There is fiscal dependency by the organization on the County

Based upon the application of these criteria to various separate entities, the organizations are classified as blended or discrete component units, related organizations, joint ventures, or jointly governed organizations with the financial disclosure treated accordingly. The following is a brief review of each potential component unit addressed in defining the government's reporting entity.

Related Organizations - Where the Commissioners' Court is responsible for appointing a majority of the members of a board of another organization, but the County's accountability does not extend beyond making such appointments, disclosure is made in the form of the relation between the County and such organization.

Walker County Emergency Services District No. 1 & No. 2

The emergency services districts are organized under the statutes of the State of Texas as political subdivisions of the State to provide protection from fire for life and property. Although Commissioners' Court appoints a five-member board for each district, the individual boards retain exclusive authority to levy taxes, issue bonded debt and approve appropriation budgets. Each district is required by statute to provide audited financial statements to the County as a matter of record.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB Statement No. 34 establishes new requirements and a new reporting model for the annual reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions.

Management's Discussion and Analysis

GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis that private sector companies provide in their annual reports.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Government-wide Financial Statements

The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities, but also capital assets and long-term liabilities, if appropriate (such as buildings and infrastructure, including roads and bridges, and general obligation debt). Accrual accounting reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter, as is the case with the modified accrual basis of accounting. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the consolidation process.

Statement of Net Position

The Statement of Net Position is designed to display the financial position of the primary government (governmental and business-type activities) and its discretely presented component unit. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report related depreciation expense, the cost of "using up" capital assets, in the Statement of Activities. The net position of a government are broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities

The government-wide statement of activities reports expenses and revenue in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (such as user charges or intergovernmental grants).

Budgetary Comparison Schedules

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of the state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets throughout the year for a variety of reasons. Under the GASB 34 reporting model, governments will continue to provide budgetary comparison information in their annual reports.

Government-wide and Fund Accounting

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. While the previous reporting model emphasized fund types (the total of all funds of a particular type), the new reporting model focuses on either the County as a whole or on major individual funds (within the fund financial statements). Typically, both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. The County reports only governmental type activities within the basic financial statements. In the government-wide Statement of Net Position, governmental activities are presented on a full accrual, economic resource basis, which incorporates long-term assets and receivables, as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government, financial, public safety, etc.), which are otherwise being supported by general government revenues (property taxes, earnings on investments, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues. The program revenues must be directly associated with the function (general government, financial, public safety, etc.).

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource basis and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile fund-based financial statements with the governmental column of the government-wide presentation.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

The County's fiduciary funds are presented in the fund financial statements by type. Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. Since the County only reports agency funds, a statement of changes in fiduciary net position is not presented. All assets reported in agency funds should be offset by a corresponding liability, resulting in zero net position.

The focus of the revised reporting model is on the County as a whole and the fund financial statements, including the major individual funds of the governmental funds, as well as the fiduciary funds and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

In the fund financial statements, the accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. A description of the various funds follows.

The County reports the following major governmental funds:

General Fund

The General Fund is the County's primary operating fund. It is used to account for all financial transactions not properly includable in other funds. The principal source of revenue is local property taxes. Expenditures include all costs associated with the daily operations of the County.

Debt Service

The debt service fund accounts for the servicing of long-term debt.

Jail Project Fund

The jail project fund accounts for the construction of the new county jail.

Grants and Contracts Fund

This governmental fund accounts for contracts and grants the County enters into with the State of Texas and the federal government.

Road and Bridge Fund

The Road and Bridge Fund is used to account for the costs associated with the construction and maintenance of roads and bridges. Revenues are derived mainly from ad-valorem taxes, intergovernmental revenues, and fees and fines.

Emergency Medical Service Fund

The Emergency Medical Service (EMS) fund is used to account for all financial transactions incurred by providing emergency medical and ambulance services to the public.

In addition, the County reports the following fund types:

Fiduciary Funds

Agency funds account for monies held by the County in trust for the beneficiary.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

b. Measurement Focus, Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund-types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net total position.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statements have no measurement focus since they consist solely of agency funds. 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.

The accounts of the governmental fund types (the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects) are maintained, and the financial statements have been prepared, on the modified accrual basis of accounting. Under this basis of accounting revenues are recognized when they become susceptible to accrual (i.e., both measurable and available.) Available means collectible within the current year or soon enough thereafter to pay liabilities within 60 days of the end of the current fiscal period. Substantially all revenues, except property taxes and fines, are considered to be susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as expenditures when due.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Revenues that are generated internally are reported as general revenues, including property taxes.

B. Assets, liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The government'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.

Short-term investments for the County are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Investment Pool (Pool). In accordance with state law, the Pool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the Pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. The Pool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

2. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

3. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

4. Capital Assets

Capital assets used in governmental fund types of the government are recorded as expenditures of the General, Special Revenue and Capital Projects Funds and as assets in the government-wide financial statements to the extent the County's capitalization threshold is met, currently \$5,000. Depreciation is recorded on capital assets on a government-wide basis. Major outlays for capital assets and improvements are capitalized as projects are constructed and subsequently depreciated over their estimated useful lives on a straight-line basis at the government-wide levels.

All capital assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized and are not included.

Land and construction in progress are not depreciated.

Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and the resulting gain or loss is included in the results of operations.

Capital assets are being depreciated over the following estimated useful lives:

| <u>Asset Class</u> | <u>Estimated Useful Lives</u> |
|-------------------------|-----------------------------------|
| Infrastructure | 20-40 |
| Buildings | 5-20 |
| Building Improvements | 3-20 |
| Vehicles | 4-7 |
| Furniture and Fixtures | 1-10 |
| Machinery and Equipment | 5-20 |

5. Compensated Absences

The County's policy permits employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. Vested or accumulated leave that is expected to be liquidated with expendable financial resources is reported as an expenditure of the governmental fund when paid.

Amounts not expected to be liquidated with expendable available financial resources are reported as long-term debt in the government-wide statements for governmental funds. These amounts are calculated using employee pay rates in effect at year-end. No expenditure is recognized as incurred for these amounts until the actual leave time is used.

All compensated absences and related liabilities are recorded in the government-wide financial statements. However, compensated absences are reported in governmental funds only if they have matured unused reimbursable leave still outstanding following an employee's resignation or retirement.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County does not have an item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*,

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

8. Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The governing body is the highest level of decision-making authority for the County that can, by adoption of an order prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the order remains in place until a similar action is taken (the adoption of another order) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The governing body (Commissioners' Court) has by resolution authorized the County Auditor to assign fund balance. The Commissioners' Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Additionally, the County has a policy to maintain fund balance at the 16.67% range of the operating costs reflected in the most current General Fund budget.

10. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

11. Implementation of New Standard

Change in Accounting Principles – As a result of implementing GASB Statements Nos. 63 and 65, the County has restarted the beginning net position in the government-wide statement of activities, effectively decreasing net position as of October 1, 2012 by \$295,135. The decrease results from no longer deferring and amortizing bond issuance costs.

C. Compliance and Accountability

Budgets

The statutes of the State of Texas provide that "the amounts budgeted in a fiscal year for expenditures from the various funds of the County may not exceed the balances in those funds as of the first day of the fiscal year, plus the anticipated revenue for the fiscal year as estimated by the County Auditor." In addition, the law provides that the Commissioners' Court may, upon proper application, transfer an existing budget (during the year to a budget of like kind but no such transfer shall increase the total of the budget.

An itemized budget must be prepared to allow as clear a comparison as practicable between the proposed budget and actual expenditures for the same of similar purposes that were made for the preceding fiscal year. The budget must contain a complete financial statement of the county that shows: 1) the outstanding obligations of the County; 2) the cash on hand to the credit of each fund of the County government; 3) the funds received from all sources during the preceding year; 4) the funds available from all sources during the ensuing fiscal year; 5) the estimated revenues available to cover the proposed budget; and 6) the estimated tax rate required to cover the proposed budget.

On or before the second Monday in July each year, all agencies of the County submit requests for appropriations to the County Judge so that a budget may be prepared. A copy of the proposed budget must be filed with the Clerk of the County Court and made available to the public by the last day of July. Before September 30, the proposed budget is presented to the Commissioners' Court for review and adoption. The Court holds public hearings as necessary and may add to, subtract from, or change appropriations but may not change the form of the budget.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The legal level of budgetary control is the category defined as Salary, Other Pay and Benefits, Operations, Capital Expenditures and Transfers. The budget is prepared by fund, function, department, and category and includes information about the past year current year estimates, and requested appropriations for the next fiscal year. The County's department heads may make transfers of appropriations within categories established for their departments. Transfers of appropriations between categories and/or departments require a budget amendment and approval of Commissioners' Court. All annual appropriations lapse at fiscal year end.

Encumbrance accounting is employed in governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Available funds are encumbered during the year upon execution of purchase orders, contracts, or other appropriate documents in order to reserve that portion of the applicable appropriation. As all encumbrances lapse at year end, those encumbrances (e.g. purchase orders, contracts) outstanding at September 30 must be reappropriated in the budget of the subsequent year.

D. Deposits and Investments

The County's funds are required to be deposited under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved pledged securities in an amount sufficient to protect County funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Cash Deposits

The County's cash and cash equivalents at September 30, 2013 are summarized as follows:

| | Carrying Amount |
|---|----------------------------|
| Cash Deposits | \$ 3,445,231 |
| Investments considered cash and cash equivalents: | |
| Texas Local Government Investment Pool | 8,588,765 |
| DWS Government Cash Institutional Shares | 1,861,693 |
| Cooperative Liquid Assets Securities System Trust (Texas Class) | 5,771,801 |
| Total Cash and Cash Equivalents | \$ 19,667,490 |

Investments

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of the types of authorized investments in which the investing County's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the County.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the County adhered to the requirements of the Act. Additionally, investment practices of the County were in accordance with local policies.

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

The County invests surplus funds in accordance with its investment policy. The investments are in investment pools which are not categorized securities that exist in physical or book entry form. The fair value of the position in the external investment pool is the same as the value of the pool shares.

Analysis of Specific Deposit and Investment Risks

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. It is the County's policy to focus on safety and liquidity. The current policy is to invest only in investment pools. At year end, the County was not significantly exposed to credit risk. As of September 30, 2013, the government's investment in all money market investment accounts were rated at least AAAM by Standard & Poor's.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the County's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the County's name.

At year end, the County was not exposed to custodial credit risk.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the County was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the County was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the County was not exposed to foreign currency risk.

D. Receivables

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2013 are as follows:

| | General | Grants and Contracts | EMS | Other Governmental | Total |
|------------------------------------|---------------------|-------------------------|-------------------|-----------------------|---------------------|
| Receivables: | | | | | |
| Taxes | \$ 1,257,473 | \$ - | \$ - | \$ - | \$ 1,257,473 |
| Other Receivables | - | 3,437 | - | - | 3,437 |
| Other Governments | 550,172 | 1,257,318 | - | 37,052 | 1,844,542 |
| Accounts | 17,982 | - | 2,756,804 | - | 2,774,786 |
| Less: Allowance for Uncollectibles | - | - | (2,343,281) | - | (2,343,281) |
| Net Total Receivables | \$ 1,825,627 | \$ 1,260,755 | \$ 413,523 | \$ 37,052 | \$ 3,536,957 |

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. As of September 30, 2013 the various components of unearned revenue reported in the governmental funds are as follows:

| | Unearned |
|---|-----------------|
| Grant funds received prior to meeting all eligibility requirements (General Fund) | \$ 8,713 |
| Total Deferred/Unearned Revenue for Governmental Funds | \$ 8,713 |

E. Property Taxes

The County's tax year covers the period October 1 through September 30. The County's property taxes are levied annually in October on the basis of the Walker County Appraisal District's ("WCAD") assessed values as of January 1 of that calendar year. The WCAD establishes appraised values at 100% of market value less exemptions. The County's property taxes are billed and collected by the Walker County Appraisal District. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

1. 2012 Tax Year

Property taxes are prorated between the General, Road and Bridge, and Debt Service Funds based on rates adopted for the year of the levy. For the 2013 fiscal year (2012 tax year), the County levied property taxes of \$0.6355 per \$100 of assessed valuation. The 2012 rates resulted in total tax levies of approximately \$15.06 million based on a total adjusted valuation of approximately \$2.4 billion. The total tax rate in the 2012 tax year was prorated as follows:

| | 2012 Rate |
|------------------------------|------------------|
| General Fund/Road and Bridge | \$ 0.5712 |
| Debt Service Fund | 0.0643 |
| Total Tax Rate | \$ 0.6355 |

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

2. Walker County Appraisal District

Walker County Appraisal District ("WCAD"), a separate governmental entity, is responsible for the recording and appraisal of property for all taxing units in the County.

The WCAD is required by state law to assess property at 100% of its appraised value. Further, real property must be appraised at least every three years. Under certain circumstances, the taxpayers and taxing units, including the County, may challenge orders of the WCAD's Appraisal Review Board through various appeals and, if necessary, legal action may be taken.

F. Interfund Receivables and Payables

At September 30, 2013, the interfund receivables and payables were as follows:

| <u>Due to Fund</u> | <u>Due From Fund</u> | <u>Amount</u> | <u>Purpose</u> |
|--------------------|-------------------------------------|---------------|-----------------|
| General Fund | Grants and Contracts Fund | \$ 35,814 | Short-term Loan |
| General Fund | Other Governmental Funds - Nonmajor | 1,139,234 | Short-term Loan |

G. Capital Assets

Capital asset activity for the year ended September 30, 2013, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|---|------------------------------|----------------------|--------------------|---------------------------|
| Capital Assets, not being Depreciated: | | | | |
| Land | \$ 680,552 | \$ - | \$ - | \$ 680,552 |
| Construction in Progress | 957,067 | 12,712,102 | - | 13,669,169 |
| Total Capital Assets, not being Depreciated | 1,637,619 | 12,712,102 | - | 14,349,721 |
| Capital Assets, being Depreciated: | | | | |
| Vehicles | 4,430,021 | 657,738 | (365,947) | 4,721,812 |
| Office Furniture and Fixtures | 2,024,047 | 129,250 | (109,215) | 2,044,082 |
| Machinery and Equipment | 4,729,588 | 78,013 | (50,342) | 4,757,259 |
| Buildings, Facilities, and Improvements | 21,270,918 | 18,716 | - | 21,289,634 |
| Total Capital Assets, being Depreciated | 32,454,574 | 883,717 | (525,504) | 32,812,787 |
| Less Accumulated Depreciation for: | | | | |
| Vehicles | (3,374,502) | (422,533) | 335,975 | (3,461,060) |
| Office Furniture and Fixtures | (1,290,355) | (247,029) | 104,349 | (1,433,035) |
| Machinery and Equipment | (3,454,875) | (370,934) | 24,394 | (3,801,415) |
| Buildings, Facilities, and Improvements | (12,296,774) | (1,019,392) | - | (13,316,166) |
| Total Accumulated Depreciation | (20,416,506) | (2,059,888) | 464,718 | (22,011,676) |
| Total Capital Assets, being Depreciated, net | 12,038,068 | (1,176,171) | (60,786) | 10,801,111 |
| Capital Assets, net | \$ 13,675,687 | \$ 11,535,931 | \$ (60,786) | \$ 25,150,832 |

Depreciation was charged to functions as follows:

| | |
|-----------------------------------|---------------------|
| General Government | \$ 551,897 |
| Judicial | 26,812 |
| Financial | 2,094 |
| Public Safety | 768,910 |
| Correction and Rehabilitation | 309,475 |
| Health and Welfare | 117,024 |
| Public Transportation | 282,595 |
| Culture and Education | 1,081 |
| Total Depreciation Expense | \$ 2,059,888 |

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

H. Long-Term Debt

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Long-term bonded debt and certificates of obligation at September 30, 2013 are listed below:

| <u>Description</u> | <u>Interest Rate</u> | <u>Date of Issue</u> | <u>Maturity Date</u> | <u>Original Issue</u> | <u>Outstanding Debt</u> |
|-----------------------------|----------------------|----------------------|----------------------|-----------------------|-------------------------|
| Certificates of Obligation: | | | | | |
| Series 2012 | 2.00-3.750% | 6/1/2012 | 8/1/2032 | \$ 20,000,000 | \$ 19,315,000 |
| Totals | | | | \$ 20,000,000 | \$ 19,315,000 |

The Series 2012 certificates of obligation were issued to construct a new county jail.

A summary of long-term liability transactions of the County for the year ended September 30, 2013, follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|--------------------------|---------------------|-----------------------|-----------------------|----------------------------|
| Governmental Activities: | | | | | |
| Certificates of Obligation | \$ 20,000,000 | \$ - | \$ (685,000) | \$ 19,315,000 | \$ 800,000 |
| Less Deferred Amounts: | | | | | |
| For Issuance Premiums | 124,352 | - | (6,488) | 117,864 | - |
| Total Certificates of Obligation | 20,124,352 | - | (691,488) | 19,432,864 | 800,000 |
| Compensated Absences | 862,279 | 485,455 | (439,447) | 908,287 | 908,287 |
| OPEB Obligations * | 3,891,024 | 1,589,109 | (203,564) | 5,276,569 | - |
| Total Long-term Liabilities | \$ 24,877,655 | \$ 2,074,564 | \$ (1,334,499) | \$ 25,617,720 | \$ 1,708,287 |

* Other Long-term Liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

| <u>Liability</u> | <u>Activity Type</u> | <u>Fund</u> |
|----------------------|----------------------|--|
| Compensated Absences | Governmental | General Fund and Special Revenue Funds |
| OPEB Obligations | Governmental | General Fund |

Annual debt service requirements for certificates of obligations to maturity are summarized as follows:

| | <u>Certificates of Obligation</u> | | |
|----------------------------------|-----------------------------------|---------------------|---------------------------|
| <u>Year Ending September 30,</u> | <u>Principal Value</u> | <u>Interest</u> | <u>Total Requirements</u> |
| 2014 | \$ 800,000 | \$ 576,668 | \$ 1,376,668 |
| 2015 | 815,000 | 560,668 | 1,375,668 |
| 2016 | 830,000 | 544,368 | 1,374,368 |
| 2017 | 845,000 | 527,768 | 1,372,768 |
| 2018 | 865,000 | 510,868 | 1,375,868 |
| 2019 | 880,000 | 493,568 | 1,373,568 |
| 2020 | 910,000 | 467,168 | 1,377,168 |
| 2021 | 935,000 | 439,868 | 1,374,868 |
| 2022 | 965,000 | 411,818 | 1,376,818 |
| 2023 | 990,000 | 382,868 | 1,372,868 |
| 2024 | 1,020,000 | 353,168 | 1,373,168 |
| 2025 | 1,055,000 | 322,567 | 1,377,567 |
| 2026 | 1,085,000 | 289,598 | 1,374,598 |
| 2027 | 1,120,000 | 255,692 | 1,375,692 |
| 2028 | 1,155,000 | 219,292 | 1,374,292 |
| 2029 | 1,195,000 | 180,310 | 1,375,310 |
| 2030 | 1,235,000 | 139,980 | 1,374,980 |
| 2031 | 1,280,000 | 96,754 | 1,376,754 |
| 2032 | 1,335,000 | 41,162 | 1,376,162 |
| Totals | \$ 19,315,000 | \$ 6,814,153 | \$ 26,129,153 |

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the System performed calculations of excess investment earnings on various bonds and financing and at September 30, 2013 does not expect to incur a liability.

I. Leases

Operating Leases

The County is a party to several lease agreements either as a lessor or lessee. The significant terms for each lease are discussed below.

Walker County Health Center

The County has leased approximately 6,400 square feet in the Walker County Health Center to the Senior Center of Walker County, Inc. for an annual rental of \$1. The lease term is twenty years beginning November 14, 1985. The County provides general maintenance services to the building exterior and grounds and provides up to \$6,000 for general operating expenses. The Senior Center of Walker County, Inc. is responsible for janitorial services. Insurance coverage is split between the County and the Senior Center of Walker County, Inc.

In addition, the County allows use of office space located in the Health Center facility by the Special Prosecution Unit (SPU) - Criminal. An agency funded by state grant money, the SPU budget pays for janitorial services, insurance, and utilities at no cost. The County is responsible for repairs to the facility.

| | |
|--------------------------------|------------|
| Total Cost of Health Center | \$ 250,000 |
| Accumulated Depreciation | 250,000 |
| Carrying Cost of Health Center | \$ - |
| Current Year Depreciation | \$ 6,250 |

Buildings at 115 Highway 75 North

The County leases two wooden buildings comprising approximately 3,240 square feet to Community Organization of Missionary Endeavor (COME) for an annual rental of \$1. The original lease has expired and the lease is now on a month to month basis. The County provides insurance and building maintenance. COME pays utilities and provides janitorial services.

| | |
|------------------------------|-----------|
| Total Cost of COME Center | \$ 20,000 |
| Accumulated Depreciation | 20,000 |
| Carrying Cost of COME Center | \$ - |
| Current Year Depreciation | \$ 500 |

Building at SH 75 North, Suite 100

The County allows use of approximately 3,000 square feet to the Special Prosecution Unit (SPU) at no cost. An agency funded by state grant money, the SPU budget pays for janitorial services, insurance, and utilities. The County is responsible for repairs to the facility. The initial contract period was September 1, 2007 through August 31, 2008, with successive one year renewals.

| | |
|---------------------------|------------|
| Total Cost of Building | \$ 150,000 |
| Accumulated Depreciation | 150,000 |
| Carrying Cost of Building | \$ - |
| Current Year Depreciation | \$ 3,750 |

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

344 Highway 75 North, Suite 200

The County allows use of office space to the Special Prosecution Unit (SPU) at no cost. SPU is responsible for janitorial services, insurance and utilities. The County is responsible for repairs to the facility.

| | | |
|---------------------------|----|-----------------|
| Total Cost of Building | \$ | 150,000 |
| Accumulated Depreciation | | 150,000 |
| Carrying Cost of Building | \$ | <u><u>-</u></u> |
| Current Year Depreciation | \$ | 3,750 |

340 Highway 75 North, Suite A

The County allows use of office space to the Special Prosecution Unit (SPU) at no cost. SPU is responsible for janitorial services, insurance and utilities. The County is responsible for repairs to the facility.

| | | |
|---------------------------|----|-----------------|
| Total Cost of Building | \$ | 250,000 |
| Accumulated Depreciation | | 250,000 |
| Carrying Cost of Building | \$ | <u><u>-</u></u> |
| Current Year Depreciation | \$ | 6,250 |

Office Space at 1301 Sam Houston Avenue

The County has leased approximately 216 square feet of the 20,706 square foot Courthouse Annex to State Representative Lois Kolkhorst for \$2,400 annually. The leased premises are used in connection with official business as a State Representative.

| | | |
|-----------------------------------|----|---------------------|
| Total Cost of Courthouse Annex | \$ | 15,626 |
| Accumulated Depreciation | | 8,593 |
| Carrying Cost of Courthouse Annex | \$ | <u><u>7,033</u></u> |
| Current Year Depreciation | \$ | 781 |

Powell Family Home

The County leases from the Estate of Ben H. Powell III the Powell Family Home for an annual rental of \$1 for the purpose of operating a historical museum. The lease term is fifty years beginning January 1, 1984. Additional rent assessments are charged for property taxes and other costs. The County maintains and repairs the premises as well as incurs rights and obligations to operate and manage the leased premises in accordance with the provisions of the lease agreement and laws applicable to the Walker County Historical Commission.

1313 University Avenue

The County leases office space to the Department of Public Safety (DPS) at no charge. Prior to March 2008, DPS leased the building at 344 Highway 75 North, Suite 200. DPS is responsible for all charges for utilities, maintenance, repairs and other similar charges for services rendered on the premise. The contract is for ten years beginning September 1, 2004 and terminating August 31, 2014. The original contract remains in effect for the remainder of the term.

| | | |
|---------------------------|----|----------------------|
| Total Cost of Building | \$ | 86,163 |
| Accumulated Depreciation | | 26,925 |
| Carrying Cost of Building | \$ | <u><u>59,238</u></u> |
| Current Year Depreciation | \$ | 4,308 |

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

344 Highway 75 North, Suite 300

The County leases 1,500 square feet of office space to the United Way of Walker County at no charge. United Way is responsible for janitorial services, insurance and all utilities supplied to the premises. Walker County is responsible for repairs to the facility. The initial contract period began August 28, 2011, and terminated on September 30, 2012. The contract allows for successive one month renewals and currently is in the renewal period.

| | |
|---------------------------|-----------|
| Total Cost of Building | \$ 54,444 |
| Accumulated Depreciation | 54,444 |
| Carrying Cost of Building | \$ - |
| Current Year Depreciation | \$ 1,361 |

Clinic Space at 1301 Sam Houston Avenue

The County has leased 240 square feet of office space from the 20,706 square foot Courthouse Annex to the Texas Health and Human Services Commission at no charge. The Texas Health and Human Services Commission was responsible for utilities, phone installation and phone service for the space. Walker County was responsible for facility repairs and upkeep and provided janitorial services. The provided space was used by the Department of State Health Services to house two Registered Nurses for the public health clinic to provide services such as immunizations and TB case management and control and working with the schools and the public on public health issues. The initial contract period began September 1, 2011 and terminated November 30, 2011 and allowed for successive three month renewals. Final termination of the contract was November 2012.

| | |
|---------------------------|-----------|
| Total Cost of Building | \$ 17,429 |
| Accumulated Depreciation | 9,585 |
| Carrying Cost of Building | \$ 7,844 |
| Current Year Depreciation | \$ 7,844 |

J. Interfund Transactions

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." The following is summary of the County's transfers for the year ended September 30, 2012:

| <u>Transfers From</u> | <u>Transfers To</u> | <u>Amount</u> |
|-----------------------|-------------------------------------|---------------------|
| General Fund | Road and Bridge Fund | \$ 543,425 |
| General Fund | Walker County EMS Fund | 913,356 |
| General Fund | Other Governmental Funds - Nonmajor | 18,225 |
| General Fund | Grants and Contracts Fund | 15,000 |
| Road and Bridge Fund | General Fund | 88,555 |
| Total | | \$ 1,578,561 |

K. Pension Plan

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 641 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 PO Box 2034, Austin, TX 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with eight or more years of service, with 20 years of service regardless of age, or when the sum of their age and years equals 75 or more. Members are vested after eight years of service but must leave their accumulated

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

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 governing body of the employer within the actuarial 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 contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Contributions

The employer has elected the annually determined contribution rate (ADCR) 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 11.93% for the months of the accounting year in 2013, and 11.33% for the months of the accounting year in 2012. The contribution rate payable by the employee members is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

For the years ended September 30, 2013, 2012 and 2011, the pension cost for the TCDRS plan and the actual contributions made were \$1,786,972, \$1,689,509, and \$1,635,829, respectively. Because all contributions are made as required, no pension obligation existed at September 30, 2013.

Annual Pension Cost. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2012 was 20 years.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the plan was 79.98 percent funded. The actuarial accrued liability for benefits was \$43,669,571, and the actuarial value of assets was \$34,926,964, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,742,607. The covered payroll (annual payroll of active employees covered by the plan) was \$15,108,477, and the ratio of the UAAL to the covered payroll was 57.87 percent.

The Schedule of TCDRS Funding Progress, which is found in the Required Supplementary Information immediately following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

L. Other Postemployment Benefits Plan

1. Plan Description

Permanent full-time employees of the County who were hired before October 1, 2012 and are retiring under TCDRS with 20 consecutive years of service, are eligible to participate in the retiree health care plan, a single employer plan, with the cost to Walker County until the retiree reaches age 65. At age 65, when employees become eligible for Medicare, the County will pay the premium for a Medicare supplement policy. The retiree pays Medicare Part B premiums.

Permanent full-time employees of the County who retire prior to October 1, 2012 with less than 20 consecutive years of service, are eligible to participate in the Medicare supplement policy for themselves and any eligible dependents at their own expense.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

2. Funding Policy

The County has elected to fund the retiree health care benefits using the pay-as-you-go (or cash disbursement) method. The County's annual contribution for these benefits is equal to the actual disbursements during the year for health care benefits for retired employees. This method of funding will result in increasing contributions over time. Per capita cash disbursements will tend to increase from year to year as the cost of health care services, or the utilization of these services increase.

A retiree health care plan is similar to a defined benefit pension plan, in that promises are made to employees to provide to them with a benefit payable at some future date. For defined benefit pension plan sponsors, a common funding objective is to contribute annual amounts to a fund which will i) remain level as a percentage of active member payroll, and ii) when combined with present assets and future investment return will be sufficient to meet the financial obligations of the Plan to current and future retirees.

The ultimate determination as to the level of pre-funding will be the result of decisions made in an attempt to reconcile the often conflicting needs of benefit security for members and fiscal responsibility for the County. Currently, Walker County has not established a trust to pay retiree health benefits; therefore, a separate GAAP basis post-employment benefit plan report is not available.

3. Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2009 as required by GASB. The annual OPEB cost for the fiscal year ending September 30, 2013, is as follows:

| | 2013 | 2012 | 2011 |
|--|---------------------|---------------------|---------------------|
| Annual OPEB cost: | | | |
| Annual Required Contribution (ARC) | \$ 1,576,251 | \$ 1,323,643 | \$ 1,217,583 |
| Interest on Prior Year Net OPEB Obligation | 175,096 | 121,380 | 71,033 |
| Adjustment to the ARC | (162,238) | (112,467) | (65,811) |
| Annual OPEB Cost | <u>1,589,109</u> | <u>1,332,556</u> | <u>1,222,805</u> |
| Employer Contributions | <u>(203,564)</u> | <u>(138,867)</u> | <u>(103,984)</u> |
| Total Contributions | <u>(203,564)</u> | <u>(138,867)</u> | <u>(103,984)</u> |
| Net OPEB Obligation Increase (Decrease) | 1,385,545 | 1,193,689 | 1,118,821 |
| Net OPEB Obligation - October 1 | <u>3,891,024</u> | <u>2,697,335</u> | <u>1,578,514</u> |
| Net OPEB Obligation - September 30 | <u>\$ 5,276,569</u> | <u>\$ 3,891,024</u> | <u>\$ 2,697,335</u> |
| Percentage of Annual OPEB Cost Contributed | 12.81% | 10.42% | 8.50% |

4. Funded Status and Funding Progress

The funded status of the plan based on an actuarial update using age-adjusted premiums as of December 31, 2012, was as follows:

| Actuarial Valuation Date as of December 31 | Actuarial Value Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll (b-a)/(c) |
|--|-------------------------------------|--|------------------------------------|--------------------------|---------------------------|--|
| 2012 | \$ - | \$ 14,052,101 | \$ 14,052,101 | 0.00% | \$ 12,483,000 | 112.57% |

Under the reporting parameters, the County's retiree health plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$14,052,101 at December 31, 2012.

The Schedule of Other Postemployment Benefits Plan (OPEB) Funding Progress, which is found in the Required Supplementary Information immediately following the Notes to the Financial Statements, presents

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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 and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

5. Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

The following is a summary of the actuarial assumptions:

| Actuarial valuation date | 12/31/2010 | 12/31/2011 |
|---------------------------|--|--|
| Actuarial cost method | Projected unit credit cost method | Projected unit credit cost method |
| Amortization method | Level as a percentage of payroll | Level as a percentage of payroll |
| Amortization period | Open 30 year period | Open 30 year period |
| Investment rate of return | 4.5% (1.50% rate of return, 3.00% inflation) | 4.5% (1.50% rate of return, 3.00% inflation) |
| Payroll growth rate | 3.00% | 3.00% |

M. Commitments and Contingencies

1. Construction Commitments

The County has active construction projects as of September 30, 2013. The projects include the construction and equipment of the Walker County Jail. At year-end, the County's commitments with contractors are as follows:

| <u>Project</u> | <u>Spent-to-Date</u> | <u>Remaining Commitment</u> |
|--------------------|----------------------|---------------------------------|
| Walker County Jail | \$ 12,147,785 | \$ 6,099,027 |
| Total | \$ 12,147,785 | \$ 6,099,027 |

2. Contingencies

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

3. Litigation

The County is contingently liable with respect to lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would not materially affect the financial position of the County as of September 30, 2013.

N. Risk Management

The County is exposed to various risks of losses related to tots, theft of, damage to and destruction of capital assets; errors and omission; injuries to employees; and natural disasters. The County participates in the Texas Association of Counties Risk Management Pool ("the Pool") created by interlocal agreement to enable its members to obtain coverage against various types of risk. The Pool is administered by the Texas Association of Counties (TAC). Through this pool, the County obtains general liability, property, public officials' liability, law

WALKER COUNTY, TEXAS*NOTES TO THE FINANCIAL STATEMENTS**SEPTEMBER 30, 2013*

enforcement professional liability, auto physical damage, auto liability, and workers' compensation coverage. The County also participates in the Texas Association of Counties Health and Employee Benefits Pool administered by TAC. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for any of the past three fiscal years.

(This page was intentionally left blank)

REQUIRED SUPPLEMENTARY INFORMATION

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1
Page 1 of 8

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|---------------|---------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Ad Valorem Taxes: | | | | |
| <i>Current Taxes</i> | \$ 11,366,351 | \$ 11,366,351 | \$ 11,244,564 | \$ (121,787) |
| <i>Delinquent Taxes</i> | 220,000 | 220,000 | 283,422 | 63,422 |
| Total Ad Valorem Taxes | 11,586,351 | 11,586,351 | 11,527,986 | (58,365) |
| <i>Property Tax Penalty and Interest</i> | 200,000 | 200,000 | 213,997 | 13,997 |
| Other Taxes: | | | | |
| <i>Sales Tax</i> | 2,439,000 | 2,439,000 | 2,696,082 | 257,082 |
| <i>In Lieu of Tax</i> | 20,000 | 303,472 | 367,715 | 64,243 |
| <i>Mixed Beverage</i> | 96,000 | 96,000 | 70,775 | (25,225) |
| Total Other Taxes | 2,555,000 | 2,838,472 | 3,134,572 | 296,100 |
| Licenses and Permits: | | | | |
| <i>Building and Utility Permits</i> | 146,000 | 146,000 | 108,270 | (37,730) |
| Total Licenses and Permits | 146,000 | 146,000 | 108,270 | (37,730) |
| Fines and Forfeitures: | | | | |
| <i>Bond Forfeiture</i> | - | - | 26,776 | 26,776 |
| <i>License and Weight-Operations</i> | 68,948 | 68,948 | 68,948 | - |
| Total Fines and Forfeitures | 68,948 | 68,948 | 95,724 | 26,776 |
| Intergovernmental: | | | | |
| Federal Funds: | | | | |
| <i>Local Law Enforcement</i> | - | - | 41,584 | 41,584 |
| Total Federal Funds | - | - | 41,584 | 41,584 |
| State Funds: | | | | |
| <i>State Grant Funds</i> | - | - | 1,981 | 1,981 |
| <i>Other State Funds</i> | 137,081 | 529,317 | 556,511 | 27,194 |
| Total State Funds | 137,081 | 529,317 | 558,492 | 29,175 |
| Other Governmental Funds: | | | | |
| <i>Appraisal District</i> | 15,000 | 15,000 | 13,809 | (1,191) |
| <i>Other</i> | 111,912 | 162,257 | 266,019 | 103,762 |
| Total Other Governmental Funds | 126,912 | 177,257 | 279,828 | 102,571 |
| Total Intergovernmental | 263,993 | 706,574 | 879,904 | 173,330 |
| Charges for Services: | | | | |
| <i>General Administration</i> | 40,000 | 40,000 | 63,994 | 23,994 |
| <i>IT</i> | 12,000 | 12,000 | 12,000 | - |
| <i>County Clerk</i> | 375,000 | 375,000 | 536,234 | 161,234 |
| <i>County Court-at-Law</i> | 38,800 | 38,800 | 61,995 | 23,195 |
| <i>12th and 278th District</i> | 40,600 | 40,600 | 42,239 | 1,639 |
| <i>District Clerk</i> | 110,500 | 110,500 | 105,258 | (5,242) |
| <i>District Attorney</i> | 1,200 | 1,200 | 1,395 | 195 |
| <i>Justice of the Peace-Precinct 1</i> | 100,000 | 100,000 | 100,855 | 855 |
| <i>Justice of the Peace-Precinct 2</i> | 28,000 | 28,000 | 36,449 | 8,449 |
| <i>Justice of the Peace-Precinct 3</i> | 25,000 | 25,000 | 14,566 | (10,434) |
| <i>Justice of the Peace-Precinct 4</i> | 82,000 | 82,000 | 64,619 | (17,381) |
| <i>County Auditor</i> | 38,700 | 38,700 | 41,000 | 2,300 |

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1
Page 2 of 8

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| <i>Vehicle Registration</i> | 385,000 | 385,000 | 451,515 | 66,515 |
| <i>Voter Registration</i> | 300 | 300 | 330 | 30 |
| <i>County Facilities</i> | 17,020 | 17,020 | 19,734 | 2,714 |
| <i>County Jail</i> | 118,000 | 118,000 | 154,531 | 36,531 |
| <i>Sheriff's Office</i> | 11,000 | 11,000 | 9,924 | (1,076) |
| <i>Sheriff's Estray</i> | 1,500 | 1,500 | 2,305 | 805 |
| <i>Constables Central Service</i> | 172,000 | 172,000 | 187,948 | 15,948 |
| <i>Constable - Precinct 1</i> | - | - | 210 | 210 |
| <i>Constable - Precinct 2</i> | - | - | 634 | 634 |
| <i>Constable - Precinct 4</i> | - | - | 4,285 | 4,285 |
| <i>Probation Support</i> | 2,500 | 2,500 | 8,038 | 5,538 |
| <i>Emergency Management</i> | 8,000 | 8,000 | 3,514 | (4,486) |
| <i>County Treasurer - Collections</i> | 6,300 | 6,300 | 9,927 | 3,627 |
| <i>Planning and Development</i> | - | - | 224 | 224 |
| Total Charges for Services | 1,613,420 | 1,613,420 | 1,933,723 | 320,303 |
| <i>Interest</i> | 12,300 | 12,300 | 8,549 | (3,751) |
| Other Income: | | | | |
| <i>Miscellaneous</i> | 101,000 | 119,559 | 190,423 | 70,864 |
| Total Other Income | 101,000 | 119,559 | 190,423 | 70,864 |
| Total Revenues | 16,547,012 | 17,291,624 | 18,093,148 | 801,524 |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| County Judge: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 176,620 | 176,620 | 175,854 | 766 |
| <i>Operations</i> | 8,910 | 8,910 | 5,714 | 3,196 |
| Total County Judge | 185,530 | 185,530 | 181,568 | 3,962 |
| IT Operations - County Judge: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 219,624 | 219,624 | 216,806 | 2,818 |
| <i>Operations</i> | 45,925 | 43,118 | 39,761 | 3,357 |
| <i>Capital Expenditures</i> | - | 5,274 | 5,274 | - |
| Total IT Operations - County Judge | 265,549 | 268,016 | 261,841 | 6,175 |
| IT Hardware Software - County Judge | | | | |
| <i>Operations</i> | 200,283 | 196,110 | 195,929 | 181 |
| <i>Capital Expenditures</i> | - | 28,870 | 28,869 | 1 |
| Total IT Hardware Software - County Judge | 200,283 | 224,980 | 224,798 | 182 |
| Commissioner's Court: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 48,472 | 50,275 | 49,667 | 608 |
| <i>Operations</i> | 8,746 | 8,746 | 6,115 | 2,631 |
| Total Commissioner's Court | 57,218 | 59,021 | 55,782 | 3,239 |
| County Clerk: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 472,133 | 472,133 | 436,494 | 35,639 |
| <i>Operations</i> | 103,401 | 103,401 | 90,060 | 13,341 |
| Total County Clerk | 575,534 | 575,534 | 526,554 | 48,980 |

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1
Page 3 of 8

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|---------------|---------------|---|
| | Original | Final | | |
| Voter Registration: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 40,823 | 49,754 | 47,658 | 2,096 |
| <i>Operations</i> | 18,549 | 18,784 | 9,622 | 9,162 |
| Total Voter Registration | 59,372 | 68,538 | 57,280 | 11,258 |
| Elections: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 49,958 | 85,066 | 73,918 | 11,148 |
| <i>Operations</i> | 29,796 | 48,941 | 36,989 | 11,952 |
| Total Elections | 79,754 | 134,007 | 110,907 | 23,100 |
| County Facilities: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 284,998 | 297,998 | 285,583 | 12,415 |
| <i>Operations</i> | 420,969 | 418,874 | 386,413 | 32,461 |
| <i>Capital Expenditures</i> | - | 37,405 | 37,405 | - |
| Total County Facilities | 705,967 | 754,277 | 709,401 | 44,876 |
| Facilities-Justice Center Municipal Allocation: | | | | |
| <i>Operations</i> | 10,983 | 10,983 | 7,497 | 3,486 |
| Total Facilities-Justice Center Municipal Allocation | 10,983 | 10,983 | 7,497 | 3,486 |
| Centralized Costs: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 156,696 | 156,696 | 136,653 | 20,043 |
| <i>Operations</i> | 590,401 | 521,432 | 487,025 | 34,407 |
| <i>Capital Expenditures</i> | - | 12,522 | 12,522 | - |
| Total Centralized Costs | 747,097 | 690,650 | 636,200 | 54,450 |
| Contingency: | | | | |
| <i>Contingency</i> | 940,225 | 19,714 | - | 19,714 |
| Total Contingency | 940,225 | 19,714 | - | 19,714 |
| Governmental/Service Contracts: | | | | |
| <i>Operations:</i> | | | | |
| Appraisal District - Appraisals | 252,538 | 252,538 | 252,538 | - |
| Appraisal District - Collections | 90,393 | 90,393 | 90,393 | - |
| Total Governmental/Service Contracts | 342,931 | 342,931 | 342,931 | - |
| General Governmental Projects: | | | | |
| <i>Operations</i> | 93,638 | 547,428 | 35,271 | 512,157 |
| <i>Capital Expenditures</i> | 66,300 | 90,352 | 17,843 | 72,509 |
| Total General Government Projects | 159,938 | 637,780 | 53,114 | 584,666 |
| Total General Government | 4,330,381 | 3,971,961 | 3,167,873 | 804,088 |
| Financial: | | | | |
| County Auditor: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 562,590 | 550,590 | 529,505 | 21,085 |
| <i>Operations</i> | 79,575 | 47,560 | 46,261 | 1,299 |
| <i>Capital Expenditures</i> | - | 4,663 | 4,662 | 1 |
| Total County Auditor | 642,165 | 602,813 | 580,428 | 22,385 |

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1
Page 4 of 8

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | | |
| County Treasurer: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 294,155 | 294,155 | 290,783 | 3,372 |
| <i>Operations</i> | 50,203 | 59,133 | 59,071 | 62 |
| Total County Treasurer | 344,358 | 353,288 | 349,854 | 3,434 |
| Collections-County Treasurer: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 96,007 | 96,007 | 94,179 | 1,828 |
| <i>Operations</i> | 19,720 | 21,970 | 20,235 | 1,735 |
| Total Collections-County Treasurer | 115,727 | 117,977 | 114,414 | 3,563 |
| Purchasing: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 167,274 | 167,274 | 157,448 | 9,826 |
| <i>Operations</i> | 15,105 | 15,105 | 12,325 | 2,780 |
| Total Purchasing | 182,379 | 182,379 | 169,773 | 12,606 |
| Vehicle Registration: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 329,943 | 329,943 | 309,371 | 20,572 |
| <i>Operations</i> | 9,410 | 11,510 | 10,931 | 579 |
| Total Vehicle Registration | 339,353 | 341,453 | 320,302 | 21,151 |
| Financial Projects: | | | | |
| <i>Operations</i> | 43,789 | 39,226 | 483 | 38,743 |
| <i>Capital Expenditures</i> | 285,000 | 332,163 | 167,970 | 164,193 |
| Total Financial Projects | 328,789 | 371,389 | 168,453 | 202,936 |
| Total Financial | 1,952,771 | 1,969,299 | 1,703,224 | 266,075 |
| Judicial: | | | | |
| Courts-Central Costs: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 12,220 | 12,220 | 10,000 | 2,220 |
| <i>Operations</i> | 234,531 | 444,071 | 443,308 | 763 |
| Total Courts-Central Costs | 246,751 | 456,291 | 453,308 | 2,983 |
| County Court-at-Law: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 373,764 | 377,224 | 377,212 | 12 |
| <i>Operations</i> | 150,793 | 219,539 | 201,349 | 18,190 |
| Total County Court-at-Law | 524,557 | 596,763 | 578,561 | 18,202 |
| 12th Judicial District Court: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 175,984 | 175,984 | 175,677 | 307 |
| <i>Operations</i> | 130,781 | 193,331 | 188,683 | 4,648 |
| Total 12th Judicial District Court | 306,765 | 369,315 | 364,360 | 4,955 |
| 278th Judicial District Court: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 188,568 | 190,048 | 190,041 | 7 |
| <i>Operations</i> | 130,198 | 202,902 | 201,113 | 1,789 |
| Total 278th Judicial District Court | 318,766 | 392,950 | 391,154 | 1,796 |
| District Clerk: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 372,345 | 372,345 | 366,058 | 6,287 |
| <i>Operations</i> | 32,639 | 32,639 | 28,639 | 4,000 |
| Total District Clerk | 404,984 | 404,984 | 394,697 | 10,287 |

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1
Page 5 of 8

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | Actual | |
| Criminal District Attorney: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 1,238,697 | 1,238,697 | 1,160,981 | 77,716 |
| <i>Operations</i> | 43,127 | 86,472 | 72,221 | 14,251 |
| Total Criminal District Attorney | 1,281,824 | 1,325,169 | 1,233,202 | 91,967 |
| Justice of Peace-Precinct 1: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 182,287 | 182,287 | 176,044 | 6,243 |
| <i>Operations</i> | 12,694 | 13,994 | 12,356 | 1,638 |
| Total Justice of Peace-Precinct 1 | 194,981 | 196,281 | 188,400 | 7,881 |
| Justice of Peace-Precinct 2: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 177,149 | 177,149 | 170,213 | 6,936 |
| <i>Operations</i> | 9,595 | 9,595 | 6,408 | 3,187 |
| Total Justice of Peace-Precinct 2 | 186,744 | 186,744 | 176,621 | 10,123 |
| Justice of Peace-Precinct 3: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 182,032 | 182,032 | 181,280 | 752 |
| <i>Operations</i> | 10,804 | 11,251 | 10,185 | 1,066 |
| Total Justice of Peace-Precinct 3 | 192,836 | 193,283 | 191,465 | 1,818 |
| Justice of Peace-Precinct 4: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 224,355 | 224,355 | 217,222 | 7,133 |
| <i>Operations</i> | 18,337 | 20,674 | 19,872 | 802 |
| Total Justice of Peace-Precinct 4 | 242,692 | 245,029 | 237,094 | 7,935 |
| Juvenile Probation Support: | | | | |
| <i>Operations</i> | 123,735 | 115,466 | 91,301 | 24,165 |
| <i>Capital Expenditures</i> | - | 8,269 | 6,339 | 1,930 |
| Total Juvenile Probation Support | 123,735 | 123,735 | 97,640 | 26,095 |
| Total Judicial | 4,024,635 | 4,490,544 | 4,306,502 | 184,042 |
| Public Safety: | | | | |
| Sheriff's Office: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 2,191,738 | 2,191,738 | 2,022,057 | 169,681 |
| <i>Operations</i> | 259,026 | 370,592 | 307,340 | 63,252 |
| <i>Capital Expenditures</i> | 183,155 | 169,081 | 287,046 | (117,965) |
| Total Sheriff's Office | 2,633,919 | 2,731,411 | 2,616,443 | 114,968 |
| Estray: | | | | |
| <i>Operations</i> | 6,000 | 9,000 | 7,013 | 1,987 |
| Total Estray | 6,000 | 9,000 | 7,013 | 1,987 |
| Courthouse Security General Fund: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 64,261 | 64,261 | 53,634 | 10,627 |
| Total Courthouse Security General Fund | 64,261 | 64,261 | 53,634 | 10,627 |
| Constables Central: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 42,824 | 42,824 | 41,575 | 1,249 |
| <i>Operations</i> | 9,119 | 8,747 | 3,439 | 5,308 |
| Total Constables Central | 51,943 | 51,571 | 45,014 | 6,557 |

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1
Page 6 of 8

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|---|
| | Original | Final | | |
| Constable-Precinct 1: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 67,009 | 67,009 | 66,713 | 296 |
| <i>Operations</i> | 5,640 | 5,640 | 4,161 | 1,479 |
| Total Constable-Precinct 1 | 72,649 | 72,649 | 70,874 | 1,775 |
| Constable-Precinct 2: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 67,009 | 67,009 | 66,310 | 699 |
| <i>Operations</i> | 6,123 | 12,940 | 10,657 | 2,283 |
| <i>Capital Expenditures</i> | 37,037 | 32,903 | 32,845 | 58 |
| Total Constable-Precinct 2 | 110,169 | 112,852 | 109,812 | 3,040 |
| Constable-Precinct 3: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 67,009 | 67,009 | 66,820 | 189 |
| <i>Operations</i> | 6,464 | 7,728 | 5,928 | 1,800 |
| Total Constable-Precinct 3 | 73,473 | 74,737 | 72,748 | 1,989 |
| Constable-Precinct 4: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 87,346 | 87,346 | 85,757 | 1,589 |
| <i>Operations</i> | 23,228 | 28,651 | 28,510 | 141 |
| Total Constable-Precinct 4 | 110,574 | 115,997 | 114,267 | 1,730 |
| Support Personnel-DPS: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 50,992 | 50,992 | 50,121 | 871 |
| <i>Operations</i> | 2,215 | 2,215 | 716 | 1,499 |
| Total Support Personnel-DPS | 53,207 | 53,207 | 50,837 | 2,370 |
| Weigh Station Utilities Services: | | | | |
| <i>Operations</i> | 25,187 | 25,187 | 17,950 | 7,237 |
| Total Weigh Station Utilities Services | 25,187 | 25,187 | 17,950 | 7,237 |
| Weigh Station Site Support: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 16,524 | 16,524 | 15,857 | 667 |
| <i>Operations</i> | 10,000 | 10,000 | 750 | 9,250 |
| Total Weigh Station Site Support | 26,524 | 26,524 | 16,607 | 9,917 |
| Emergency Management: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 53,760 | 53,760 | 50,884 | 2,876 |
| <i>Operations</i> | 71,566 | 82,629 | 58,890 | 23,739 |
| Total Emergency Management | 125,326 | 136,389 | 109,774 | 26,615 |
| Governmental/Services Contracts: | | | | |
| <i>Operations</i> | 778,750 | 781,250 | 781,250 | - |
| Total Governmental/Services Contracts | 778,750 | 781,250 | 781,250 | - |
| Public Safety Projects: | | | | |
| <i>Operations</i> | 123,427 | 136,445 | 99,641 | 36,804 |
| Total Public Safety Projects: | 123,427 | 136,445 | 99,641 | 36,804 |
| Total Public Safety | 4,255,409 | 4,391,480 | 4,165,864 | 225,616 |

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1
Page 7 of 8

| | Budgeted Amounts | | | Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|--|
| | Original | Final | Actual | |
| Correction and Rehabilitation: | | | | |
| County Jail: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 1,575,312 | 1,575,112 | 1,465,855 | 109,257 |
| <i>Operations</i> | 373,121 | 379,948 | 349,679 | 30,269 |
| <i>Capital Expenditures</i> | 37,959 | 38,554 | 38,492 | 62 |
| Total County Jail | 1,986,392 | 1,993,614 | 1,854,026 | 139,588 |
| Jail-Inmate Medical Cost Center: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 132,621 | 142,975 | 128,737 | 14,238 |
| <i>Operations</i> | 94,678 | 95,878 | 78,822 | 17,056 |
| Total Jail-Inmate Medical Cost Center | 227,299 | 238,853 | 207,559 | 31,294 |
| Probation Support: | | | | |
| <i>Operations</i> | 30,484 | 30,484 | 20,228 | 10,256 |
| Total Probation Support | 30,484 | 30,484 | 20,228 | 10,256 |
| Adult-Community Service: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 46,289 | 46,289 | 45,194 | 1,095 |
| <i>Operations</i> | 850 | 850 | - | 850 |
| Total Adult-Community Service | 47,139 | 47,139 | 45,194 | 1,945 |
| Total Correction and Rehabilitation | 2,291,314 | 2,310,090 | 2,127,007 | 183,083 |
| Health and Welfare: | | | | |
| Veteran's Service: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 26,059 | 26,059 | 23,514 | 2,545 |
| <i>Operations</i> | 1,657 | 1,657 | 1,551 | 106 |
| Total Veteran's Service | 27,716 | 27,716 | 25,065 | 2,651 |
| Social Services: | | | | |
| <i>Operations</i> | 23,800 | 23,800 | 6,685 | 17,115 |
| Total Social Services | 23,800 | 23,800 | 6,685 | 17,115 |
| Planning and Development: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 323,225 | 336,060 | 311,222 | 24,838 |
| <i>Operations</i> | 79,929 | 65,874 | 51,202 | 14,672 |
| Total Planning and Development | 403,154 | 401,934 | 362,424 | 39,510 |
| Litter Control General Fund: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 14,504 | 15,394 | 15,382 | 12 |
| <i>Operations</i> | 16,126 | 16,028 | 15,597 | 431 |
| <i>Capital Expenditures</i> | - | 6,605 | 6,605 | - |
| Total Litter Control General Fund | 30,630 | 38,027 | 37,584 | 443 |
| Governmental/Service Contracts: | | | | |
| <i>Operations</i> | 99,230 | 99,230 | 92,050 | 7,180 |
| Total Governmental/Service Contracts | 99,230 | 99,230 | 92,050 | 7,180 |
| Health and Welfare Projects: | | | | |
| <i>Operations</i> | - | 20,000 | - | 20,000 |
| <i>Capital Expenditures</i> | 2,981 | 575 | - | 575 |
| Total Health and Welfare Projects | 2,981 | 20,575 | - | 20,575 |

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-1
Page 8 of 8

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------------|----------------|---|
| | Original | Final | | |
| Healthy County Initiative: | | | | |
| <i>Operations</i> | - | 1,963 | 384 | 1,579 |
| Total Healthy County Initiative | - | 1,963 | 384 | 1,579 |
| Total Health and Welfare | 587,511 | 613,245 | 524,192 | 89,053 |
| Culture and Education: | | | | |
| Historical Commission: | | | | |
| <i>Operations</i> | 5,980 | 5,980 | 5,762 | 218 |
| Total Historical Commission | 5,980 | 5,980 | 5,762 | 218 |
| Texas AgriLife Extension Service: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 150,238 | 150,383 | 150,380 | 3 |
| <i>Operations</i> | 22,460 | 29,171 | 28,661 | 510 |
| Total Texas AgriLife Extension Service | 172,698 | 179,554 | 179,041 | 513 |
| Total Culture and Education | 178,678 | 185,534 | 184,803 | 731 |
| Public Transportation: | | | | |
| Road and Bridge Projects: | | | | |
| <i>Operations</i> | 106,317 | 31,043 | 12,960 | 18,083 |
| Total Road and Bridge Projects | 106,317 | 31,043 | 12,960 | 18,083 |
| Total Public Transportation | 106,317 | 31,043 | 12,960 | 18,083 |
| Total Expenditures | 17,727,016 | 17,963,196 | 16,192,425 | 1,770,771 |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | (1,180,004) | (671,572) | 1,900,723 | 2,572,295 |
| OTHER FINANCING SOURCES (USES): | | | | |
| <i>Transfers In</i> | 107,908 | 778,932 | 88,555 | (690,377) |
| <i>Transfers Out</i> | (1,008,160) | (2,184,312) | (1,491,969) | 692,343 |
| Total Other Financing Sources (Uses) | (900,252) | (1,405,380) | (1,403,414) | 1,966 |
| Net Change in Fund Balances | (2,080,256) | (2,076,952) | 497,309 | 2,574,261 |
| Fund Balances - Beginning | 5,517,333 | 5,517,333 | 5,517,333 | - |
| Fund Balances - Ending | \$ 3,437,077 | \$ 3,440,381 | \$ 6,014,642 | \$ 2,574,261 |

WALKER COUNTY, TEXAS
GRANTS AND CONTRACTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-2
Page 1 of 2

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|---|------------------|------------|------------|---|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| Federal Funds: | | | | |
| Homeland Security Grant | \$ 277,913 | \$ 277,913 | \$ 272,809 | \$ (5,104) |
| CDBG Grant | 243,901 | 243,901 | - | (243,901) |
| Total Federal Funds | 521,814 | 521,814 | 272,809 | (249,005) |
| State Funds: | | | | |
| Other State Funds | 5,070,295 | 5,070,295 | 4,713,975 | (356,320) |
| Total State Funds | 5,070,295 | 5,070,295 | 4,713,975 | (356,320) |
| Total Intergovernmental | 5,592,109 | 5,592,109 | 4,986,784 | (605,325) |
| Other Income: | | | | |
| Miscellaneous | - | 21,182 | 21,183 | 1 |
| Total Other Income | - | 21,182 | 21,183 | 1 |
| Total Revenues | 5,592,109 | 5,613,291 | 5,007,967 | (605,324) |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| Polling Place Accessibility Grant: | | | | |
| Operations | 4,504 | 4,504 | 560 | 3,944 |
| Total Polling Place Accessibility Grant | 4,504 | 4,504 | 560 | 3,944 |
| Opportunity for Access Grant: | | | | |
| Operations | 1,950 | 1,950 | - | 1,950 |
| Total Opportunity for Access Grant | 1,950 | 1,950 | - | 1,950 |
| Total General Government | 6,454 | 6,454 | 560 | 5,894 |
| Judicial: | | | | |
| SPU Criminal-State General Allocation: | | | | |
| Salary, Other Pay, and Benefits | 1,469,072 | 1,488,590 | 1,363,849 | 124,741 |
| Operations | 179,559 | 178,556 | 200,114 | (21,558) |
| Capital Expenditures | 6,462 | - | 10,963 | (10,963) |
| Total SPU Criminal-State General Allocation | 1,655,093 | 1,667,146 | 1,574,926 | 92,220 |
| SPU/Civil Division: | | | | |
| Salary, Other Pay, and Benefits | 1,322,154 | 1,322,154 | 1,182,624 | 139,530 |
| Operations | 992,576 | 1,033,394 | 978,773 | 54,621 |
| Capital Expenditures | 1,000 | - | 29,800 | (29,800) |
| Total SPU/Civil Division | 2,315,730 | 2,355,548 | 2,191,197 | 164,351 |
| SPU-Juvenile Division: | | | | |
| Salary, Other Pay, and Benefits | 671,236 | 671,236 | 666,518 | 4,718 |
| Operations | 105,869 | 110,939 | 94,896 | 16,043 |
| Capital Expenditures | - | 38,454 | 38,454 | - |
| Total SPU-Juvenile Division | 777,105 | 820,629 | 799,868 | 20,761 |
| Total Judicial | 4,747,928 | 4,843,323 | 4,565,991 | 277,332 |
| Public Safety: | | | | |
| Homeland Security Grant 2010: | | | | |
| Operations | - | 59,000 | 59,000 | - |
| Total Homeland Security Grant 2010 | - | 59,000 | 59,000 | - |

WALKER COUNTY, TEXAS
GRANTS AND CONTRACTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-2
Page 2 of 2

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------|-----------|---|
| | Original | Final | | |
| Homeland Security Grant 2011: | | | | |
| <i>Operations</i> | 167,254 | 167,254 | 167,254 | - |
| Total Homeland Security Grant 2011 | 167,254 | 167,254 | 167,254 | - |
| Homeland Security Grant 2012: | | | | |
| <i>Operations</i> | - | - | 7,248 | (7,248) |
| <i>Capital Expenditures</i> | 45,000 | 45,000 | 32,649 | 12,351 |
| Total Homeland Security Grant 2012 | 45,000 | 45,000 | 39,897 | 5,103 |
| Jag Grant 2012: | | | | |
| <i>Operations</i> | 6,659 | 6,659 | 6,658 | 1 |
| Total Jag Grant 2012 | 6,659 | 6,659 | 6,658 | 1 |
| CDBG Grant: | | | | |
| <i>Operations</i> | 243,901 | 243,901 | - | 243,901 |
| Total CDBG Grant | 243,901 | 243,901 | - | 243,901 |
| Total Public Safety | 462,814 | 521,814 | 272,809 | 249,005 |
| Health and Welfare: | | | | |
| HGAC Environmental Grant: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 49,083 | 49,083 | 45,646 | 3,437 |
| <i>Operations</i> | 7,818 | 7,818 | 11,842 | (4,024) |
| <i>Capital Expenditures</i> | 627 | 627 | - | 627 |
| Total HGAC Environmental Grant | 57,528 | 57,528 | 57,488 | 40 |
| HGAC Grant: | | | | |
| <i>Operations</i> | 49,380 | 66,500 | 18,645 | 47,855 |
| <i>Capital Expenditures</i> | 9,058 | 8,104 | 8,104 | - |
| Total HGAC Grant | 58,438 | 74,604 | 26,749 | 47,855 |
| Total Health and Welfare | 115,966 | 132,132 | 84,237 | 47,895 |
| Culture and Education: | | | | |
| DSHS AgriLife Grant: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | - | 5,335 | 5,335 | - |
| <i>Operations</i> | 91,631 | 211,296 | 87,962 | 123,334 |
| Total DSHS AgriLife Grant | 91,631 | 216,631 | 93,297 | 123,334 |
| Total Culture and Education | 91,631 | 216,631 | 93,297 | 123,334 |
| Total Expenditures | 5,424,793 | 5,720,354 | 5,016,894 | 703,460 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 167,316 | (107,063) | (8,927) | 98,136 |
| OTHER FINANCING SOURCES (USES): | | | | |
| <i>Transfers In</i> | - | 15,000 | 15,000 | - |
| Total Other Financing Sources (Uses) | - | 15,000 | 15,000 | - |
| Net Change in Fund Balances | 167,316 | (92,063) | 6,073 | 98,136 |
| Fund Balances - Beginning | 24,797 | 24,797 | 24,797 | - |
| Fund Balances - Ending | \$ 192,113 | \$ (67,266) | \$ 30,870 | \$ 98,136 |

WALKER COUNTY, TEXAS
ROAD AND BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-3
Page 1 of 2

| | Budgeted Amounts | | | Variance with Final Budget Positive Negative |
|---------------------------------|------------------|--------------|--------------|---|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Ad Valorem Taxes: | | | | |
| Current Taxes | \$ 1,651,928 | \$ 1,651,928 | \$ 1,778,887 | \$ 126,959 |
| Total Ad Valorem Taxes | 1,651,928 | 1,651,928 | 1,778,887 | 126,959 |
| Fine and Forfeitures: | | | | |
| License and Weight-Operations | 280,000 | 280,000 | 223,390 | (56,610) |
| Other Fines and Forfeitures | 961,296 | 961,296 | 869,367 | (91,929) |
| Total Fines and Forfeitures | 1,241,296 | 1,241,296 | 1,092,757 | (148,539) |
| Intergovernmental: | | | | |
| State Funds: | | | | |
| Other State Funds | 45,000 | 45,000 | 76,864 | 31,864 |
| Total State Funds | 45,000 | 45,000 | 76,864 | 31,864 |
| Other Governmental Funds: | | | | |
| U.S. Forest Service | 140,000 | 140,000 | 130,176 | (9,824) |
| Total Other Governmental Funds | 140,000 | 140,000 | 130,176 | (9,824) |
| Total Intergovernmental | 185,000 | 185,000 | 207,040 | 22,040 |
| Charges for Services: | | | | |
| Charges for Services | 860,000 | 860,000 | 859,672 | (328) |
| Total Charges for Services | 860,000 | 860,000 | 859,672 | (328) |
| Interest | 1,100 | 1,100 | 960 | (140) |
| Other Income: | | | | |
| Miscellaneous | - | 189,786 | 83,046 | (106,740) |
| Total Other Income | - | 189,786 | 83,046 | (106,740) |
| Total Revenues | 3,939,324 | 4,129,110 | 4,022,362 | (106,748) |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| Contingency: | | | | |
| Contingency | 486,416 | - | - | - |
| Total Contingency | 486,416 | - | - | - |
| Total General Government | 486,416 | - | - | - |
| Public Transportation: | | | | |
| General - Road and Bridge: | | | | |
| Operations | 70,000 | 77,079 | 58,213 | 18,866 |
| Total General - Road and Bridge | 70,000 | 77,079 | 58,213 | 18,866 |
| Precinct 1 - Commissioner: | | | | |
| Salary, Other Pay, and Benefits | 515,436 | 514,835 | 493,099 | 21,736 |
| Operations | 450,749 | 882,045 | 601,074 | 280,971 |
| Capital Expenditures | - | 213,502 | - | 213,502 |
| Total Precinct 1 - Commissioner | 966,185 | 1,610,382 | 1,094,173 | 516,209 |
| Precinct 2 - Commissioner: | | | | |
| Salary, Other Pay, and Benefits | 568,550 | 574,550 | 526,652 | 47,898 |
| Operations | 475,946 | 752,376 | 562,653 | 189,723 |
| Total Precinct 2 - Commissioner | 1,044,496 | 1,326,926 | 1,089,305 | 237,621 |

WALKER COUNTY, TEXAS
ROAD AND BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-3
Page 2 of 2

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|-------------------|--------------------|---------------------|---|
| | Original | Final | | |
| Precinct 3 - Commissioner: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 626,210 | 626,210 | 584,051 | 42,159 |
| <i>Operations</i> | 487,777 | 767,355 | 629,999 | 137,356 |
| Total Precinct 3 - Commissioner | <u>1,113,987</u> | <u>1,393,565</u> | <u>1,214,050</u> | <u>179,515</u> |
| Precinct 4 - Commissioner: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 564,280 | 564,280 | 555,084 | 9,196 |
| <i>Operations</i> | 543,784 | 636,725 | 611,091 | 25,634 |
| <i>Capital Expenditures</i> | - | 57,146 | 57,146 | - |
| Total Precinct 4 - Commissioner | <u>1,108,064</u> | <u>1,258,151</u> | <u>1,223,321</u> | <u>34,830</u> |
| Capital Project (Weigh Station): | | | | |
| <i>Capital Expenditures</i> | <u>128,143</u> | <u>128,143</u> | - | <u>128,143</u> |
| Total Capital Project (Weigh Station) | <u>128,143</u> | <u>128,143</u> | - | <u>128,143</u> |
| Total Public Transportation | <u>4,430,875</u> | <u>5,794,246</u> | <u>4,679,062</u> | <u>1,115,184</u> |
| Total Expenditures | <u>4,917,291</u> | <u>5,794,246</u> | <u>4,679,062</u> | <u>1,115,184</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(977,967)</u> | <u>(1,665,136)</u> | <u>(656,700)</u> | <u>1,008,436</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| <i>Transfers In</i> | 450,000 | 543,425 | 543,425 | - |
| <i>Transfers Out</i> | <u>86,592</u> | <u>(86,592)</u> | <u>(86,592)</u> | - |
| Total Other Financing Sources (Uses) | <u>536,592</u> | <u>456,833</u> | <u>456,833</u> | - |
| Net Change in Fund Balances | (441,375) | (1,208,303) | (199,867) | 1,008,436 |
| Fund Balances - Beginning | <u>1,208,584</u> | <u>1,208,584</u> | <u>1,208,584</u> | - |
| Fund Balances - Ending | <u>\$ 767,209</u> | <u>\$ 281</u> | <u>\$ 1,008,717</u> | <u>\$ 1,008,436</u> |

WALKER COUNTY, TEXAS
EMS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT B-4

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------|------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| State Funds: | | | | |
| <i>Other State Funds</i> | \$ - | \$ - | \$ 35,000 | \$ 35,000 |
| Total State Funds | - | - | 35,000 | 35,000 |
| Total Intergovernmental | - | - | 35,000 | 35,000 |
| Charges for Services: | | | | |
| <i>Emergency Medical Services</i> | 2,294,286 | 2,294,286 | 2,204,292 | (89,994) |
| Total Charges for Services | 2,294,286 | 2,294,286 | 2,204,292 | (89,994) |
| <i>Interest</i> | - | - | 44 | 44 |
| Other Income: | | | | |
| <i>Miscellaneous</i> | - | - | 2,771 | 2,771 |
| Total Other Income | - | - | 2,771 | 2,771 |
| Total Revenues | 2,294,286 | 2,294,286 | 2,242,107 | (52,179) |
| EXPENDITURES: | | | | |
| Public Safety: | | | | |
| Walker County EMS: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 2,108,238 | 2,108,238 | 2,028,246 | 79,992 |
| <i>Operations</i> | 457,344 | 471,844 | 431,149 | 40,695 |
| <i>Capital Expenditures</i> | 135,512 | 226,780 | 219,929 | 6,851 |
| Total Walker County EMS | 2,701,094 | 2,806,862 | 2,679,324 | 127,538 |
| EMS Transfer: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 383,422 | 365,722 | 302,634 | 63,088 |
| <i>Operations</i> | 29,200 | 32,400 | 28,943 | 3,457 |
| Total EMS Transfer | 412,622 | 398,122 | 331,577 | 66,545 |
| Total Public Safety | 3,113,716 | 3,204,984 | 3,010,901 | 194,083 |
| Total Expenditures | 3,113,716 | 3,204,984 | 3,010,901 | 194,083 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (819,430) | (910,698) | (768,794) | 141,904 |
| OTHER FINANCING SOURCES (USES): | | | | |
| <i>Transfers In</i> | 518,616 | 913,356 | 913,356 | - |
| Total Other Financing Sources (Uses) | 518,616 | 913,356 | 913,356 | - |
| Net Change in Fund Balances | (300,814) | 2,658 | 144,562 | 141,904 |
| Fund Balances - Beginning | 402,593 | 402,593 | 402,593 | - |
| Fund Balances - Ending | \$ 101,779 | \$ 405,251 | \$ 547,155 | \$ 141,904 |

WALKER COUNTY, TEXAS*REQUIRED SUPPLEMENTARY INFORMATION**SCHEDULE OF FUNDING PROGRESS**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (PENSION PLAN)**SEPTEMBER 30, 2013**(UNAUDITED)*

| Actuarial Valuation Date | Actuarial Value Assets (a) | Actuarial Accrued Liability (AAL) -Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|--|-----------------------------------|--------------------------------------|--|
| 12/31/2006 | \$ 21,164,930 | \$ 25,325,388 | \$ 4,160,458 | 83.57% | \$ 10,818,015 | 38.46% |
| 12/31/2007 | 23,820,411 | 28,284,920 | 4,464,509 | 84.22% | 11,728,338 | 38.07% |
| 12/31/2008 | 24,395,551 | 30,713,356 | 6,317,805 | 79.43% | 13,284,133 | 47.56% |
| 12/31/2009 | 27,942,035 | 34,321,448 | 6,379,413 | 81.41% | 13,995,554 | 45.58% |
| 12/31/2010 | 29,733,487 | 36,954,035 | 7,220,548 | 80.46% | 14,508,895 | 49.77% |
| 12/31/2011 | 32,568,612 | 40,875,475 | 8,306,863 | 79.68% | 14,652,591 | 56.69% |
| 12/31/2012 | 34,926,964 | 43,669,571 | 8,742,607 | 79.98% | 15,108,477 | 57.87% |

*REQUIRED SUPPLEMENTARY INFORMATION**SCHEDULE OF FUNDING PROGRESS**OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)**SEPTEMBER 30, 2013**(UNAUDITED)*

| Actuarial Valuation Date | Actuarial Value Assets (a) | Actuarial Accrued Liability (AAL) -Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|--|-----------------------------------|--------------------------------------|--|
| 12/31/2008 | \$ - | \$ 6,093,030 | \$ 6,093,030 | 0.00% | \$ 13,995,554 | 43.54% |
| 12/31/2010 | - | 9,956,635 | 9,956,635 | 0.00% | 14,508,895 | 68.62% |
| 12/31/2011 | - | 9,956,635 | 9,956,635 | 0.00% | 14,652,591 | 67.95% |
| 12/31/2012 | - | 14,052,101 | 14,052,101 | 0.00% | 12,438,000 | 112.97% |

WALKER COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2013

The statutes of the State of Texas provides that "the amounts budgeted in a fiscal year for expenditures from the various fund of the County may not exceed the balance in those funds as of the first day of the fiscal year, plus the anticipated revenue for the fiscal year as estimated by the County Auditor." In addition, the law provides that the Commissioners' Court may, upon proper application, transfer an existing budget during the year to a budget of like kind but no such transfer shall increase the budget.

On or before the second Monday in July each year, all agencies of the County submit requests for appropriations to the County Judge so that a budget may be prepared. A copy of the proposed budget must be filed with the Clerk of the Court and made available to the public by the last day of July. Before September 30, the proposed budget is presented to Commissioners' Court for review and adoption. The Court holds public hearings as necessary and may add to, subtract from, or change appropriations but may not change the form of the budget.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. For County operating budgets (General Fund, EMS Fund, etc.), the legal level of control is at the budget category level of Salary, Other Pay and Benefits and Operations (Supplies, Services and Charges), Capital Expenditures, and Transfers. The legal level of control level for the Road and Bridge Fund is at the department level. Expenditures may not be made or approved if the expenditures will cause the category to exceed budget. Departments are encouraged to maintain control at the line item level. Grant budgets are approved at the grant level. Fund budgets created for legislatively designated purpose monies (example Hot Check Fund, County Clerk Records Fund, Narcotics Forfeiture Funds, District Clerk Funds, etc.) are approved at the fund level. Expenditure of funds and budget adjustments shall be in accordance with state statutes. Capital budgets are at the project level.

**COMBINING STATEMENTS AND BUDGET COMPARISONS
AS SUPPLEMENTARY INFORMATION**

(This page was intentionally left blank)

Special Revenue Funds

WALKER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2013

| | Fire Suppression - US Forest Fire Suppression Fund | District Attorney Hot Check Fee Fund | Court Reporter Service Fund |
|---|--|--|--------------------------------|
| ASSETS: | | | |
| <i>Cash and Cash Equivalents</i> | \$ 17,354 | \$ 621 | \$ 1,981 |
| <i>Due from Other Governments</i> | - | - | - |
| Total Assets | <u>\$ 17,354</u> | <u>\$ 621</u> | <u>\$ 1,981</u> |
| LIABILITIES: | | | |
| <i>Accounts Payable</i> | \$ 17,354 | \$ 175 | \$ 635 |
| <i>Due to Other Funds</i> | - | - | - |
| <i>Due to Other Governments</i> | - | - | - |
| Total Liabilities | <u>17,354</u> | <u>175</u> | <u>635</u> |
| FUND BALANCES: | | | |
| <i>Restricted for Special Revenue Funds</i> | - | 446 | 1,346 |
| Total Fund Balances | <u>-</u> | <u>446</u> | <u>1,346</u> |
| Total Liabilities and Fund Balances | <u>\$ 17,354</u> | <u>\$ 621</u> | <u>\$ 1,981</u> |

| <u>County Law Library Fund</u> | <u>Courthouse Security Fund</u> | <u>Justice Courts Building Security Fund</u> | <u>Elections Equipment Fund</u> | <u>Tax Assessor Elections Service Contract Fund</u> | <u>County Clerk Records Management and Preservation Fund</u> |
|------------------------------------|-------------------------------------|--|---|---|--|
| \$ 82,569 | \$ 19,225 | \$ 26,362 | \$ 50,019 | \$ 11,024 | \$ 54,582 |
| - | - | - | - | - | - |
| <u>\$ 82,569</u> | <u>\$ 19,225</u> | <u>\$ 26,362</u> | <u>\$ 50,019</u> | <u>\$ 11,024</u> | <u>\$ 54,582</u> |
| \$ 2,390 | \$ - | \$ - | \$ - | \$ - | \$ 903 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>2,390</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>903</u> |
| 80,179 | 19,225 | 26,362 | 50,019 | 11,024 | 53,679 |
| <u>80,179</u> | <u>19,225</u> | <u>26,362</u> | <u>50,019</u> | <u>11,024</u> | <u>53,679</u> |
| <u>\$ 82,569</u> | <u>\$ 19,225</u> | <u>\$ 26,362</u> | <u>\$ 50,019</u> | <u>\$ 11,024</u> | <u>\$ 54,582</u> |

WALKER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2013

| | County Clerk Records Archive Fund | County Records Managment and Preservation Fund | County Records Preservation II Fund |
|---|---|---|---|
| ASSETS: | | | |
| <i>Cash and Cash Equivalents</i> | \$ 107,587 | \$ 24,590 | \$ 42,725 |
| <i>Due from Other Governments</i> | - | - | - |
| Total Assets | <u>\$ 107,587</u> | <u>\$ 24,590</u> | <u>\$ 42,725</u> |
| LIABILITIES: | | | |
| <i>Accounts Payable</i> | \$ 2,940 | \$ - | \$ - |
| <i>Due to Other Funds</i> | - | - | - |
| <i>Due to Other Governments</i> | - | - | - |
| Total Liabilities | <u>2,940</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES: | | | |
| <i>Restricted for Special Revenue Funds</i> | 104,647 | 24,590 | 42,725 |
| Total Fund Balances | <u>104,647</u> | <u>24,590</u> | <u>42,725</u> |
| Total Liabilities and Fund Balances | <u>\$ 107,587</u> | <u>\$ 24,590</u> | <u>\$ 42,725</u> |

| District Clerk Records Management and Preservation Fund | Sheriff Forfeiture Fund | District Attorney Forfeiture Fund | Juvenile Grant Fund | EERP Early Retiree Retirement Plan Fund | Tax Assessor Special Inventory Tax Fee Fund |
|--|----------------------------|--------------------------------------|------------------------|--|--|
| \$ 15,981 | \$ 39,936 | \$ 101,512 | \$ 132,798 | \$ 3,677 | \$ 19 |
| - | - | - | 36,276 | - | - |
| <u>\$ 15,981</u> | <u>\$ 39,936</u> | <u>\$ 101,512</u> | <u>\$ 169,074</u> | <u>\$ 3,677</u> | <u>\$ 19</u> |
| \$ - | \$ 4,942 | \$ 3,425 | \$ 8,646 | \$ 839 | \$ - |
| - | - | - | - | - | - |
| - | - | - | 54,570 | - | - |
| <u>-</u> | <u>4,942</u> | <u>3,425</u> | <u>63,216</u> | <u>839</u> | <u>-</u> |
| 15,981 | 34,994 | 98,087 | 105,858 | 2,838 | 19 |
| <u>15,981</u> | <u>34,994</u> | <u>98,087</u> | <u>105,858</u> | <u>2,838</u> | <u>19</u> |
| <u>\$ 15,981</u> | <u>\$ 39,936</u> | <u>\$ 101,512</u> | <u>\$ 169,074</u> | <u>\$ 3,677</u> | <u>\$ 19</u> |

WALKER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2013

| | District Clerk Rider Fund | District Attorney Prosecutors Supplement Fund | Pretrial Intervention Program Fund |
|---|------------------------------|--|--|
| ASSETS: | | | |
| <i>Cash and Cash Equivalents</i> | \$ - | \$ - | \$ 63,527 |
| <i>Due from Other Governments</i> | - | 776 | - |
| Total Assets | <u>\$ -</u> | <u>\$ 776</u> | <u>\$ 63,527</u> |
| LIABILITIES: | | | |
| <i>Accounts Payable</i> | \$ - | \$ 137 | \$ - |
| <i>Due to Other Funds</i> | - | 638 | - |
| <i>Due to Other Governments</i> | - | - | - |
| Total Liabilities | <u>-</u> | <u>775</u> | <u>-</u> |
| FUND BALANCES: | | | |
| <i>Restricted for Special Revenue Funds</i> | - | 1 | 63,527 |
| Total Fund Balances | <u>-</u> | <u>1</u> | <u>63,527</u> |
| Total Liabilities and Fund Balances | <u>\$ -</u> | <u>\$ 776</u> | <u>\$ 63,527</u> |

| County Jury Fee Fund | Justice Courts Technology Fund | County and District Courts Technology Fund | Sheriff Inmate Medical Fund | Total Nonmajor Special Revenue Fund (See Exhibit A-3) |
|-------------------------|--------------------------------------|---|--------------------------------|--|
| \$ 2,288 | \$ 25,378 | \$ 3,962 | \$ 21,013 | \$ 848,730 |
| - | - | - | - | 37,052 |
| <u>\$ 2,288</u> | <u>\$ 25,378</u> | <u>\$ 3,962</u> | <u>\$ 21,013</u> | <u>\$ 885,782</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 42,386 |
| - | - | - | - | 638 |
| - | - | - | - | 54,570 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>97,594</u> |
| 2,288 | 25,378 | 3,962 | 21,013 | 788,188 |
| <u>2,288</u> | <u>25,378</u> | <u>3,962</u> | <u>21,013</u> | <u>788,188</u> |
| <u>\$ 2,288</u> | <u>\$ 25,378</u> | <u>\$ 3,962</u> | <u>\$ 21,013</u> | <u>\$ 885,782</u> |

WALKER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

| | Fire Suppression - US Forest Fire Suppression Fund | District Attorney Hot Check Fee Fund | Court Reporter Service Fund |
|--|--|--|--------------------------------|
| REVENUES: | | | |
| <i>Intergovernmental</i> | \$ - | \$ - | \$ - |
| <i>Charges for Services</i> | - | 20,317 | 15,822 |
| <i>Fines and Forfeitures</i> | - | - | - |
| <i>Interest</i> | - | - | - |
| Total Revenues | <u>-</u> | <u>20,317</u> | <u>15,822</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| <i>General Government</i> | - | - | - |
| <i>Financial</i> | - | - | - |
| <i>Judicial</i> | - | 19,871 | 14,476 |
| <i>Public Safety</i> | - | - | - |
| Total Expenditures | <u>-</u> | <u>19,871</u> | <u>14,476</u> |
| Excess (Deficiency) of Revenues Over (Under) | | | |
| Expenditures | <u>-</u> | <u>446</u> | <u>1,346</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| <i>Transfers In</i> | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | - | 446 | 1,346 |
| Fund Balances - Beginning | - | - | - |
| Fund Balances - Ending | <u>\$ -</u> | <u>\$ 446</u> | <u>\$ 1,346</u> |

| County Law Library Fund | Courthouse Security Fund | Justice Courts Building Security Fund | Elections Equipment Fund | Tax Assessor Elections Service Contract Fund | County Clerk Records Management and Preservation Fund |
|----------------------------|-----------------------------|---|--------------------------------|---|--|
| \$ - | \$ - | \$ - | \$ 15,004 | \$ - | \$ - |
| 36,818 | 44,835 | 8,263 | - | 6,902 | 58,430 |
| - | - | - | - | - | - |
| 71 | 9 | 33 | 43 | 6 | 43 |
| <u>36,889</u> | <u>44,844</u> | <u>8,296</u> | <u>15,047</u> | <u>6,908</u> | <u>58,473</u> |
| - | - | - | 15,439 | - | 54,847 |
| - | - | - | - | - | - |
| 35,687 | - | - | - | - | - |
| - | 56,799 | 23,379 | - | - | - |
| <u>35,687</u> | <u>56,799</u> | <u>23,379</u> | <u>15,439</u> | <u>-</u> | <u>54,847</u> |
| 1,202 | (11,955) | (15,083) | (392) | 6,908 | 3,626 |
| - | 14,507 | - | - | - | - |
| <u>-</u> | <u>14,507</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 1,202 | 2,552 | (15,083) | (392) | 6,908 | 3,626 |
| 78,977 | 16,673 | 41,445 | 50,411 | 4,116 | 50,053 |
| <u>\$ 80,179</u> | <u>\$ 19,225</u> | <u>\$ 26,362</u> | <u>\$ 50,019</u> | <u>\$ 11,024</u> | <u>\$ 53,679</u> |

WALKER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

| | County Clerk Records Archive Fund | County Records Management and Preservation Fund | County Records Preservation II Fund |
|--|---|--|---|
| REVENUES: | | | |
| <i>Intergovernmental</i> | \$ - | \$ - | \$ - |
| <i>Charges for Services</i> | 61,415 | 24,860 | 11,818 |
| <i>Fines and Forfeitures</i> | - | - | - |
| <i>Interest</i> | 56 | 25 | 31 |
| Total Revenues | <u>61,471</u> | <u>24,885</u> | <u>11,849</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| <i>General Government</i> | 10,822 | 26,302 | - |
| <i>Financial</i> | - | - | - |
| <i>Judicial</i> | - | - | - |
| <i>Public Safety</i> | - | - | - |
| Total Expenditures | <u>10,822</u> | <u>26,302</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>50,649</u> | <u>(1,417)</u> | <u>11,849</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| <i>Transfers In</i> | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 50,649 | (1,417) | 11,849 |
| Fund Balances - Beginning | 53,998 | 26,007 | 30,876 |
| Fund Balances - Ending | <u>\$ 104,647</u> | <u>\$ 24,590</u> | <u>\$ 42,725</u> |

| District Clerk Records Management and Preservation Fund | Sheriff Forfeiture Fund | District Attorney Forfeiture Fund | Juvenile Grant Fund | EERP Early Retiree Retirement Plan Fund | Tax Assessor Special Inventory Tax Fee Fund |
|--|----------------------------|--------------------------------------|------------------------|--|--|
| \$ - | \$ - | \$ - | \$ 361,215 | \$ - | \$ - |
| 3,522 | - | - | - | - | 4,885 |
| - | 9,076 | 20,909 | - | - | - |
| 12 | 28 | 98 | 67 | 35 | - |
| <u>3,534</u> | <u>9,104</u> | <u>21,007</u> | <u>361,282</u> | <u>35</u> | <u>4,885</u> |
| - | - | - | - | 57,233 | - |
| - | - | - | - | - | 4,882 |
| 310 | - | 19,701 | 361,189 | - | - |
| - | 801 | - | - | - | - |
| <u>310</u> | <u>801</u> | <u>19,701</u> | <u>361,189</u> | <u>57,233</u> | <u>4,882</u> |
| <u>3,224</u> | <u>8,303</u> | <u>1,306</u> | <u>93</u> | <u>(57,198)</u> | <u>3</u> |
| - | - | - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 3,224 | 8,303 | 1,306 | 93 | (57,198) | 3 |
| 12,757 | 26,691 | 96,781 | 105,765 | 60,036 | 16 |
| <u>\$ 15,981</u> | <u>\$ 34,994</u> | <u>\$ 98,087</u> | <u>\$ 105,858</u> | <u>\$ 2,838</u> | <u>\$ 19</u> |

WALKER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

| | District Clerk Rider Fund | District Attorney Prosecutors Supplement Fund | Pretrial Intervention Program Fund |
|--|------------------------------|--|--|
| REVENUES: | | | |
| <i>Intergovernmental</i> | \$ - | \$ 22,363 | \$ - |
| <i>Charges for Services</i> | - | - | 29,032 |
| <i>Fines and Forfeitures</i> | - | - | - |
| <i>Interest</i> | - | - | 54 |
| Total Revenues | <u>-</u> | <u>22,363</u> | <u>29,086</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| <i>General Government</i> | - | - | - |
| <i>Financial</i> | - | - | - |
| <i>Judicial</i> | 4,799 | 22,362 | 26,820 |
| <i>Public Safety</i> | - | - | - |
| Total Expenditures | <u>4,799</u> | <u>22,362</u> | <u>26,820</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(4,799)</u> | <u>1</u> | <u>2,266</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| <i>Transfers In</i> | <u>3,718</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>3,718</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | (1,081) | 1 | 2,266 |
| Fund Balances - Beginning | <u>1,081</u> | <u>-</u> | <u>61,261</u> |
| Fund Balances - Ending | <u>\$ -</u> | <u>\$ 1</u> | <u>\$ 63,527</u> |

| County Jury Fee Fund | Justice Courts Technology Fund | County and District Courts Technology Fund | Sheriff Inmate Medical Fund | Total Nonmajor Special Revenue Funds (See Exhibit A-5) |
|-------------------------|--------------------------------------|---|--------------------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ 398,582 |
| 5,257 | 33,403 | 2,823 | 2,119 | 370,521 |
| - | - | - | - | 29,985 |
| - | 12 | 5 | 17 | 645 |
| <u>5,257</u> | <u>33,415</u> | <u>2,828</u> | <u>2,136</u> | <u>799,733</u> |
| - | - | - | - | 164,643 |
| - | - | - | - | 4,882 |
| 2,969 | 25,414 | 4,394 | - | 537,992 |
| - | - | - | - | 80,979 |
| <u>2,969</u> | <u>25,414</u> | <u>4,394</u> | <u>-</u> | <u>788,496</u> |
| <u>2,288</u> | <u>8,001</u> | <u>(1,566)</u> | <u>2,136</u> | <u>11,237</u> |
| - | - | - | - | 18,225 |
| - | - | - | - | 18,225 |
| 2,288 | 8,001 | (1,566) | 2,136 | 29,462 |
| - | 17,377 | 5,528 | 18,877 | 758,726 |
| <u>\$ 2,288</u> | <u>\$ 25,378</u> | <u>\$ 3,962</u> | <u>\$ 21,013</u> | <u>\$ 788,188</u> |

(This page was intentionally left blank)

Budgetary Comparison Schedules

WALKER COUNTY, TEXAS**EXHIBIT C-3**

*FIRE SUPPRESSION - US FOREST FIRE SUPPRESSION FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|--------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| Federal Funds: | | | | |
| <i>Legislatively Designated Funds</i> | \$ - | \$ 17,346 | \$ - | \$ (17,346) |
| Total Federal Funds | - | 17,346 | - | (17,346) |
| Total Intergovernmental | - | 17,346 | - | (17,346) |
| Total Revenues | - | 17,346 | - | (17,346) |
| EXPENDITURES: | | | | |
| Public Safety: | | | | |
| U.S. Forest Service - Fire Suppression: | | | | |
| <i>Operations</i> | - | 17,346 | - | 17,346 |
| Total U.S. Forest Service - Fire Suppression | - | 17,346 | - | 17,346 |
| Total Public Safety | - | 17,346 | - | 17,346 |
| Total Expenditures | - | 17,346 | - | 17,346 |
| Net Change in Fund Balances | - | - | - | - |
| Fund Balances - Beginning | - | - | - | - |
| Fund Balances - Ending | \$ - | \$ - | \$ - | \$ - |

WALKER COUNTY, TEXAS
DISTRICT ATTORNEY HOT CHECK FEE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-4

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|---------------|---------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services: | | | | |
| <i>Charges for Services</i> | \$ 31,000 | \$ 31,000 | \$ 20,317 | \$ (10,683) |
| Total Charges for Services | <u>31,000</u> | <u>31,000</u> | <u>20,317</u> | <u>(10,683)</u> |
| Total Revenue | <u>31,000</u> | <u>31,000</u> | <u>20,317</u> | <u>(10,683)</u> |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| Hot Checks: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 25,185 | 25,185 | 15,833 | 9,352 |
| <i>Operations</i> | <u>5,815</u> | <u>5,815</u> | <u>4,038</u> | <u>1,777</u> |
| Total Hot Check | <u>31,000</u> | <u>31,000</u> | <u>19,871</u> | <u>11,129</u> |
| Total Judicial | <u>31,000</u> | <u>31,000</u> | <u>19,871</u> | <u>11,129</u> |
| Total Expenditures | <u>31,000</u> | <u>31,000</u> | <u>19,871</u> | <u>11,129</u> |
| Net Change in Fund Balances | - | - | 446 | 446 |
| Fund Balances - Beginning | - | - | - | - |
| Fund Balances - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 446</u> | <u>\$ 446</u> |

WALKER COUNTY, TEXAS
COURT REPORTER SERVICE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-5

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------|---------------|-----------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services: | | | | |
| <i>Planning and Development</i> | \$ 15,000 | \$ 15,000 | \$ 15,822 | \$ 822 |
| Total Charges for Services | <u>15,000</u> | <u>15,000</u> | <u>15,822</u> | <u>822</u> |
| Total Revenues | <u>15,000</u> | <u>15,000</u> | <u>15,822</u> | <u>822</u> |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| Court Reporter Services: | | | | |
| <i>Operations</i> | 15,000 | 15,000 | 14,476 | 524 |
| Total Court Reporter Services | <u>15,000</u> | <u>15,000</u> | <u>14,476</u> | <u>524</u> |
| Total Judicial | <u>15,000</u> | <u>15,000</u> | <u>14,476</u> | <u>524</u> |
| Total Expenditures | <u>15,000</u> | <u>15,000</u> | <u>14,476</u> | <u>524</u> |
| Net Change in Fund Balances | - | - | 1,346 | 1,346 |
| Fund Balances - Beginning | - | - | - | - |
| Fund Balances - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,346</u> | <u>\$ 1,346</u> |

WALKER COUNTY, TEXAS
COUNTY LAW LIBRARY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-6

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services: | | | | |
| <i>Law Library</i> | \$ 35,000 | \$ 35,000 | \$ 36,818 | \$ 1,818 |
| Total Charges for Services | <u>35,000</u> | <u>35,000</u> | <u>36,818</u> | <u>1,818</u> |
| <i>Interest</i> | <u>100</u> | <u>100</u> | <u>71</u> | <u>(29)</u> |
| Total Revenues | <u>35,100</u> | <u>35,100</u> | <u>36,889</u> | <u>1,789</u> |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| Law Library: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 5,760 | 8,760 | 8,723 | 37 |
| <i>Operations</i> | <u>51,588</u> | <u>48,588</u> | <u>26,964</u> | <u>21,624</u> |
| Total Law Library | <u>57,348</u> | <u>57,348</u> | <u>35,687</u> | <u>21,661</u> |
| Total Judicial | <u>57,348</u> | <u>57,348</u> | <u>35,687</u> | <u>21,661</u> |
| Total Expenditures | <u>57,348</u> | <u>57,348</u> | <u>35,687</u> | <u>21,661</u> |
| Net Change in Fund Balances | (22,248) | (22,248) | 1,202 | 23,450 |
| Fund Balances - Beginning | <u>78,977</u> | <u>78,977</u> | <u>78,977</u> | <u>-</u> |
| Fund Balances - Ending | <u>\$ 56,729</u> | <u>\$ 56,729</u> | <u>\$ 80,179</u> | <u>\$ 23,450</u> |

WALKER COUNTY, TEXAS
COURT HOUSE SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-7

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services: | | | | |
| <i>Court House Security</i> | \$ 44,400 | \$ 44,400 | \$ 44,835 | \$ 435 |
| Total Charges for Services | <u>44,400</u> | <u>44,400</u> | <u>44,835</u> | <u>435</u> |
| <i>Interest</i> | <u>-</u> | <u>-</u> | <u>9</u> | <u>9</u> |
| Total Revenues | <u>44,400</u> | <u>44,400</u> | <u>44,844</u> | <u>444</u> |
| EXPENDITURES: | | | | |
| Public Safety: | | | | |
| Courthouse Security: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 58,103 | 58,103 | 56,796 | 1,307 |
| <i>Operations</i> | <u>415</u> | <u>415</u> | <u>3</u> | <u>412</u> |
| Total Courthouse Security | <u>58,518</u> | <u>58,518</u> | <u>56,799</u> | <u>1,719</u> |
| Total Public Safety | <u>58,518</u> | <u>58,518</u> | <u>56,799</u> | <u>1,719</u> |
| Total Expenditures | <u>58,518</u> | <u>58,518</u> | <u>56,799</u> | <u>1,719</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(14,118)</u> | <u>(14,118)</u> | <u>(11,955)</u> | <u>2,163</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| <i>Transfers In</i> | <u>14,507</u> | <u>14,507</u> | <u>14,507</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>14,507</u> | <u>14,507</u> | <u>14,507</u> | <u>-</u> |
| Net Change in Fund Balances | 389 | 389 | 2,552 | 2,163 |
| Fund Balances - Beginning | <u>16,673</u> | <u>16,673</u> | <u>16,673</u> | <u>-</u> |
| Fund Balances - Ending | <u>\$ 17,062</u> | <u>\$ 17,062</u> | <u>\$ 19,225</u> | <u>\$ 2,163</u> |

WALKER COUNTY, TEXAS
JUSTICE COURTS SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-8

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------|-------------------------|-------------------------|-------------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services: | | | | |
| <i>Justice Court Security</i> | \$ 8,000 | \$ 8,000 | \$ 8,263 | \$ 263 |
| Total Charges for Services | <u>8,000</u> | <u>8,000</u> | <u>8,263</u> | <u>263</u> |
| <i>Interest</i> | <u>40</u> | <u>40</u> | <u>33</u> | <u>(7)</u> |
| Total Revenues | <u>8,040</u> | <u>8,040</u> | <u>8,296</u> | <u>256</u> |
| EXPENDITURES: | | | | |
| Public Safety: | | | | |
| Justice Courts Security: | | | | |
| <i>Operations</i> | <u>20,000</u> | <u>23,400</u> | <u>23,379</u> | <u>21</u> |
| Total Justice Courts Security | <u>20,000</u> | <u>23,400</u> | <u>23,379</u> | <u>21</u> |
| Total Public Safety | <u>20,000</u> | <u>23,400</u> | <u>23,379</u> | <u>21</u> |
| Total Expenditures | <u>20,000</u> | <u>23,400</u> | <u>23,379</u> | <u>21</u> |
| Net Change in Fund Balances | (11,960) | (15,360) | (15,083) | 277 |
| Fund Balances - Beginning | <u>41,445</u> | <u>41,445</u> | <u>41,445</u> | <u>-</u> |
| Fund Balances - Ending | <u><u>\$ 29,485</u></u> | <u><u>\$ 26,085</u></u> | <u><u>\$ 26,362</u></u> | <u><u>\$ 277</u></u> |

WALKER COUNTY, TEXAS
ELECTIONS EQUIPMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-9

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|------------------|----------|-----------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| <i>Other</i> | \$ 4,000 | \$ 4,000 | \$ 15,004 | \$ 11,004 |
| Total Other Governmental Funds | 4,000 | 4,000 | 15,004 | 11,004 |
| Total Intergovernmental | 4,000 | 4,000 | 15,004 | 11,004 |
| <i>Interest</i> | - | - | 43 | 43 |
| Total Revenues | 4,000 | 4,000 | 15,047 | 11,047 |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| Elections Equipment: | | | | |
| <i>Operations</i> | 54,310 | 54,310 | 15,439 | 38,871 |
| Total Elections Equipment | 54,310 | 54,310 | 15,439 | 38,871 |
| Total General Government | 54,310 | 54,310 | 15,439 | 38,871 |
| Total Expenditures | 54,310 | 54,310 | 15,439 | 38,871 |
| Net Change in Fund Balances | (50,310) | (50,310) | (392) | 49,918 |
| Fund Balances - Beginning | 50,411 | 50,411 | 50,411 | - |
| Fund Balances - Ending | \$ 101 | \$ 101 | \$ 50,019 | \$ 49,918 |

WALKER COUNTY, TEXAS**EXHIBIT C-10**

*TAX ASSESSOR ELECTIONS SERVICE CONTRACT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------------|------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services | \$ 3,500 | \$ 3,500 | \$ 6,902 | \$ 3,402 |
| Total Charges for Services | <u>3,500</u> | <u>3,500</u> | <u>6,902</u> | <u>3,402</u> |
| <i>Interest</i> | <u>-</u> | <u>-</u> | <u>6</u> | <u>6</u> |
| Total Revenues | <u>3,500</u> | <u>3,500</u> | <u>6,908</u> | <u>3,408</u> |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| Elections Services Contracts: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 3,500 | 3,500 | - | 3,500 |
| Total Elections Service Contracts | <u>3,500</u> | <u>3,500</u> | <u>-</u> | <u>3,500</u> |
| Total General Government | <u>3,500</u> | <u>3,500</u> | <u>-</u> | <u>3,500</u> |
| Total Expenditures | <u>3,500</u> | <u>3,500</u> | <u>-</u> | <u>3,500</u> |
| Net Change in Fund Balances | - | - | 6,908 | 6,908 |
| Fund Balances - Beginning | 4,116 | 4,116 | 4,116 | - |
| Fund Balances - Ending | <u>\$ 4,116</u> | <u>\$ 4,116</u> | <u>\$ 11,024</u> | <u>\$ 6,908</u> |

WALKER COUNTY, TEXAS**COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION FUND****SPECIAL REVENUE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2013****EXHIBIT C-11**

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services: | | | | |
| <i>Records Preservation</i> | \$ 48,000 | \$ 48,000 | \$ 58,430 | \$ 10,430 |
| Total Charges for Services | 48,000 | 48,000 | 58,430 | 10,430 |
| <i>Interest</i> | 100 | 100 | 43 | (57) |
| Total Revenues | 48,100 | 48,100 | 58,473 | 10,373 |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| County Clerk-Records Preservation: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 50,918 | 50,918 | 43,533 | 7,385 |
| <i>Operations</i> | 27,121 | 20,860 | 5,053 | 15,807 |
| <i>Capital Expenditures</i> | - | 6,261 | 6,261 | - |
| Total County Clerk-Records Preservation | 78,039 | 78,039 | 54,847 | 23,192 |
| Total General Government | 78,039 | 78,039 | 54,847 | 23,192 |
| Total Expenditures | 78,039 | 78,039 | 54,847 | 23,192 |
| Net Changes in Fund Balances | (29,939) | (29,939) | 3,626 | 33,565 |
| Fund Balances - Beginning | 50,053 | 50,053 | 50,053 | - |
| Fund Balances - Ending | \$ 20,114 | \$ 20,114 | \$ 53,679 | \$ 33,565 |

WALKER COUNTY, TEXAS
COUNTY CLERK RECORDS ARCHIVE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-12

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------|------------------|-----------|------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services: | | | | |
| <i>Records Preservation</i> | \$ 50,000 | \$ 50,000 | \$ 61,415 | \$ 11,415 |
| Total Charges for Services | 50,000 | 50,000 | 61,415 | 11,415 |
| <i>Interest</i> | - | - | 56 | 56 |
| Total Revenues | 50,000 | 50,000 | 61,471 | 11,471 |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| Archive: | | | | |
| <i>Operations</i> | 74,500 | 74,500 | 10,822 | 63,678 |
| Total Archive | 74,500 | 74,500 | 10,822 | 63,678 |
| Total General Government | 74,500 | 74,500 | 10,822 | 63,678 |
| Total Expenditures | 74,500 | 74,500 | 10,822 | 63,678 |
| Net Changes in Fund Balances | (24,500) | (24,500) | 50,649 | 75,149 |
| Fund Balances - Beginning | 53,998 | 53,998 | 53,998 | - |
| Fund Balances - Ending | \$ 29,498 | \$ 29,498 | \$ 104,647 | \$ 75,149 |

WALKER COUNTY, TEXAS**EXHIBIT C-13**

COUNTY RECORDS MANAGEMENT AND PRESERVATION FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2013

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------|-----------------|------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services: | | | | |
| <i>Records Preservation</i> | \$ 25,000 | \$ 25,000 | \$ 24,860 | \$ (140) |
| Total Charges for Services | <u>25,000</u> | <u>25,000</u> | <u>24,860</u> | <u>(140)</u> |
| <i>Interest</i> | <u>170</u> | <u>170</u> | <u>25</u> | <u>(145)</u> |
| Total Revenues | <u>25,170</u> | <u>25,170</u> | <u>24,885</u> | <u>(285)</u> |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| County Records Management: | | | | |
| <i>Operations</i> | <u>45,000</u> | <u>45,000</u> | <u>26,302</u> | <u>18,698</u> |
| Total County Records Management | <u>45,000</u> | <u>45,000</u> | <u>26,302</u> | <u>18,698</u> |
| Total General Government | <u>45,000</u> | <u>45,000</u> | <u>26,302</u> | <u>18,698</u> |
| Total Expenditures | <u>45,000</u> | <u>45,000</u> | <u>26,302</u> | <u>18,698</u> |
| Net Changes in Fund Balances | (19,830) | (19,830) | (1,417) | 18,413 |
| Fund Balances - Beginning | <u>26,007</u> | <u>26,007</u> | <u>26,007</u> | <u>-</u> |
| Fund Balances - Ending | <u>\$ 6,177</u> | <u>\$ 6,177</u> | <u>\$ 24,590</u> | <u>\$ 18,413</u> |

WALKER COUNTY, TEXAS
COUNTY RECORDS PRESERVATION II FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-14

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------|-----------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services: | | | | |
| <i>Records Preservation</i> | \$ 11,000 | \$ 11,000 | \$ 11,818 | \$ 818 |
| Total Charges for Services | 11,000 | 11,000 | 11,818 | 818 |
| <i>Interest</i> | - | - | 31 | 31 |
| Total Revenues | 11,000 | 11,000 | 11,849 | 849 |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| District Clerk Records Preservation: | | | | |
| <i>Operations</i> | 40,000 | 40,000 | - | 40,000 |
| Total District Clerk Records Preservation | 40,000 | 40,000 | - | 40,000 |
| Total General Government | 40,000 | 40,000 | - | 40,000 |
| Total Expenditures | 40,000 | 40,000 | - | 40,000 |
| Net Change in Fund Balances | (29,000) | (29,000) | 11,849 | 40,849 |
| Fund Balances - Beginning | 30,876 | 30,876 | 30,876 | - |
| Fund Balances - Ending | \$ 1,876 | \$ 1,876 | \$ 42,725 | \$ 40,849 |

WALKER COUNTY, TEXAS**EXHIBIT C-15**

*DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------------|--------------------------|-------------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services: | | | | |
| <i>Records Preservation</i> | \$ 3,700 | \$ 3,700 | \$ 3,522 | \$ (178) |
| Total Charges for Services | <u>3,700</u> | <u>3,700</u> | <u>3,522</u> | <u>(178)</u> |
| <i>Interest</i> | <u>25</u> | <u>25</u> | <u>12</u> | <u>(13)</u> |
| Total Revenues | <u>3,725</u> | <u>3,725</u> | <u>3,534</u> | <u>(191)</u> |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| District Clerk Records Preservation: | | | | |
| <i>Operations</i> | <u>19,017</u> | <u>19,017</u> | <u>310</u> | <u>18,707</u> |
| Total District Clerk Records Preservation | <u>19,017</u> | <u>19,017</u> | <u>310</u> | <u>18,707</u> |
| Total Judicial | <u>19,017</u> | <u>19,017</u> | <u>310</u> | <u>18,707</u> |
| Total Expenditures | <u>19,017</u> | <u>19,017</u> | <u>310</u> | <u>18,707</u> |
| Net Change in Fund Balances | (15,292) | (15,292) | 3,224 | 18,516 |
| Fund Balances - Beginning | <u>12,757</u> | <u>12,757</u> | <u>12,757</u> | <u>-</u> |
| Fund Balances - Ending | <u><u>\$ (2,535)</u></u> | <u><u>\$ (2,535)</u></u> | <u><u>\$ 15,981</u></u> | <u><u>\$ 18,516</u></u> |

WALKER COUNTY, TEXAS
SHERIFF FORFEITURE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-16

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------|------------------|----------|-----------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| <i>Fines and Forfeitures</i> | \$ - | \$ - | \$ 9,076 | \$ 9,076 |
| <i>Interest</i> | 50 | 50 | 28 | (22) |
| Total Revenues | 50 | 50 | 9,104 | 9,054 |
| EXPENDITURES: | | | | |
| Public Safety: | | | | |
| S.O. Forfeiture: | | | | |
| <i>Operations</i> | 22,712 | 22,712 | 801 | 21,911 |
| Total S.O. Forfeiture | 22,712 | 22,712 | 801 | 21,911 |
| Total Public Safety | 22,712 | 22,712 | 801 | 21,911 |
| Total Expenditures | 22,712 | 22,712 | 801 | 21,911 |
| Net Change in Fund Balances | (22,662) | (22,662) | 8,303 | 30,965 |
| Fund Balances - Beginning | 26,691 | 26,691 | 26,691 | - |
| Fund Balances - Ending | \$ 4,029 | \$ 4,029 | \$ 34,994 | \$ 30,965 |

WALKER COUNTY, TEXAS
DISTRICT ATTORNEY FORFEITURE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-17

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------|------------------|-----------|-----------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| <i>Fines and Forfeitures</i> | \$ - | \$ - | \$ 20,909 | \$ 20,909 |
| <i>Interest</i> | 100 | 100 | 98 | (2) |
| Total Revenues | 100 | 100 | 21,007 | 20,907 |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| District Attorney Forfeitures: | | | | |
| <i>Operations</i> | 80,855 | 80,855 | 19,701 | 61,154 |
| Total District Attorney Forfeitures | 80,855 | 80,855 | 19,701 | 61,154 |
| Total Judicial | 80,855 | 80,855 | 19,701 | 61,154 |
| Total Expenditures | 80,855 | 80,855 | 19,701 | 61,154 |
| Net Change in Fund Balances | (80,755) | (80,755) | 1,306 | 82,061 |
| Fund Balances - Beginning | 96,781 | 96,781 | 96,781 | - |
| Fund Balances - Ending | \$ 16,026 | \$ 16,026 | \$ 98,087 | \$ 82,061 |

WALKER COUNTY, TEXAS
JUVENILE GRANT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-18

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| State Funds: | | | | |
| <i>Other State Funds</i> | \$ 518,929 | \$ 518,929 | \$ 361,215 | \$ (157,714) |
| Total State Funds | <u>518,929</u> | <u>518,929</u> | <u>361,215</u> | <u>(157,714)</u> |
| Total Intergovernmental | <u>518,929</u> | <u>518,929</u> | <u>361,215</u> | <u>(157,714)</u> |
| <i>Interest</i> | <u>-</u> | <u>-</u> | <u>67</u> | <u>67</u> |
| Total Revenues | <u>518,929</u> | <u>518,929</u> | <u>361,282</u> | <u>(157,647)</u> |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| TJPC-A-94-236 | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 338,378 | 338,378 | 314,273 | 24,105 |
| <i>Operations</i> | <u>29,958</u> | <u>29,958</u> | <u>17,753</u> | <u>12,205</u> |
| Total TJPC-A-94-236 | <u>368,336</u> | <u>368,336</u> | <u>332,026</u> | <u>36,310</u> |
| Title IV-E Funds | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 3,604 | 3,604 | 47 | 3,557 |
| <i>Operations</i> | <u>117,935</u> | <u>102,225</u> | <u>(75)</u> | <u>102,300</u> |
| Total Title IV-E Funds | <u>121,539</u> | <u>105,829</u> | <u>(28)</u> | <u>105,857</u> |
| Juvenile Grants | | | | |
| <i>Operations</i> | <u>44,764</u> | <u>44,764</u> | <u>29,191</u> | <u>15,573</u> |
| Total Juvenile Grants | <u>44,764</u> | <u>44,764</u> | <u>29,191</u> | <u>15,573</u> |
| Total Judicial | <u>534,639</u> | <u>518,929</u> | <u>361,189</u> | <u>157,740</u> |
| Total Expenditures | <u>534,639</u> | <u>518,929</u> | <u>361,189</u> | <u>157,740</u> |
| Net Change in Fund Balances | (15,710) | - | 93 | 93 |
| Fund Balances - Beginning | <u>105,765</u> | <u>105,765</u> | <u>105,765</u> | <u>-</u> |
| Fund Balances - Ending | <u>\$ 90,055</u> | <u>\$ 105,765</u> | <u>\$ 105,858</u> | <u>\$ 93</u> |

WALKER COUNTY, TEXAS

EERP EARLY RETIREE RETIREMENT PLAN FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-19

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|----------|----------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| <i>Interest</i> | \$ - | \$ - | \$ 35 | \$ 35 |
| Total Revenues | - | - | 35 | 35 |
| EXPENDITURES: | | | | |
| General Government: | | | | |
| ERRP-Early Retiree Retirement Program | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 60,014 | 60,014 | 57,233 | 2,781 |
| Total ERRP-Early Retiree Retirement Program | 60,014 | 60,014 | 57,233 | 2,781 |
| Total General Government | 60,014 | 60,014 | 57,233 | 2,781 |
| Total Expenditures | 60,014 | 60,014 | 57,233 | 2,781 |
| Net Change in Fund Balances | (60,014) | (60,014) | (57,198) | 2,816 |
| Fund Balances - Beginning | 60,036 | 60,036 | 60,036 | - |
| Fund Balances - Ending | \$ 22 | \$ 22 | \$ 2,838 | \$ 2,816 |

WALKER COUNTY, TEXAS**EXHIBIT C-20**

*TAX ASSESSOR SPECIAL INVENTORY TAX FEE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|-------------------|-------------------|--------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| <i>Charges for Services</i> | \$ - | \$ 4,885 | \$ 4,885 | \$ - |
| Total Charges for Services | - | 4,885 | 4,885 | - |
| Total Revenues | - | 4,885 | 4,885 | - |
| EXPENDITURES: | | | | |
| Financial: | | | | |
| Special Inventory Tax: | | | | |
| <i>Operations</i> | 1,023 | 5,908 | 4,882 | 1,026 |
| Total Special Inventory Tax | 1,023 | 5,908 | 4,882 | 1,026 |
| Total Financial | 1,023 | 5,908 | 4,882 | 1,026 |
| Total Expenditures | 1,023 | 5,908 | 4,882 | 1,026 |
| Net Change in Fund Balances | (1,023) | (1,023) | 3 | 1,026 |
| Fund Balances - Beginning | 16 | 16 | 16 | - |
| Fund Balances - Ending | <u>\$ (1,007)</u> | <u>\$ (1,007)</u> | <u>\$ 19</u> | <u>\$ 1,026</u> |

WALKER COUNTY, TEXAS
DISTRICT CLERK RIDER FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-21

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--|------------------|---------|---------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| State Funds: | | | | |
| <i>Other State Funds</i> | \$ - | \$ - | \$ - | \$ - |
| Total State Funds | - | - | - | - |
| Total Intergovernmental | - | - | - | - |
| Total Revenues | - | - | - | - |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| Rider Prosecution Fund: | | | | |
| <i>Salary, Other Pay, and Benefits</i> | 4,799 | 4,799 | 4,799 | - |
| Total Rider Prosecution Fund | 4,799 | 4,799 | 4,799 | - |
| Total Judicial | 4,799 | 4,799 | 4,799 | - |
| Total Expenditures | 4,799 | 4,799 | 4,799 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (4,799) | (4,799) | (4,799) | - |
| OTHER FINANCING SOURCES (USES): | | | | |
| <i>Transfers In</i> | 3,721 | 3,721 | 3,718 | 3 |
| Total Other Financing Sources (Uses) | 3,721 | 3,721 | 3,718 | 3 |
| Net Changes in Fund Balances | (1,078) | (1,078) | (1,081) | 3 |
| Fund Balances - Beginning | 1,081 | 1,081 | 1,081 | - |
| Fund Balances - Ending | \$ 3 | \$ 3 | \$ - | \$ 3 |

WALKER COUNTY, TEXAS**EXHIBIT C-22**

*DISTRICT ATTORNEY PROSECUTORS SUPPLEMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------|------------------|---------------|---------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| State Funds: | | | | |
| <i>Other State Funds</i> | \$ 22,450 | \$ 22,450 | \$ 22,363 | \$ (87) |
| Total State Funds | <u>22,450</u> | <u>22,450</u> | <u>22,363</u> | <u>(87)</u> |
| Total Intergovernmental | <u>22,450</u> | <u>22,450</u> | <u>22,363</u> | <u>(87)</u> |
| Total Revenues | <u>22,450</u> | <u>22,450</u> | <u>22,363</u> | <u>(87)</u> |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| CDA Supplement: | | | | |
| <i>Operations</i> | <u>22,450</u> | <u>22,450</u> | <u>22,362</u> | <u>88</u> |
| Total CDA Supplement | <u>22,450</u> | <u>22,450</u> | <u>22,362</u> | <u>88</u> |
| Total Judicial | <u>22,450</u> | <u>22,450</u> | <u>22,362</u> | <u>88</u> |
| Total Expenditures | <u>22,450</u> | <u>22,450</u> | <u>22,362</u> | <u>88</u> |
| Net Change in Fund Balances | - | - | 1 | 1 |
| Fund Balances - Beginning | - | - | - | - |
| Fund Balances - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1</u> | <u>\$ 1</u> |

WALKER COUNTY, TEXAS**EXHIBIT C-23**

*PRETRIAL INTERVENTION PROGRAM FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------|------------------|------------------|------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services: | | | | |
| <i>Pretrial Intervention</i> | \$ 20,000 | \$ 20,000 | \$ 29,032 | \$ 9,032 |
| Total Charges for Services | <u>20,000</u> | <u>20,000</u> | <u>29,032</u> | <u>9,032</u> |
| <i>Interest</i> | <u>-</u> | <u>-</u> | <u>54</u> | <u>54</u> |
| Total Revenues | <u>20,000</u> | <u>20,000</u> | <u>29,086</u> | <u>9,086</u> |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| Pretrial Intervention: | | | | |
| <i>Operations</i> | 26,820 | 26,820 | 26,820 | - |
| Total Pretrial Intervention | <u>26,820</u> | <u>26,820</u> | <u>26,820</u> | <u>-</u> |
| Total Judicial | <u>26,820</u> | <u>26,820</u> | <u>26,820</u> | <u>-</u> |
| Total Expenditures | <u>26,820</u> | <u>26,820</u> | <u>26,820</u> | <u>-</u> |
| Net Changes in Fund Balances | (6,820) | (6,820) | 2,266 | 9,086 |
| Fund Balances - Beginning | 61,261 | 61,261 | 61,261 | - |
| Fund Balances - Ending | <u>\$ 54,441</u> | <u>\$ 54,441</u> | <u>\$ 63,527</u> | <u>\$ 9,086</u> |

WALKER COUNTY, TEXAS
COUNTY JURY FEE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-24

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------|------------------|--------------|-----------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for Services | \$ 2,800 | \$ 2,970 | \$ 5,257 | \$ 2,287 |
| Total Charges for Services | <u>2,800</u> | <u>2,970</u> | <u>5,257</u> | <u>2,287</u> |
| Total Revenues | <u>2,800</u> | <u>2,970</u> | <u>5,257</u> | <u>2,287</u> |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| County Jury: | | | | |
| Operations | <u>2,800</u> | <u>2,970</u> | <u>2,969</u> | <u>1</u> |
| Total County Jury | <u>2,800</u> | <u>2,970</u> | <u>2,969</u> | <u>1</u> |
| Total Judicial | <u>2,800</u> | <u>2,970</u> | <u>2,969</u> | <u>1</u> |
| Total Expenditures | <u>2,800</u> | <u>2,970</u> | <u>2,969</u> | <u>1</u> |
| Net Change Fund Balances | - | - | 2,288 | 2,288 |
| Fund Balances - Beginning | - | - | - | - |
| Fund Balances - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,288</u> | <u>\$ 2,288</u> |

WALKER COUNTY, TEXAS
JUSTICE COURTS TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-25

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|------------------|-----------------|------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| <i>Charges for Services</i> | \$ 34,000 | \$ 34,000 | \$ 33,403 | \$ (597) |
| Total Charges for Services | <u>34,000</u> | <u>34,000</u> | <u>33,403</u> | <u>(597)</u> |
| <i>Interest</i> | 175 | 175 | 12 | (163) |
| Total Revenues | <u>34,175</u> | <u>34,175</u> | <u>33,415</u> | <u>(760)</u> |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| Justice Court Technology: | | | | |
| <i>Operations</i> | 44,379 | 44,379 | 25,414 | 18,965 |
| Total Justice Court Technology | <u>44,379</u> | <u>44,379</u> | <u>25,414</u> | <u>18,965</u> |
| Total Judicial | <u>44,379</u> | <u>44,379</u> | <u>25,414</u> | <u>18,965</u> |
| Total Expenditures | <u>44,379</u> | <u>44,379</u> | <u>25,414</u> | <u>18,965</u> |
| Net Change in Fund Balances | (10,204) | (10,204) | 8,001 | 18,205 |
| Fund Balances - Beginning | 17,377 | 17,377 | 17,377 | - |
| Fund Balances - Ending | <u>\$ 7,173</u> | <u>\$ 7,173</u> | <u>\$ 25,378</u> | <u>\$ 18,205</u> |

WALKER COUNTY, TEXAS**EXHIBIT C-26**

*COUNTY AND DISTRICT COURTS TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|-----------------|-----------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| <i>Charges for Services</i> | \$ 2,000 | \$ 2,000 | \$ 2,823 | \$ 823 |
| Total Charges for Services | <u>2,000</u> | <u>2,000</u> | <u>2,823</u> | <u>823</u> |
| <i>Interest</i> | - | - | 5 | 5 |
| Total Revenues | <u>2,000</u> | <u>2,000</u> | <u>2,828</u> | <u>828</u> |
| EXPENDITURES: | | | | |
| Judicial: | | | | |
| County and District Courts Technology | | | | |
| <i>Operations</i> | 5,000 | 5,000 | 4,394 | 606 |
| Total County and District Courts Technology | <u>5,000</u> | <u>5,000</u> | <u>4,394</u> | <u>606</u> |
| Total Judicial | <u>5,000</u> | <u>5,000</u> | <u>4,394</u> | <u>606</u> |
| Total Expenditures | <u>5,000</u> | <u>5,000</u> | <u>4,394</u> | <u>606</u> |
| Net Change in Fund Balances | (3,000) | (3,000) | (1,566) | 1,434 |
| Fund Balances - Beginning | 5,528 | 5,528 | 5,528 | - |
| Fund Balances - Ending | <u>\$ 2,528</u> | <u>\$ 2,528</u> | <u>\$ 3,962</u> | <u>\$ 1,434</u> |

WALKER COUNTY, TEXAS
SHERIFF INMATE MEDICAL FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-27

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|-------------------------------------|------------------|------------------|------------------|---|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| <i>Charges for Services</i> | \$ 1,500 | \$ 1,500 | \$ 2,119 | \$ 619 |
| Total Charges for Services | <u>1,500</u> | <u>1,500</u> | <u>2,119</u> | <u>619</u> |
| <i>Interest</i> | 15 | 15 | 17 | 2 |
| Total Revenues | <u>1,515</u> | <u>1,515</u> | <u>2,136</u> | <u>621</u> |
| EXPENDITURES: | | | | |
| Correction and Rehabilitation: | | | | |
| Sheriff Inmate Medical: | | | | |
| <i>Operations</i> | 10,000 | 10,000 | - | 10,000 |
| Total Sheriff Inmate Medical | <u>10,000</u> | <u>10,000</u> | <u>-</u> | <u>10,000</u> |
| Total Correction and Rehabilitation | <u>10,000</u> | <u>10,000</u> | <u>-</u> | <u>10,000</u> |
| Total Expenditures | <u>10,000</u> | <u>10,000</u> | <u>-</u> | <u>10,000</u> |
| Net Changes in Fund Balances | (8,485) | (8,485) | 2,136 | 10,621 |
| Fund Balances - Beginning | 18,877 | 18,877 | 18,877 | - |
| Fund Balances - Ending | <u>\$ 10,392</u> | <u>\$ 10,392</u> | <u>\$ 21,013</u> | <u>\$ 10,621</u> |

Debt Service Fund

WALKER COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-28

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------------|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Ad Valorem Taxes: | | | | |
| <i>Current Taxes</i> | \$ 1,373,763 | \$ 1,373,763 | \$ 1,473,806 | \$ 100,043 |
| Total Ad Valorem Taxes | <u>1,373,763</u> | <u>1,373,763</u> | <u>1,473,806</u> | <u>100,043</u> |
| <i>Penalty and Interest</i> | <u>-</u> | <u>-</u> | <u>8,701</u> | <u>8,701</u> |
| <i>Interest</i> | <u>1,700</u> | <u>1,700</u> | <u>425</u> | <u>(1,275)</u> |
| Total Revenues | <u>1,375,463</u> | <u>1,375,463</u> | <u>1,482,932</u> | <u>107,469</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| <i>Principal Retirement</i> | 685,000 | 685,000 | 685,000 | - |
| <i>Interest and Fiscal Charges</i> | <u>688,763</u> | <u>688,763</u> | <u>655,964</u> | <u>32,799</u> |
| Total Debt Service | <u>1,373,763</u> | <u>1,373,763</u> | <u>1,340,964</u> | <u>32,799</u> |
| Total Expenditures | <u>1,373,763</u> | <u>1,373,763</u> | <u>1,340,964</u> | <u>32,799</u> |
| Net Change in Fund Balances | 1,700 | 1,700 | 141,968 | 140,268 |
| Fund Balances - Beginning | 9 | 9 | 9 | - |
| Fund Balances - Ending | <u>\$ 1,709</u> | <u>\$ 1,709</u> | <u>\$ 141,977</u> | <u>\$ 140,268</u> |

Capital Projects Fund

WALKER COUNTY, TEXAS**EXHIBIT C-29**

JAIL CONSTRUCTION FUND

CAPITAL PROJECTS FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2013

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------|------------------|--------------|--------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| <i>Interest</i> | \$ - | \$ - | \$ 24,947 | \$ 24,947 |
| Total Revenues | - | - | 24,947 | 24,947 |
| EXPENDITURES: | | | | |
| Correction and Rehabilitation: | | | | |
| Jail Project: | | | | |
| <i>Capital Expenditures</i> | 18,888,014 | 18,888,014 | 12,544,132 | 6,343,882 |
| Total Jail Project | 18,888,014 | 18,888,014 | 12,544,132 | 6,343,882 |
| Total Correction and Rehabilitation | 18,888,014 | 18,888,014 | 12,544,132 | 6,343,882 |
| Total Expenditures | 18,888,014 | 18,888,014 | 12,544,132 | 6,343,882 |
| Net Change in Fund Balances | (18,888,014) | (18,888,014) | (12,519,185) | 6,368,829 |
| Fund Balances - Beginning | 18,888,014 | 18,888,014 | 18,888,014 | - |
| Fund Balances - Ending | \$ - | \$ - | \$ 6,368,829 | \$ 6,368,829 |

Fiduciary Funds

WALKER COUNTY, TEXAS**EXHIBIT C-30****COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS****SEPTEMBER 30, 2013**

| | County Officials Trust & Agency Funds | Walker County Public Safety Communications Center | Sheriff Commissary Fund | Adult Probation | LEOSE Training Fund | Total Agency Funds (See Exhibit A-7) |
|----------------------------------|---|--|-------------------------------|-------------------|------------------------|---|
| ASSETS: | | | | | | |
| <i>Cash and Cash Equivalents</i> | \$ 2,407,929 | \$ 308,294 | \$ 25,632 | \$ 392,841 | \$ 20,412 | \$ 3,155,108 |
| <i>Accounts Receivable</i> | - | 714 | - | - | - | 714 |
| Total Assets | <u>\$ 2,407,929</u> | <u>\$ 309,008</u> | <u>\$ 25,632</u> | <u>\$ 392,841</u> | <u>\$ 20,412</u> | <u>\$ 3,155,822</u> |
| LIABILITIES: | | | | | | |
| <i>Accounts Payable</i> | \$ - | \$ 5,636 | \$ 248 | \$ 7,319 | \$ - | \$ 13,203 |
| <i>Due to Others</i> | 1,403,338 | - | 25,384 | 385,522 | - | 1,814,244 |
| <i>Due to Other Governments</i> | 1,004,591 | 303,372 | - | - | 20,412 | 1,328,375 |
| Total Liabilities | <u>\$ 2,407,929</u> | <u>\$ 309,008</u> | <u>\$ 25,632</u> | <u>\$ 392,841</u> | <u>\$ 20,412</u> | <u>\$ 3,155,822</u> |

WALKER COUNTY, TEXAS**EXHIBIT C-31**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

| | Balance October 1, 2012 | Additions | Deductions | Balance September 30, 2013 |
|---|-------------------------------|----------------------|----------------------|----------------------------------|
| <u>COUNTY OFFICIALS TRUST AND</u> | | | | |
| <u>AGENCY FUNDS:</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 2,259,628 | \$ 12,672,197 | \$ 12,523,896 | \$ 2,407,929 |
| Total Assets | <u>\$ 2,259,628</u> | <u>\$ 12,672,197</u> | <u>\$ 12,523,896</u> | <u>\$ 2,407,929</u> |
| Liabilities: | | | | |
| Due to Others | \$ 2,259,628 | \$ 488,935 | \$ 1,345,225 | \$ 1,403,338 |
| Due to Other Governments | - | 12,204,248 | 11,199,657 | 1,004,591 |
| Total Liabilities | <u>\$ 2,259,628</u> | <u>\$ 12,693,183</u> | <u>\$ 12,544,882</u> | <u>\$ 2,407,929</u> |
| <u>WALKER COUNTY PUBLIC SAFETY</u> | | | | |
| <u>COMMUNICATIONS CENTER:</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 212,410 | \$ 1,317,228 | \$ 1,221,344 | \$ 308,294 |
| Accounts Receivable | 107 | 10,897 | 10,290 | 714 |
| Total Assets | <u>\$ 212,517</u> | <u>\$ 1,328,125</u> | <u>\$ 1,231,634</u> | <u>\$ 309,008</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 6,850 | \$ 123,142 | \$ 124,356 | \$ 5,636 |
| Due to Other Governments | 205,667 | 97,705 | - | 303,372 |
| Total Liabilities | <u>\$ 212,517</u> | <u>\$ 220,847</u> | <u>\$ 124,356</u> | <u>\$ 309,008</u> |
| <u>SHERIFF COMMISSARY FUND:</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 21,065 | \$ 24,999 | \$ 20,432 | \$ 25,632 |
| Total Assets | <u>\$ 21,065</u> | <u>\$ 24,999</u> | <u>\$ 20,432</u> | <u>\$ 25,632</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 860 | \$ 17,409 | \$ 18,021 | \$ 248 |
| Due to Others | 20,205 | 5,179 | - | 25,384 |
| Total Liabilities | <u>\$ 21,065</u> | <u>\$ 22,588</u> | <u>\$ 18,021</u> | <u>\$ 25,632</u> |
| <u>ADULT PROBATION:</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 553,923 | \$ 2,236,563 | \$ 2,397,645 | \$ 392,841 |
| Total Assets | <u>\$ 553,923</u> | <u>\$ 2,236,563</u> | <u>\$ 2,397,645</u> | <u>\$ 392,841</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 13,845 | \$ 217,335 | \$ 223,861 | \$ 7,319 |
| Due to Others | 540,078 | 631,520 | 786,076 | 385,522 |
| Total Liabilities | <u>\$ 553,923</u> | <u>\$ 848,855</u> | <u>\$ 1,009,937</u> | <u>\$ 392,841</u> |
| <u>AGENCY FUND - LEOSE TRAINING FUND</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 23,664 | \$ 125 | \$ 3,377 | \$ 20,412 |
| Total Assets | <u>\$ 23,664</u> | <u>\$ 125</u> | <u>\$ 3,377</u> | <u>\$ 20,412</u> |
| Liabilities: | | | | |
| Due to Others | \$ 23,664 | \$ - | \$ 23,664 | \$ - |
| Due to Other Governments | - | 23,789 | 3,377 | 20,412 |
| Total Liabilities | <u>\$ 23,664</u> | <u>\$ 23,789</u> | <u>\$ 27,041</u> | <u>\$ 20,412</u> |
| <u>TOTAL AGENCY FUNDS:</u> | | | | |
| Assets: | | | | |
| Cash and Cash Equivalents | \$ 3,070,690 | \$ 16,251,112 | \$ 16,166,694 | \$ 3,155,108 |
| Accounts Receivable | 107 | 10,897 | 10,290 | 714 |
| Total Assets | <u>\$ 3,070,797</u> | <u>\$ 16,262,009</u> | <u>\$ 16,176,984</u> | <u>\$ 3,155,822</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 21,555 | \$ 357,886 | \$ 366,238 | \$ 13,203 |
| Due to Others | 2,843,575 | 1,125,634 | 2,154,965 | 1,814,244 |
| Due to Other Governments | 205,667 | 12,325,742 | 11,203,034 | 1,328,375 |
| Total Liabilities | <u>\$ 3,070,797</u> | <u>\$ 13,809,262</u> | <u>\$ 13,724,237</u> | <u>\$ 3,155,822</u> |

(This page was intentionally left blank)

OTHER SUPPLEMENTARY INFORMATION

(This page was intentionally left blank)

WALKER COUNTY, TEXAS**COMPARATIVE SCHEDULES BY SOURCE OF
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013 AND 2012****EXHIBIT C-32**

| | <u>2013</u> | <u>2012</u> |
|--|----------------------|----------------------|
| Capital Assets: | | |
| Land | \$ 680,552 | \$ 680,552 |
| Construction in Progress | 13,669,169 | 957,067 |
| Vehicles | 4,721,812 | 4,430,021 |
| Furniture, Fixtures and Office Equipment | 2,044,082 | 2,024,047 |
| Machinery and Equipment | 4,757,259 | 4,729,588 |
| Buildings | 17,103,116 | 17,103,115 |
| Improvements | 4,186,518 | 4,167,803 |
| Total Capital Assets | <u>\$ 47,162,508</u> | <u>\$ 34,092,193</u> |
| Investment in Capital Assets by Source: | | |
| General Fund | \$ 7,160,567 | \$ 8,078,183 |
| Special Revenue Funds | 38,033,615 | 24,045,684 |
| Capital Projects Funds | 1,968,326 | 1,968,326 |
| Total Investment in Capital Assets | <u>\$ 47,162,508</u> | <u>\$ 34,092,193</u> |

WALKER COUNTY, TEXAS**EXHIBIT C-33**

**SCHEDULE BY FUNCTION AND ACTIVITY OF
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

| Function and Activity | Land | Buildings | Improvements | Furniture Fixtures & Office Equip | Vehicles | Machinery and Equipment | Construction in Process | Total |
|--------------------------------------|-------------------|----------------------|---------------------|---|---------------------|-------------------------------|----------------------------|----------------------|
| General Government: | | | | | | | | |
| County Judge-IT | \$ - | \$ - | \$ 34,344 | \$ 577,817 | \$ 13,121 | \$ - | \$ - | \$ 625,282 |
| Non-Department/Centralized Cost | 50,373 | - | 25,385 | 383,089 | 13,231 | - | - | 472,078 |
| Elections | - | - | - | 118,720 | - | - | - | 118,720 |
| County Facilities | 261,595 | 1,036,069 | 2,445,423 | - | 80,621 | 342,393 | - | 4,166,101 |
| Courthouse Annex-Sam Houston Ave. | - | 1,502,488 | 81,889 | - | - | 106,122 | - | 1,690,499 |
| Courthouse Annex II-University Ave. | - | 86,163 | 93,173 | - | - | - | - | 179,336 |
| Annex 340 Hwy 75 North | - | 250,000 | 8,707 | - | - | - | - | 258,707 |
| Annex 344 Hwy 75 North | - | 354,444 | 32,450 | - | - | - | - | 386,894 |
| H.E.A.R.T.S. Complex | - | 1,962,624 | - | - | - | 5,702 | - | 1,968,326 |
| Commissioners Court | - | - | - | 6,952 | - | - | - | 6,952 |
| County Clerk | - | - | - | 37,583 | - | - | - | 37,583 |
| Total General Government | 311,968 | 5,191,788 | 2,721,371 | 1,124,161 | 106,973 | 454,217 | - | 9,910,478 |
| Judicial: | | | | | | | | |
| Criminal District Attorney | - | 223,050 | 15,164 | 33,098 | 119,159 | - | - | 390,471 |
| 12th/278th Judicial District | - | - | - | 5,244 | - | - | - | 5,244 |
| Justice of the Peace-Precinct 2 | - | 104,358 | - | - | - | - | - | 104,358 |
| Justice of the Peace-Precinct 3 | - | 62,089 | 50,928 | - | - | - | - | 113,017 |
| Justice of the Peace-Precinct 4 | - | 81,409 | - | - | - | - | - | 81,409 |
| Juvenile Probation | - | - | 9,401 | 52,891 | - | - | - | 62,292 |
| Total Judicial | - | 470,906 | 75,493 | 91,233 | 119,159 | - | - | 756,791 |
| Financial: | | | | | | | | |
| County Auditor | - | - | - | 99,355 | - | - | 167,970 | 267,325 |
| Total Financial | - | - | - | 99,355 | - | - | 167,970 | 267,325 |
| Public Safety: | | | | | | | | |
| Sheriff's Department | - | 2,160,812 | - | 38,267 | 968,738 | 52,549 | - | 3,220,366 |
| Constable-Precinct 1 | - | - | - | - | 45,025 | - | - | 45,025 |
| Constable-Precinct 2 | - | - | - | - | 32,845 | - | - | 32,845 |
| Constable-Precinct 3 | - | - | - | - | 35,969 | - | - | 35,969 |
| Constable-Precinct 4 | - | - | - | - | 54,831 | - | - | 54,831 |
| Department of Public Safety | - | - | - | - | - | 14,226 | - | 14,226 |
| Weigh Station | 62,656 | 114,635 | 201,685 | - | - | 21,917 | - | 400,893 |
| Central 911 Dispatch | - | - | - | 622,343 | - | 13,584 | - | 635,927 |
| EMS | 38,115 | 94,492 | - | 13,596 | 695,292 | 286,438 | - | 1,127,933 |
| Emergency Shelter/Management | - | 3,374,425 | - | - | 276,326 | 566,873 | - | 4,217,624 |
| Total Public Safety | 100,771 | 5,744,364 | 201,685 | 674,206 | 2,109,026 | 955,587 | - | 9,785,639 |
| Correction and Rehabilitation | | | | | | | | |
| County Jail | 200,500 | 4,442,398 | 296,575 | 27,558 | 239,169 | 54,479 | 13,501,199 | 18,761,878 |
| Special Prosecution Unit-Criminal | - | - | - | - | 113,390 | - | - | 113,390 |
| Special Prosecution Unit-Civil | - | - | - | 7,329 | 63,565 | - | - | 70,894 |
| Special Prosecution Unit-Juvenile | - | - | - | - | 85,956 | - | - | 85,956 |
| Adult Probation | - | - | - | 14,134 | 40,181 | 6,797 | - | 61,112 |
| Probation Support | - | 922,008 | - | - | - | - | - | 922,008 |
| Total Correction and Rehabilitation | 200,500 | 5,364,406 | 296,575 | 49,021 | 542,261 | 61,276 | 13,501,199 | 20,015,238 |
| Health and Welfare: | | | | | | | | |
| Utility Department | - | 19,484 | - | 6,106 | 123,572 | 10,169 | - | 159,331 |
| Litter Control | - | - | - | - | 27,595 | 6,605 | - | 34,200 |
| Total Health and Welfare | - | 19,484 | - | 6,106 | 151,167 | 16,774 | - | 193,531 |
| Culture and Education: | | | | | | | | |
| TexasAgriLife Extension Service | - | - | - | - | - | 8,104 | - | 8,104 |
| Total Culture and Education | - | - | - | - | - | 8,104 | - | 8,104 |
| Public Transportation: | | | | | | | | |
| General | - | - | - | - | 234,918 | 519,143 | - | 754,061 |
| Precinct 1 | - | 50,000 | 160,556 | - | 410,571 | 638,182 | - | 1,259,309 |
| Precinct 2 | 26,218 | 18,650 | 24,934 | - | 333,479 | 729,523 | - | 1,132,804 |
| Precinct 3 | 41,095 | 65,000 | 212,750 | - | 363,198 | 764,845 | - | 1,446,888 |
| Precinct 4 | - | 178,518 | 493,154 | - | 351,060 | 609,608 | - | 1,632,340 |
| Total Public Transportation | 67,313 | 312,168 | 891,394 | - | 1,693,226 | 3,261,301 | - | 6,225,402 |
| Other: | | | | | | | | |
| Surplus/Auction Held | - | - | - | - | - | - | - | - |
| Total Other | - | - | - | - | - | - | - | - |
| Total Capital Assets | \$ 680,552 | \$ 17,103,116 | \$ 4,186,518 | \$ 2,044,082 | \$ 4,721,812 | \$ 4,757,259 | \$ 13,669,169 | \$ 47,162,508 |

WALKER COUNTY, TEXAS**EXHIBIT C-34**

**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

| Function and Activity | Capital Assets October 1, 2012 | Additions | Deletions | Capital Assets September 30, 2013 |
|---------------------------------------|-----------------------------------|-----------------------------|----------------------------|--------------------------------------|
| General Government: | | | | |
| County Judge-IT | \$ 638,381 | \$ 29,103 | \$ (42,202) | \$ 625,282 |
| Non-Departmental/Centralized Cost | 441,713 | 30,365 | - | 472,078 |
| Elections | 118,720 | - | - | 118,720 |
| County Facilities | 4,123,656 | 42,445 | - | 4,166,101 |
| Courthouse Annex-Sam Houston Ave. | 1,690,499 | - | - | 1,690,499 |
| Courthouse Annex II-University Ave. | 179,336 | - | - | 179,336 |
| Annex 340 Hwy 75 North | 258,707 | - | - | 258,707 |
| Annex 344 Hwy 75 North | 386,894 | - | - | 386,894 |
| H.E.A.R.T.S. Complex | 1,968,326 | - | - | 1,968,326 |
| Commissioners Court | 6,952 | - | - | 6,952 |
| County Clerk | 31,322 | 6,261 | - | 37,583 |
| Total General Government | <u>9,844,506</u> | <u>108,174</u> | <u>(42,202)</u> | <u>9,910,478</u> |
| Judicial: | | | | |
| Criminal District Attorney | 395,847 | - | (5,376) | 390,471 |
| 12/278th Judicial District | 5,244 | - | - | 5,244 |
| Justice of the Peace-Precinct 2 | 104,358 | - | - | 104,358 |
| Justice of the Peace-Precinct 3 | 113,017 | - | - | 113,017 |
| Justice of the Peace-Precinct 4 | 81,409 | - | - | 81,409 |
| Juvenile Probation | 15,190 | 47,102 | - | 62,292 |
| Total Judicial | <u>715,065</u> | <u>47,102</u> | <u>(5,376)</u> | <u>756,791</u> |
| Financial: | | | | |
| County Auditor | <u>94,693</u> | <u>172,632</u> | <u>-</u> | <u>267,325</u> |
| Total Financial | <u>94,693</u> | <u>172,632</u> | <u>-</u> | <u>267,325</u> |
| Public Safety: | | | | |
| Sheriff's Department | 3,001,071 | 319,695 | (100,400) | 3,220,366 |
| Constable-Precinct 1 | 45,025 | - | - | 45,025 |
| Constable-Precinct 2 | - | 32,845 | - | 32,845 |
| Constable-Precinct 3 | 35,969 | - | - | 35,969 |
| Constable-Precinct 4 | 54,831 | - | - | 54,831 |
| Department of Public Safety | 14,226 | - | - | 14,226 |
| Weigh Station | 400,893 | - | - | 400,893 |
| Central 911 Dispatch | 650,791 | 2,509 | (17,373) | 635,927 |
| EMS | 1,348,016 | - | (220,083) | 1,127,933 |
| Emergency Shelter/Management | 3,997,695 | 219,929 | - | 4,217,624 |
| Total Public Safety | <u>9,548,517</u> | <u>574,978</u> | <u>(337,856)</u> | <u>9,785,639</u> |
| Correction and Rehabilitation: | | | | |
| County Jail | 6,199,764 | 12,582,624 | (20,510) | 18,761,878 |
| Probation Support | 922,008 | - | - | 922,008 |
| Special Prosecution Unit-Criminal | 113,390 | - | - | 113,390 |
| Special Prosecution Unit-Civil | 70,894 | - | - | 70,894 |
| Special Prosecution Unit-Juvenile | 63,336 | 38,454 | (15,834) | 85,956 |
| Adult Probation | 87,612 | - | (26,500) | 61,112 |
| Total Correction and Rehabilitation | <u>7,457,004</u> | <u>12,621,078</u> | <u>(62,844)</u> | <u>20,015,238</u> |
| Health and Welfare: | | | | |
| Utility Department | 159,331 | - | - | 159,331 |
| Litter Control | 27,595 | 6,605 | - | 34,200 |
| Total Health and Welfare | <u>186,926</u> | <u>6,605</u> | <u>-</u> | <u>193,531</u> |
| Culture and Education: | | | | |
| TexasAgriLife Extension Service | - | 8,104 | - | 8,104 |
| Total Cultrue and Education | <u>-</u> | <u>8,104</u> | <u>-</u> | <u>8,104</u> |
| Public Transportation: | | | | |
| General | 754,061 | - | - | 754,061 |
| Precinct 1 | 1,259,309 | - | - | 1,259,309 |
| Precinct 2 | 1,132,804 | - | - | 1,132,804 |
| Precinct 3 | 1,438,898 | - | 7,990 | 1,446,888 |
| Precinct 4 | 1,640,280 | 57,146 | (65,086) | 1,632,340 |
| Total Public Transportation | <u>6,225,352</u> | <u>57,146</u> | <u>(57,096)</u> | <u>6,225,402</u> |
| Other: | | | | |
| Surplus/Auction Held | 20,130 | - | (20,130) | - |
| Total Other | <u>20,130</u> | <u>-</u> | <u>(20,130)</u> | <u>-</u> |
| Total Capital Assets | \$ <u>34,092,193</u> | \$ <u>13,595,819</u> | \$ <u>(525,504)</u> | \$ <u>47,162,508</u> |

(This page is intentionally left blank)

STATISTICAL SECTION

(This page was intentionally left blank)

STATISTICAL SECTION

This part of the Walker County, Texas' 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 | 125 |
| <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 | 131 |
| <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 City's ability to issue additional debt in the future.</i> | |
| Demographic and Economic Information | 139 |
| <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 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.

(This page was intentionally left blank)

WALKER COUNTY, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

TABLE E-1

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 7,258,409 | \$ 6,979,556 | \$ 7,290,739 | \$ 8,418,965 | \$ 11,143,016 | \$ 13,024,741 | \$ 12,704,554 | \$ 13,032,866 | \$ 12,439,349 | \$ 12,086,797 |
| Restricted | 691,049 | 616,222 | 1,624,434 | 893,725 | 3,414,486 | 1,232,050 | 1,336,137 | 83,707 | - | 116,489 |
| Unrestricted | 5,446,082 | 6,889,220 | 8,998,584 | 11,014,631 | 9,864,761 | 7,784,884 | 7,364,026 | 7,234,637 | 5,270,066 | 4,122,953 |
| Total governmental activities net position | <u>\$ 13,395,540</u> | <u>\$ 14,484,998</u> | <u>\$ 17,913,757</u> | <u>\$ 20,327,321</u> | <u>\$ 24,422,263</u> | <u>\$ 22,041,675</u> | <u>\$ 21,404,717</u> | <u>\$ 20,351,210</u> | <u>\$ 17,709,415</u> | <u>\$ 16,326,239</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 436,715 | \$ 328,517 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | 890,045 | 1,031,984 | - | - | - | - | - | - | - | - |
| Total business-type activities net position | <u>\$ 1,326,760</u> | <u>\$ 1,360,501</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 7,695,124 | \$ 7,308,073 | \$ 7,290,739 | \$ 8,418,965 | \$ 11,143,016 | \$ 13,024,741 | \$ 12,704,554 | \$ 13,032,866 | \$ 12,439,349 | \$ 12,086,797 |
| Restricted | 691,049 | 616,222 | 1,624,434 | 893,725 | 3,414,486 | 1,232,050 | 1,336,137 | 83,707 | - | 116,489 |
| Unrestricted | 6,336,127 | 7,921,204 | 8,998,584 | 11,014,631 | 9,864,761 | 7,784,884 | 7,364,026 | 7,234,637 | 5,270,066 | 4,122,953 |
| Total primary government net position | <u>\$ 14,722,300</u> | <u>\$ 15,845,499</u> | <u>\$ 17,913,757</u> | <u>\$ 20,327,321</u> | <u>\$ 24,422,263</u> | <u>\$ 22,041,675</u> | <u>\$ 21,404,717</u> | <u>\$ 20,351,210</u> | <u>\$ 17,709,415</u> | <u>\$ 16,326,239</u> |

Note: In FY2003, Walker County implemented GASB 34. Reporting is from that date forward.

WALKER COUNTY, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

TABLE E-2

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 1,580,748 | \$ 1,971,406 | \$ 2,338,585 | \$ 2,196,767 | \$ 2,284,682 | \$ 3,000,402 | \$ 3,759,057 | \$ 3,495,070 | \$ 4,863,509 | \$ 6,320,712 |
| Financial | 1,454,263 | 1,408,258 | 1,614,681 | 1,612,653 | 2,065,268 | 2,186,499 | 1,951,551 | 2,344,939 | 1,496,460 | 1,057,993 |
| Judicial | 4,830,686 | 4,914,252 | 5,317,466 | 5,698,418 | 7,613,070 | 8,457,490 | 9,071,422 | 9,150,956 | 8,912,108 | 8,780,081 |
| Public Safety | 6,894,111 | 7,023,610 | 9,086,967 | 9,569,292 | 10,290,778 | 10,775,866 | 10,617,796 | 10,244,585 | 7,622,032 | 7,749,329 |
| Correction and Rehabilitation | - | - | - | - | - | - | - | - | 1,940,555 | 2,397,990 |
| Health and Welfare | 686,923 | 430,247 | 514,364 | 515,571 | 573,404 | 603,749 | 666,885 | 1,151,364 | 580,721 | 620,634 |
| Culture and Education | - | - | - | - | - | - | - | - | 184,623 | 279,181 |
| Public Transportation | 3,299,998 | 3,590,764 | 3,814,065 | 4,097,826 | 4,632,488 | 4,596,948 | 4,744,706 | 5,018,699 | 5,347,720 | 4,921,612 |
| Intergovernmental Expenditure | 909,694 | 181,392 | - | - | - | - | - | - | - | - |
| Interest and Fiscal Charges | 199,634 | - | 145,280 | 116,254 | 101,016 | 85,581 | 62,340 | 38,128 | 11,750 | 672,971 |
| Total Governmental Activities | <u>\$ 19,856,057</u> | <u>\$ 19,519,929</u> | <u>\$ 22,831,408</u> | <u>\$ 23,806,781</u> | <u>\$ 27,560,706</u> | <u>\$ 29,706,535</u> | <u>\$ 30,873,757</u> | <u>\$ 31,443,741</u> | <u>\$ 30,959,478</u> | <u>\$ 32,800,503</u> |
| Business-type activities: | | | | | | | | | | |
| EMS | \$ 1,441,468 | \$ 1,591,614 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total primary government | <u>\$ 21,297,525</u> | <u>\$ 21,111,543</u> | <u>\$ 22,831,408</u> | <u>\$ 23,806,781</u> | <u>\$ 27,560,706</u> | <u>\$ 29,706,535</u> | <u>\$ 30,873,757</u> | <u>\$ 31,443,741</u> | <u>\$ 30,959,478</u> | <u>\$ 32,800,503</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General Government | \$ 429,309 | \$ 244,053 | \$ 261,883 | \$ 494,850 | \$ 878,401 | \$ 930,385 | \$ 829,984 | \$ 412,098 | \$ 859,145 | \$ 5,438,239 |
| Financial | 381,721 | 434,043 | 627,417 | 667,264 | 305,531 | 330,732 | 330,896 | 834,039 | 450,135 | 503,007 |
| Judicial | 711,876 | 756,198 | 819,936 | 801,510 | 610,773 | 650,617 | 681,587 | 805,272 | 658,268 | 530,432 |
| Public Safety | 1,132,141 | 1,489,846 | 3,317,369 | 3,195,179 | 3,063,739 | 3,351,915 | 3,543,133 | 3,274,199 | 2,525,266 | 253,021 |
| Correction and Rehabilitation | - | - | - | - | - | - | - | - | 172,042 | 160,918 |
| Health and Welfare | 28,547 | 107,773 | 109,974 | 139,150 | 97,707 | 88,115 | 110,969 | 112,731 | 170,754 | 109,604 |
| Culture and Education | - | - | - | - | - | - | - | - | 8,369 | - |
| Public Transportation | 1,291,031 | 1,363,990 | 1,659,932 | 1,778,231 | 1,402,777 | 2,285,532 | 2,129,055 | 2,184,655 | 2,009,110 | 83,040 |
| Operating grants and contributions | 4,339,757 | 3,517,099 | 4,134,299 | 4,797,661 | 6,310,443 | 6,903,805 | 7,488,881 | 7,690,227 | 5,823,400 | 6,363,325 |
| Capital grants and contributions | - | 86,192 | 227,734 | - | 4,773,084 | 54,254 | - | - | - | - |
| Total Governmental Activities | <u>\$ 8,314,382</u> | <u>\$ 7,999,194</u> | <u>\$ 11,158,544</u> | <u>\$ 11,873,845</u> | <u>\$ 17,442,455</u> | <u>\$ 14,595,355</u> | <u>\$ 15,114,505</u> | <u>\$ 15,313,221</u> | <u>\$ 12,676,489</u> | <u>\$ 13,441,586</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for service | \$ 1,126,235 | \$ 1,423,505 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Operating grants and contributions | 186,691 | 4,480 | - | - | - | - | - | - | - | - |
| EMS | <u>\$ 1,312,926</u> | <u>\$ 1,427,985</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total primary government | <u>\$ 9,627,308</u> | <u>\$ 9,427,179</u> | <u>\$ 11,158,544</u> | <u>\$ 11,873,845</u> | <u>\$ 17,442,455</u> | <u>\$ 14,595,355</u> | <u>\$ 15,114,505</u> | <u>\$ 15,313,221</u> | <u>\$ 12,676,489</u> | <u>\$ 13,441,586</u> |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | <u>\$ (11,541,675)</u> | <u>\$ (11,520,735)</u> | <u>\$ (11,672,864)</u> | <u>\$ (11,932,936)</u> | <u>\$ (10,118,251)</u> | <u>\$ (15,111,180)</u> | <u>\$ (15,759,252)</u> | <u>\$ (16,130,520)</u> | <u>\$ (18,282,989)</u> | <u>\$ (19,358,917)</u> |
| Business-type activities | <u>(128,542)</u> | <u>(163,629)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total primary government net expense | <u>\$ (11,670,217)</u> | <u>\$ (11,684,364)</u> | <u>\$ (11,672,864)</u> | <u>\$ (11,932,936)</u> | <u>\$ (10,118,251)</u> | <u>\$ (15,111,180)</u> | <u>\$ (15,759,252)</u> | <u>\$ (16,130,520)</u> | <u>\$ (18,282,989)</u> | <u>\$ (19,358,917)</u> |

TABLE E-2

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes | \$ 9,247,367 | \$ 9,792,822 | \$ 10,146,889 | \$ 10,469,685 | \$ 10,460,117 | \$ 11,522,727 | \$ 12,625,076 | \$ 12,842,095 | \$ 13,019,116 | \$ 15,100,734 |
| Sales taxes | 1,827,236 | 1,912,387 | 2,068,095 | 2,197,937 | 2,260,752 | 2,423,490 | 2,343,620 | 2,442,426 | 2,488,739 | 2,696,082 |
| Other taxes | 13,047 | 14,586 | 14,280 | 14,527 | 14,326 | 24,399 | 21,982 | 25,190 | 26,669 | 367,715 |
| Vehicle Registration | 989,014 | 990,030 | 979,757 | 992,143 | 970,798 | - | - | - | - | - |
| Alcoholic beverage taxes | 65,646 | 77,361 | 70,246 | 77,238 | 69,668 | 89,173 | 92,676 | 137,417 | 92,974 | 70,775 |
| Investment earnings | 76,720 | 222,759 | 461,856 | 594,969 | 437,532 | 152,407 | 38,938 | 15,303 | 13,696 | 35,570 |
| Transfers | (602,454) | (313,331) | - | - | - | - | - | - | - | - |
| Other | 39,234 | - | - | - | - | - | - | - | - | - |
| Total governmental activities | \$ 11,655,810 | \$ 12,696,614 | \$ 13,741,123 | \$ 14,346,499 | \$ 14,213,193 | \$ 14,212,196 | \$ 15,122,292 | \$ 15,462,431 | \$ 15,641,194 | \$ 18,270,876 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | \$ 1,498 | \$ 1,489 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers | 1,453,804 | 313,331 | - | - | - | - | - | - | - | - |
| Total business-type activities | \$ 1,455,302 | \$ 314,820 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total primary government | \$ 13,111,112 | \$ 13,011,434 | \$ 13,741,123 | \$ 14,346,499 | \$ 14,213,193 | \$ 14,212,196 | \$ 15,122,292 | \$ 15,462,431 | \$ 15,641,194 | \$ 18,270,876 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 114,135 | \$ 1,175,879 | \$ 2,068,259 | \$ 2,413,563 | \$ 4,094,942 | \$ (898,984) | \$ (636,960) | \$ (668,089) | \$ (2,641,795) | \$ (1,088,041) |
| Prior Period Adjustment (EMS Receivables) | (1,031,747) | (459,919) | (116,092) | 126,155 | - | - | - | - | - | - |
| Business-type activities | 1,326,760 | 151,191 | - | - | - | - | - | - | - | - |
| Total primary government | \$ 409,148 | \$ 867,151 | \$ 1,952,167 | \$ 2,539,718 | \$ 4,094,942 | \$ (898,984) | \$ (636,960) | \$ (668,089) | \$ (2,641,795) | \$ (1,088,041) |

Note: In FY2003, Walker County implemented GASB 34. Reporting is from that date forward.

Two functional categories was added in the Fiscal Year Ending September 30, 2012 including separating jail cost from Public Safety.

WALKER COUNTY, TEXAS*GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**LAST TEN FISCAL YEARS**(ACCRUAL BASIS OF ACCOUNTING)***TABLE E-3**

| Fiscal Year | | Property Tax | | Sales Tax | | Other Taxes | | Alcoholic Beverage Tax | | Total |
|------------------------|----|-------------------------|----|----------------------|----|------------------------|----|---------------------------------------|----|--------------|
| 2004 | \$ | 9,247,367 | \$ | 1,827,236 | \$ | 13,047 | \$ | 65,646 | \$ | 11,153,296 |
| 2005 | | 9,792,822 | | 1,912,387 | | 14,586 | | 77,361 | | 11,797,156 |
| 2006 | | 10,146,889 | | 2,068,095 | | 14,280 | | 70,246 | | 12,299,510 |
| 2007 | | 10,469,685 | | 2,197,937 | | 14,527 | | 77,238 | | 12,759,387 |
| 2008 | | 10,460,117 | | 2,260,752 | | 14,326 | | 69,668 | | 12,804,863 |
| 2009 | | 11,522,727 | | 2,423,490 | | 24,399 | | 89,173 | | 14,059,789 |
| 2010 | | 12,625,076 | | 2,343,620 | | 21,982 | | 92,676 | | 15,083,354 |
| 2011 | | 12,842,095 | | 2,442,426 | | 25,190 | | 137,416 | | 15,447,127 |
| 2012 | | 13,019,116 | | 2,488,739 | | 26,669 | | 92,974 | | 15,627,498 |
| 2013 | | 15,100,734 | | 2,696,082 | | 367,715 | | 70,775 | | 18,235,306 |

WALKER COUNTY, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

TABLE E-4

| | 1] | | | | | | | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General Fund | | | | | | | | | | |
| Nonspendable - Prepaid Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 33,383 | \$ 34,434 | \$ 33,227 |
| Committed for Projects | - | - | - | - | - | - | - | 1,362,950 | 721,980 | 862,695 |
| Assigned - One Time Allocation | - | - | - | - | - | - | - | 1,076,540 | 1,433,682 | 1,231,385 |
| Unassigned | - | - | - | - | - | - | - | 4,040,071 | 3,327,237 | 3,887,335 |
| Unreserved | 2,368,602 | 3,506,504 | 4,693,770 | 5,162,815 | 5,082,124 | 5,586,097 | 5,636,281 | - | - | - |
| Total general fund | \$ 2,368,602 | \$ 3,506,504 | \$ 4,693,770 | \$ 5,162,815 | \$ 5,082,124 | \$ 5,586,097 | \$ 5,636,281 | \$ 6,512,944 | \$ 5,517,333 | \$ 6,014,642 |
| All other governmental funds | | | | | | | | | | |
| Reserved | \$ 691,049 | \$ 616,220 | \$ 644,738 | \$ 816,931 | \$ 3,348,611 | \$ 1,179,475 | \$ 1,288,853 | \$ - | \$ - | \$ - |
| Restricted - Debt Service | - | - | - | - | - | - | - | 97,168 | 9 | 141,977 |
| Restricted - Other Governmental Funds | - | - | - | - | - | - | - | 686,705 | 783,523 | 819,058 |
| Restricted - Capital Projects | - | - | - | - | - | - | - | - | 18,888,014 | 6,368,829 |
| Committed for Public Transportation | - | - | - | - | - | - | - | 954,656 | 1,208,584 | 1,008,717 |
| Committed for Public Safety | - | - | - | - | - | - | - | 637,029 | 402,593 | 547,155 |
| Unassigned | - | - | - | - | - | - | - | 376,094 | - | - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 1,786,285 | 1,944,605 | 3,665,474 | 4,871,812 | 4,133,784 | 2,371,763 | 2,631,726 | - | - | - |
| Total all other governmental funds | \$ 2,477,334 | \$ 2,560,825 | \$ 4,310,212 | \$ 5,688,743 | \$ 7,482,395 | \$ 3,551,238 | \$ 3,920,579 | \$ 2,751,652 | \$ 21,282,723 | \$ 8,885,736 |

Notes

1] In Fiscal Year ending September 30, 2011, GASB 54 was implemented. New classification of Fund Balances.

WALKER COUNTY, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

TABLE E-5

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|-----------------|----------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|
| Revenues | | | | | | | | | | |
| Property Taxes | \$ 15,003,377 | \$ 12,895,031 | \$ 12,759,820 | \$ 12,568,933 | \$ 11,510,947 | \$ 10,700,202 | \$ 10,329,957 | \$ 10,035,873 | \$ 9,715,552 | \$ 9,157,938 |
| Other Taxes | 3,134,572 | 2,608,382 | 2,605,032 | 2,458,278 | 2,537,062 | 2,344,746 | 3,281,845 | 3,132,378 | 2,994,364 | 2,894,942 |
| Licenses and Permits | 108,270 | 105,837 | 112,025 | 96,904 | 84,288 | 97,664 | 76,639 | 71,525 | 66,650 | 32,545 |
| Intergovernmental | 6,479,249 | 6,072,422 | 7,730,809 | 7,419,809 | 7,601,448 | 10,955,219 | 4,838,025 | 4,390,433 | 3,882,902 | 4,407,695 |
| Charges for Services | 5,027,672 | 5,178,624 | 5,741,943 | 5,899,127 | 5,716,805 | 5,486,902 | 4,618,519 | 4,594,614 | 2,249,524 | 2,209,046 |
| Fines | 1,587,063 | 1,178,873 | 1,451,893 | 1,315,714 | 1,413,686 | 1,510,048 | 1,856,488 | 1,635,806 | 1,459,933 | 1,482,362 |
| Investment Earnings | 35,570 | 22,838 | 15,303 | 38,938 | 152,407 | 437,532 | 594,969 | 461,856 | 222,758 | 76,720 |
| Other | 297,423 | 224,846 | 298,440 | 403,525 | 452,249 | 418,255 | 503,441 | 374,180 | 282,670 | 247,605 |
| Total revenues | \$ 31,673,196 | \$ 28,286,853 | \$ 30,715,265 | \$ 30,201,228 | \$ 29,468,892 | \$ 31,950,568 | \$ 26,099,883 | \$ 24,696,665 | \$ 20,874,353 | \$ 20,508,853 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General Government | \$ 2,881,971 | \$ 2,822,719 | \$ 1,908,570 | \$ 1,874,541 | \$ 1,852,065 | \$ 1,841,400 | \$ 1,407,377 | \$ 1,709,624 | \$ 1,237,394 | \$ 1,096,998 |
| Financial | 1,535,474 | 1,499,540 | 2,006,059 | 1,920,995 | 1,835,543 | 1,727,346 | 1,609,829 | 1,598,581 | 1,404,136 | 1,439,949 |
| Judicial | 9,324,929 | 9,000,862 | 9,110,130 | 9,014,958 | 8,515,885 | 7,591,874 | 5,668,645 | 5,260,421 | 4,857,656 | 4,763,051 |
| Public Safety | 6,164,325 | 6,038,477 | 8,383,465 | 9,483,904 | 9,836,567 | 8,806,703 | 8,113,094 | 7,907,717 | 5,857,333 | 6,301,619 |
| Corrections and Rehabilitation | 2,088,515 | 2,191,908 | - | - | - | - | - | - | - | - |
| Health and Welfare | 593,720 | 464,466 | 948,792 | 554,724 | 522,896 | 511,311 | 459,356 | 438,663 | 361,589 | 675,832 |
| Culture and Education | 186,050 | 184,623 | - | - | - | - | - | - | - | - |
| Public Transportation | 4,634,876 | 4,720,409 | 4,729,129 | 4,241,268 | 3,990,104 | 4,231,038 | 3,750,869 | 3,705,404 | 3,214,207 | 2,961,304 |
| Intergovernmental/Contractual | 1,226,231 | 1,206,060 | 1,174,386 | 1,134,146 | 1,069,738 | 1,034,739 | 959,487 | 937,601 | 913,884 | 897,254 |
| Capital Outlay | 13,595,819 | 2,111,121 | 1,676,803 | 1,072,856 | 3,073,396 | 4,331,888 | 1,573,733 | 598,335 | 886,346 | 967,390 |
| Debt service: | | | | | | | | | | |
| Principal Retirement | 685,000 | 628,135 | 631,672 | 535,091 | 619,306 | 548,379 | 604,867 | 842,592 | 705,051 | 1,361,592 |
| Interest and Fiscal Charges | 655,964 | 13,913 | 53,105 | 73,065 | 98,972 | 95,220 | 129,033 | 156,799 | 182,526 | 203,678 |
| Total expenditures | \$ 43,572,874 | \$ 30,882,233 | \$ 30,622,111 | \$ 29,905,548 | \$ 31,414,472 | \$ 30,719,898 | \$ 24,276,290 | \$ 23,155,737 | \$ 19,620,122 | \$ 20,668,667 |
| Excess of revenues over (under) expenditures | \$ (11,899,678) | \$ (2,595,380) | \$ 93,154 | \$ 295,680 | \$ (1,945,580) | \$ 1,230,670 | \$ 1,823,593 | \$ 1,540,928 | \$ 1,254,231 | \$ (159,814) |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | \$ 1,578,561 | \$ 1,655,069 | \$ 1,334,051 | \$ 1,644,023 | \$ 1,420,689 | \$ 1,537,639 | \$ 1,635,416 | \$ 2,241,215 | \$ 284,560 | \$ 244,637 |
| Transfers out | (1,578,561) | (1,655,069) | (1,334,051) | (1,644,023) | (1,420,689) | (1,537,639) | (1,635,416) | (880,713) | (597,890) | (847,092) |
| Issuance of Certificate of Obligation | - | 20,000,000 | - | 123,843 | - | 482,311 | 23,985 | 35,226 | 280,491 | 362,547 |
| Premium of Issue of Debt | - | 130,840 | - | - | - | - | - | - | - | - |
| sources (uses) | \$ - | \$ 20,130,840 | \$ - | \$ 123,843 | \$ - | \$ 482,311 | \$ 23,985 | \$ 1,395,728 | \$ (32,839) | \$ (239,908) |
| Net change in fund balances | \$ (11,899,678) | \$ 17,535,460 | \$ 93,154 | \$ 419,523 | \$ (1,945,580) | \$ 1,712,981 | \$ 1,847,578 | \$ 2,936,656 | \$ 1,221,392 | \$ (399,722) |
| Decrease in fund balances EMS | | | | | | | | (1,481,603) | | |
| Debt service as a percentage of noncapital expenditures | 4.68% | 2.28% | 2.42% | 2.15% | 2.60% | 2.50% | 3.34% | 4.64% | 4.97% | 8.63% |

Note: Two functional categories was added in the fiscal year ending September 30, 2012 including separating jail cost from Public Safety.

WALKER COUNTY, TEXAS*GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**LAST TEN FISCAL YEARS**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)***TABLE E-6**

| Fiscal Year | Property Tax(1) | Sales Tax | Other Taxes | Alcoholic Beverage Tax | Total Other Taxes | Total Taxes |
|------------------------|----------------------------|----------------------|------------------------|---------------------------------------|------------------------------|------------------------|
| 2004 | \$ 9,157,938 | \$ 1,827,236 | \$ 13,047 | \$ 65,646 | \$ 1,905,929 | \$ 11,063,867 |
| 2005 | 9,715,552 | 1,912,387 | 14,586 | 77,361 | 2,004,334 | 11,719,886 |
| 2006 | 10,035,873 | 2,068,095 | 14,280 | 70,246 | 2,152,621 | 12,188,494 |
| 2007 | 10,329,957 | 2,197,937 | 14,527 | 77,238 | 2,289,702 | 12,619,659 |
| 2008 | 10,700,202 | 2,260,752 | 14,326 | 69,668 | 2,344,746 | 13,044,948 |
| 2009 | 11,510,947 | 2,423,490 | 24,399 | 89,173 | 2,537,062 | 14,048,009 |
| 2010 | 12,568,933 | 2,343,620 | 21,982 | 92,676 | 2,458,278 | 15,027,211 |
| 2011 | 12,759,820 | 2,442,426 | 25,190 | 137,416 | 2,605,032 | 15,364,852 |
| 2012 | 12,895,031 | 2,488,739 | 26,669 | 92,974 | 2,608,382 | 15,503,413 |
| 2013 | 15,100,734 | 2,696,082 | 367,715 | 70,775 | 3,134,572 | 18,235,306 |

Notes: 1. Includes current property taxes, delinquent property taxes and penalties and interest.

WALKER COUNTY, TEXAS

ASSESED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1) LAST TEN FISCAL YEARS

TABLE E-7

| Fiscal Year Ended Sept. 30 | Real Property | | | Personal | | Less: Tax Exempt Real Property | Total Taxable Assessed Value | Direct Tax Rate | Total Value as a Percentage of Actual Value |
|----------------------------|----------------------|---------------------|-----------------------------|------------------|----------------|--------------------------------|------------------------------|-----------------|---|
| | Residential Property | Commercial Property | Agricultural & Open Acreage | Total Real | Property Total | | | | |
| 2004 | \$ 769,892,720 | \$ 339,644,630 | \$ 437,062,943 | \$ 1,546,600,293 | \$ 277,771,360 | \$ 387,429,964 | \$ 1,436,941,689 | 0.6250 | 78.76% |
| 2005 | 808,790,080 | 372,293,180 | 445,167,436 | 1,626,250,696 | 300,254,898 | 384,738,808 | 1,541,766,786 | 0.6250 | 19.97% |
| 2006 | 899,413,974 | 404,446,520 | 528,747,595 | 1,832,608,089 | 312,268,070 | 474,762,275 | 1,670,113,884 | 0.5997 | 77.87% |
| 2007 | 998,400,584 | 450,987,080 | 636,081,552 | 2,085,469,216 | 333,779,460 | 589,787,362 | 1,829,461,314 | 0.5667 | 75.62% |
| 2008 | 1,083,675,165 | 490,998,701 | 827,663,738 | 2,402,337,604 | 332,671,138 | 751,063,719 | 1,983,945,023 | 0.5450 | 72.54% |
| 2009 | 1,156,006,988 | 534,606,069 | 939,348,329 | 2,629,961,386 | 362,013,554 | 852,752,876 | 2,139,222,064 | 0.5450 | 71.50% |
| 2010 | 1,213,042,379 | 560,495,831 | 940,934,856 | 2,714,473,066 | 399,324,045 | 903,321,290 | 2,210,475,821 | 0.5770 | 70.99% |
| 2011 | 1,231,615,944 | 576,050,871 | 942,965,493 | 2,750,632,308 | 392,922,681 | 878,965,625 | 2,264,589,364 | 0.5793 | 72.04% |
| 2012 | 1,330,376,385 | 585,938,223 | 1,056,767,654 | 2,973,082,262 | 421,298,210 | 955,191,070 | 2,439,189,402 | 0.5536 | 71.86% |
| 2013 | 1,374,522,267 | 610,777,713 | 1,058,790,264 | 3,044,090,244 | 410,009,296 | 984,974,372 | 2,469,125,168 | 0.6355 | 71.48% |

TAXABLE ASSESSED VALUE BY GROUPING LAST SEVEN FISCAL YEARS

| StateCode | Description | Grouping | FY 2013 | FY 2012 | FY 2011 | FY 2010 | FY 2009 | FY 2008 | FY 2007 |
|---|--------------------------|-------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| A | Single Family Residence | residential | \$ 1,119,049,757 | \$ 1,096,500,415 | \$ 1,019,194,065 | \$ 1,001,871,339 | \$ 977,153,378 | \$ 930,774,965 | \$ 867,490,994 |
| B | MultiFamily Residence | residential | 255,472,510 | 233,875,970 | 212,421,879 | 211,171,040 | 178,853,610 | 152,900,200 | 130,909,590 |
| C | Vacant Lot | land | 81,767,312 | 93,750,505 | 90,377,875 | 89,540,840 | 90,455,940 | 82,564,011 | 75,908,609 |
| D1 | Qualified Ag Land | land | 911,121,052 | 874,865,866 | 800,701,069 | 798,546,287 | 791,261,545 | 696,031,268 | 523,181,703 |
| D2 | Non Qualified Land | land | 65,901,900 | 88,151,283 | 51,886,549 | 52,847,729 | 57,630,844 | 49,068,459 | 36,991,240 |
| E | Farm or Ranch Improv. | commercial | 311,709,173 | 304,499,853 | 299,170,151 | 292,208,361 | 280,598,771 | 260,976,171 | 232,571,710 |
| F1 | Commercial Real | commercial | 280,310,140 | 263,245,850 | 258,115,930 | 252,701,530 | 240,566,988 | 217,270,660 | 206,279,660 |
| F2 | Industrial Real Property | commercial | 18,758,400 | 18,192,520 | 18,764,790 | 15,585,940 | 13,440,310 | 12,751,870 | 12,135,710 |
| G1 | Oil and Gas | minerals | 4,582,581 | 6,033,800 | 7,186,881 | 9,409,435 | 10,823,964 | 11,974,918 | 12,782,580 |
| G3 | Minerals-Non Producing | minerals | 276,680 | 280,680 | 280,680 | 284,060 | 284,060 | 284,600 | 284,600 |
| J1 | Water Systems | personal | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| J2 | Gas Distribution System | personal | 1,328,950 | 1,483,120 | 1,424,250 | 1,434,290 | 1,402,330 | 1,444,820 | 1,519,980 |
| J3 | Electric Company | personal | 39,602,830 | 53,687,160 | 33,991,630 | 32,425,920 | 31,723,310 | 30,385,990 | 27,129,750 |
| J4 | Telephone Company | personal | 12,680,250 | 16,647,590 | 16,696,730 | 18,138,180 | 19,376,840 | 22,366,010 | 22,336,320 |
| J5 | RailRoad | personal | 14,891,740 | 13,876,060 | 12,053,960 | 11,209,160 | 10,442,880 | 7,763,270 | 7,426,640 |
| J6 | Pipeline Company | personal | 26,112,300 | 25,696,480 | 19,739,420 | 15,325,720 | 15,902,070 | 16,922,720 | 14,369,010 |
| J7 | Cable Television Co. | personal | 5,910,520 | 3,049,230 | 3,108,650 | 2,969,980 | 2,885,300 | 2,613,730 | 2,597,850 |
| J8 | Other type of Utility | personal | 31,800 | 31,800 | 31,800 | 31,800 | 31,800 | 31,800 | 212,000 |
| L1 | Commercial Personal | personal | 113,080,610 | 113,485,550 | 193,157,700 | 232,557,780 | 118,728,270 | 123,302,530 | 110,307,460 |
| L2 | Industrial Personal | personal | 132,878,470 | 126,233,030 | 44,107,500 | 11,132,160 | 82,799,150 | 47,077,150 | 62,152,450 |
| M1 | Tangible Other | personal | 46,904,675 | 49,752,480 | 52,040,250 | 52,533,620 | 52,884,250 | 53,670,390 | 56,412,470 |
| N | Intangible Property | personal | 15,110 | 9,710 | 9,710 | | 10,000 | 1,869,020 | 1,888,050 |
| O | Residential Inventory | personal | 1,817,150 | 2,261,020 | 2,153,860 | 2,467,100 | 4,061,980 | 3,352,500 | 4,909,920 |
| S | Special Inventory Tax | personal | 9,891,630 | 8,766,500 | 6,935,660 | 9,400,840 | 10,653,350 | 9,607,690 | 9,446,380 |
| | | | \$ 3,454,099,540 | \$ 3,394,380,472 | \$ 3,143,554,989 | \$ 3,113,797,111 | \$ 2,991,974,940 | \$ 2,735,008,742 | \$ 2,419,248,676 |
| Less: | | | | | | | | | |
| Productivity Loss (Ag and Timber Use) | | | (864,873,036) | (829,788,729) | (753,891,998) | (775,445,300) | (744,534,217) | (649,250,466) | (476,533,360) |
| Homestead Cap (10% cap on residential homesteads) | | | (3,921,326) | (11,967,776) | (7,534,476) | (15,567,539) | (26,567,273) | (37,861,456) | (42,416,412) |
| Tax Ceiling and Over 65 and disabled exemption | | | (59,008,162) | (56,299,468) | (54,192,145) | (46,170,943) | (45,423,831) | (45,555,372) | (44,214,462) |
| Other Exemptions /Deductions | | | (57,171,848) | (57,135,097) | (63,347,006) | (66,137,508) | (36,227,555) | (18,396,425) | (26,623,128) |
| Total Exemptions | | | \$ (984,974,372) | \$ (955,191,070) | \$ (878,965,625) | \$ (903,321,290) | \$ (852,752,876) | \$ (751,063,719) | \$ (589,787,362) |
| Taxable Assessed Value | | | \$ 2,469,125,168 | \$ 2,439,189,402 | \$ 2,264,589,364 | \$ 2,210,475,821 | \$ 2,139,222,064 | \$ 1,983,945,023 | \$ 1,829,461,314 |
| Total Direct Tax Rate | | | \$0.6355 | \$0.5536 | \$0.5793 | \$0.5770 | \$0.5450 | \$0.5450 | \$0.5667 |

(1) Data Source: Walker County Appraisal District (Based on State Reporting)

WALKER COUNTY, TEXAS

PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

TABLE E-8

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| County: | | | | | | | | | | |
| Operating | 0.5712 | 0.5391 | 0.5485 | 0.5485 | 0.5132 | 0.5136 | 0.5284 | 0.5456 | 0.5709 | 0.5726 |
| Debt Service | <u>0.0643</u> | <u>0.0145</u> | <u>0.0308</u> | <u>0.0285</u> | <u>0.0318</u> | <u>0.0314</u> | <u>0.0383</u> | <u>0.0541</u> | <u>0.0541</u> | <u>0.0524</u> |
| Total | 0.6355 | 0.5536 | 0.5793 | 0.5770 | 0.5450 | 0.5450 | 0.5667 | 0.5997 | 0.6250 | 0.6250 |
| Huntsville ISD | | | | | | | | | | |
| Operating | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.3567 | 1.4850 | 1.4850 | 1.4700 |
| Debt Service | <u>0.1700</u> | <u>0.1700</u> | <u>0.1700</u> | <u>0.1700</u> | <u>0.1700</u> | <u>0.1700</u> | <u>0.1700</u> | <u>0.1750</u> | <u>0.1750</u> | <u>0.1900</u> |
| Total | 1.2100 | 1.2100 | 1.2100 | 1.2100 | 1.2100 | 1.2100 | 1.5267 | 1.6600 | 1.6600 | 1.6600 |
| Richards ISD | | | | | | | | | | |
| Operating | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.3700 | 1.5000 | 1.5000 | 1.5000 |
| Debt Service | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> |
| Total | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.3700 | 1.5000 | 1.5000 | 1.5000 |
| New Waverly ISD | | | | | | | | | | |
| Operating | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.0234 | 0.9734 | 1.2414 | 1.4000 | 1.3500 | 1.3500 |
| Debt Service | <u>0.2205</u> | <u>0.2205</u> | <u>0.2300</u> | <u>0.2300</u> | <u>0.2300</u> | <u>0.2300</u> | <u>0.2008</u> | <u>0.2008</u> | <u>0.2310</u> | <u>0.2368</u> |
| Total | 1.2605 | 1.2605 | 1.2700 | 1.2700 | 1.2534 | 1.2034 | 1.4422 | 1.6008 | 1.5810 | 1.5868 |
| City of Huntsville | | | | | | | | | | |
| Operating | 0.2639 | 0.2381 | 0.2134 | 0.2249 | 0.2108 | 0.2436 | 0.2381 | 0.2391 | 0.2447 | 0.2322 |
| Debt Service | <u>0.1567</u> | <u>0.1534</u> | <u>0.1873</u> | <u>0.1758</u> | <u>0.1899</u> | <u>0.1699</u> | <u>0.1811</u> | <u>0.1928</u> | <u>0.1928</u> | <u>0.1928</u> |
| Total | 0.4206 | 0.3915 | 0.4007 | 0.4007 | 0.4007 | 0.4135 | 0.4192 | 0.4319 | 0.4375 | 0.4250 |
| City of New Waverly | | | | | | | | | | |
| Operating | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.2088 | 0.2300 | 0.2409 | 0.2371 | 0.2442 |
| Debt Service | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> |
| Total | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.2088 | 0.2300 | 0.2409 | 0.2371 | 0.2442 |
| City of Riverside | | | | | | | | | | |
| Operating | 0.0894 | 0.0818 | 0.0551 | 0.1101 | 0.0803 | 0.0836 | 0.0617 | 0.0584 | 0.0580 | 0.0569 |
| Debt Service | <u>0.1136</u> | <u>0.1270</u> | <u>0.1585</u> | <u>0.0963</u> | <u>0.1537</u> | <u>0.1644</u> | <u>0.1983</u> | <u>0.2245</u> | <u>0.2460</u> | <u>0.2585</u> |
| Total | 0.2030 | 0.2088 | 0.2136 | 0.2064 | 0.2340 | 0.2480 | 0.2600 | 0.2829 | 0.3040 | 0.3154 |
| Hospital District | | | | | | | | | | |
| Operating | 0.1554 | 0.1568 | 0.1530 | 0.1534 | 0.1537 | 0.1600 | 0.1720 | 0.1825 | 0.1922 | 0.1850 |
| Debt Service | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> |
| Total | 0.1554 | 0.1568 | 0.1530 | 0.1534 | 0.1537 | 0.1600 | 0.1720 | 0.1825 | 0.1922 | 0.1850 |
| Fire District #1 | | | | | | | | | | |
| Operating | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0300 | 0.0300 | 0.0300 |
| Debt Service | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> |
| Total | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0300 | 0.0300 | 0.0300 |
| Fire District #2 | | | | | | | | | | |
| Operating | 0.1000 | 0.1000 | 0.1000 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 |
| Debt Service | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> | <u>0.0000</u> |
| Total | 0.1000 | 0.1000 | 0.1000 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 | 0.0300 |
| Totals | | | | | | | | | | |
| Operating Total | 4.3599 | 4.2958 | 4.2500 | 4.2469 | 4.1514 | 4.3530 | 5.2883 | 5.7115 | 5.6979 | 5.6709 |
| Debt Service Total | <u>0.7251</u> | <u>0.6854</u> | <u>0.7766</u> | <u>0.7006</u> | <u>0.7754</u> | <u>0.7657</u> | <u>0.7885</u> | <u>0.8472</u> | <u>0.8989</u> | <u>0.9305</u> |
| Total | 5.0850 | 4.9812 | 5.0266 | 4.9475 | 4.9268 | 5.1187 | 6.0768 | 6.5587 | 6.5968 | 6.6014 |

WALKER COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE E-9

| | <u>For the Fiscal Year Ending 09/30/13</u> | | | <u>For the Fiscal Year Ending 09/30/04</u> | |
|--|--|---|--|--|---|
| | <u>Taxable Assessed Value</u> | <u>Percentage of Total Taxable Assessed Value</u> | <u>Taxpayer</u> | <u>Taxable Assessed Value</u> | <u>Percentage of Total Taxable Assessed Value</u> |
| Entergy Texas Inc | \$ 28,251,320 | 1.14% | GSU - Entergy Services, Inc | \$ 21,605,430 | 1.50% |
| University House Huntsville LLC | 28,211,474 | 1.14% | Southwestern Bell Telephone | 20,500,150 | 1.40% |
| Fairfield Huntsville Exchange LP | 21,131,590 | 0.86% | RII Timberlands 3 LLC | 19,263,180 | 1.30% |
| Weatherford US LP | 21,099,930 | 0.85% | Wal-Mart | 15,588,260 | 1.10% |
| Wal-Mart Stores Texas LLC 0285-1-14206 | 19,221,250 | 0.78% | Sam Dominey | 12,589,570 | 0.90% |
| Southwestern Bell Telephone LP | 17,011,020 | 0.69% | Weatherford Completion & Oilfield Services | 12,161,920 | 0.80% |
| Hyponex Corporation | 13,169,430 | 0.53% | Louisiana Pacific | 10,809,600 | 0.70% |
| Huntsville Aberdeen Place LP | 12,597,120 | 0.51% | Arbors of Huntsville | 8,093,800 | 0.60% |
| Huntsville Place LP | 12,533,599 | 0.51% | Union Pacific | 8,153,210 | 0.60% |
| Campus Crest at Huntsville LP | 12,477,260 | 0.51% | Universal Forest Products | 7,903,746 | 0.50% |
| Totals | <u>\$ 185,703,993</u> | <u>7.52%</u> | Totals | <u>\$ 136,668,866</u> | <u>9.40%</u> |

WALKER COUNTY, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

TABLE E-10

| Fiscal Year Ended September 30 | (1) Total Tax Levy for 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 |
| 2004 | \$ 8,980,402 | \$ 8,707,905 | 97.0% | \$ 262,885 | \$ 8,970,790 | 99.9% |
| 2005 | 9,639,424 | 9,225,511 | 95.7% | 312,783 | 9,538,294 | 99.0% |
| 2006 | 9,946,615 | 9,552,183 | 96.0% | 273,104 | 9,825,287 | 98.8% |
| 2007 | 10,263,776 | 9,870,789 | 96.2% | 266,400 | 10,137,189 | 98.8% |
| 2008 | 10,685,761 | 10,242,043 | 95.9% | 265,161 | 10,507,204 | 98.3% |
| 2009 | 11,463,445 | 11,025,712 | 96.2% | 292,119 | 11,317,831 | 98.7% |
| 2010 | 12,424,610 | 12,058,566 | 97.1% | 282,431 | 12,340,997 | 99.3% |
| 2011 | 12,780,350 | 12,258,890 | 95.9% | 244,893 | 12,503,783 | 97.8% |
| 2012 | 13,150,958 | 12,453,061 | 94.7% | 240,697 | 12,693,758 | 96.5% |
| 2013 | 15,064,354 | 14,497,257 | 96.2% | 283,422 | 14,780,679 | 98.1% |

(1) Original Tax Levy

WALKER COUNTY, TEXAS

*RATIOS OF NET LONG-TERM DEBT OUTSTANDING
LAST TEN FISCAL YEARS*

TABLE E-11

| Fiscal Year | General Obligations Bonds | Capital Leases | Total | Less: Amounts Available in Debt Service Fund | Total | Percentage of Estimated Actual Taxable Value of Property |
|------------------------|--|---------------------------|--------------|---|--------------|---|
| 2004 | \$ 4,077,506 | \$ 82,317 | \$ 4,159,823 | \$ 392,702 | \$ 3,767,121 | 0.26% |
| 2005 | 3,679,107 | 56,154 | 3,735,261 | 386,683 | 3,348,578 | 0.22% |
| 2006 | 2,899,161 | 28,736 | 2,927,897 | 367,383 | 2,560,514 | 0.15% |
| 2007 | 2,347,016 | - | 2,347,016 | 407,840 | 1,939,176 | 0.11% |
| 2008 | 2,290,362 | - | 2,290,362 | 401,479 | 1,888,883 | 0.10% |
| 2009 | 1,671,056 | - | 1,671,056 | 401,510 | 1,269,546 | 0.06% |
| 2010 | 1,259,808 | - | 1,259,808 | 427,477 | 832,331 | 0.04% |
| 2011 | 628,135 | - | 628,135 | 473,262 | 154,873 | 0.01% |
| 2012 | 20,000,000 | - | 20,000,000 | 32,807 | 19,967,193 | 0.82% |
| 2013 | 19,315,000 | - | 19,315,000 | 141,977 | 19,173,023 | 0.78% |

WALKER COUNTY, TEXAS

*DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2013*

TABLE E-12

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|-----------------------------------|-----------------------------|--|--|
| Huntsville I.S.D. | \$ 37,631,989 | 100% | \$ 37,631,989 |
| New Waverly I.S.D. | 9,210,913 | 100% | 9,210,913 |
| City of Huntsville | 46,964,000 | 100% | 46,964,000 |
| City of New Waverly | 380,000 | 100% | 380,000 |
| City of Riverside | 84,000 | 100% | 84,000 |
| Subtotal Overlapping Debt | | | <u>\$ 94,270,902</u> |
| Walker County direct debt | | | \$ 19,173,023 |
| Total direct and overlapping debt | | | <u><u>\$ 113,443,925</u></u> |

Source. Entities as listed

Note. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the debt of these entities that is borne by the residents and businesses of Walker County. This process recognizes that, when considering the government's ability to issue debt and repay long term debt, the entire debt cost borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

WALKER COUNTY, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

TABLE E-13

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Debt limit (Taxable Property) | \$ 143,694,169 | \$ 154,176,679 | \$ 167,011,388 | \$ 182,946,131 | \$ 198,394,502 | \$ 213,922,206 | \$ 221,047,582 | \$ 226,458,936 | \$ 243,918,940 | \$ 246,912,517 |
| Total net debt applicable to limit | 3,767,121 | 3,348,578 | 2,560,514 | 1,939,176 | 1,888,883 | 1,269,546 | 832,331 | 154,873 | 19,967,193 | 19,173,023 |
| Legal debt margin | \$ 139,927,048 | \$ 150,828,101 | \$ 164,450,874 | \$ 181,006,955 | \$ 196,505,619 | \$ 212,652,660 | \$ 220,215,251 | \$ 226,304,063 | \$ 223,951,747 | \$ 227,739,494 |
| Total net debt applicable to the limit as a percentage of debt limit | 2.62% | 2.17% | 1.53% | 1.06% | 0.95% | 0.59% | 0.38% | 0.07% | 8.19% | 7.77% |

Legal Debt Margin Calculation for Fiscal Year 2013

| | |
|--|-----------------------|
| Debt limit (10% of total assessed value) | \$ 246,912,517 |
| Debt applicable to limit: | |
| General obligation debt | \$ 19,315,000 |
| Less: Amount set aside for repayment of general obligation debt | <u>141,977</u> |
| Total net debt applicable to limit | <u>19,173,023</u> |
| Legal debt margin | <u>\$ 227,739,494</u> |

WALKER COUNTY, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

TABLE E-14

| <u>Fiscal Year</u> | (1) <u>Population</u> | <u>School Enrollment</u> | <u>Unemployment Rate</u> |
|------------------------|--------------------------|------------------------------|------------------------------|
| 2004 | 62,904 | 7,653 | 2.5% |
| 2005 | 62,945 | 7,520 | 5.1% |
| 2006 | 64,480 | 7,116 | 4.9% |
| 2007 | 64,245 | 7,014 | 5.0% |
| 2008 | 64,239 | 6,572 | 5.8% |
| 2009 | 64,739 | 7,186 | 7.8% |
| 2010 | 67,861 | 7,191 | 7.2% |
| 2011 | 67,861 | 7,127 | 8.7% |
| 2012 | 68,087 | 7,270 | 6.5% |
| 2013 | 68,408 | 7,281 | 6.6% |

Note 1. Based on information available from Texas State Data and Office of the State Demographer available at www.txsd.c.utsa for Walker County

WALKER COUNTY, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

TABLE E-15

| <u>Employer</u> | <u>2013</u> | | | <u>2004</u> | | |
|--|------------------|-------------|--|---------------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> |
| Texas Department of Criminal Justice | 6,163 | 1 | 46.82% | Information not available | | |
| Sam Houston State University | 3,575 | 2 | 27.16% | | | |
| Huntsville Independent School District | 875 | 3 | 6.65% | | | |
| Huntsville Memorial Hospital | 589 | 4 | 4.48% | | | |
| Wal-Mart | 475 | 5 | 3.61% | | | |
| Walker County | 400 | 7 | 3.04% | | | |
| Region VI Education Service Center | 315 | 6 | 2.39% | | | |
| City of Huntsville | 275 | 8 | 2.09% | | | |
| Weatherford Completion Center | 285 | 9 | 2.17% | | | |
| Gulf Coast Trade Center | 210 | 10 | 1.59% | | | |
| Total | <u>13,162</u> | | | | | |

Note. Total employees in Walker County in September 2013 was 13,162.

Major Employer information is based on most current information available from the Huntsville Walker County Chamber of Commerce.

WALKER COUNTY, TEXAS**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS****TABLE E-16**

| | | Full-time Equivalent Employees as of September 30 | | | | | | | | | |
|--------------------------|---------------------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> |
| Function | | | | | | | | | | | |
| Operating | | | | | | | | | | | |
| | General Administration | | | | | | | | | | |
| | Elected | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| | Employees | 16.5 | 15.5 | 15.5 | 15.5 | 13.5 | 13.5 | 13.5 | 12.0 | 12.5 | 11.5 |
| | Judicial | | | | | | | | | | |
| | Elected | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 |
| | Employees | 43.0 | 42.0 | 42.0 | 41.0 | 40.0 | 40.0 | 40.0 | 40.0 | 39.0 | 39.0 |
| | Financial Administration | | | | | | | | | | |
| | Elected | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| | Appointed | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| | Employees | 30.0 | 29.5 | 30.0 | 31.0 | 31.0 | 31.0 | 28.0 | 27.5 | 24.5 | 25.5 |
| | Public Safety | | | | | | | | | | |
| | Elected | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| | Employees-Certified | 43.5 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 | 34.5 | 0.0 | 0.0 |
| | Employees-Non-Certified | 34.5 | 34.5 | 34.5 | 34.5 | 34.5 | 34.5 | 34.5 | 32.0 | 0.0 | 0.0 |
| | Employee-Certified/Noncertified | | | | | | | | | 65.0 | 63.0 |
| | Employees - EMS | 39.0 | 39.0 | 33.0 | 33.0 | 32.0 | 32.0 | 32.0 | 30.5 | 25.0 | 25.0 |
| | Health and Welfare | | | | | | | | | | |
| | Employees | 11.5 | 10.5 | 10.5 | 10.5 | 10.0 | 10.0 | 10.0 | 9.0 | 6.0 | 6.0 |
| | Road and Bridge | | | | | | | | | | |
| | Elected | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| | Employees | 34.0 | 33.5 | 32.5 | 32.5 | 31.0 | 31.0 | 31.0 | 30.5 | 30.5 | 30.5 |
| Legislatively Designated | | | | | | | | | | | |
| | Judicial | 2.0 | 1.0 | 1.0 | 1.0 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| | Public Safety | 3.5 | 3.5 | 3.0 | 2.0 | 2.0 | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| | Financial Administration | 1.5 | 2.0 | 2.0 | 2.0 | 3.0 | 3.0 | 2.0 | 1.5 | 1.5 | 1.5 |
| Grants/State Funding | | | | | | | | | | | |
| | Public Safety | | | | | | | | | | |
| | Juvenile Probation | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| | Adult Probation | 29.0 | 29.0 | 29.0 | 29.0 | 32.0 | 32.0 | 31.0 | 32.0 | 32.0 | 32.0 |
| | SPU Criminal/Civil/Juvenile | 45.0 | 45.0 | 45.0 | 48.0 | 51.4 | 43.0 | 32.0 | 29.0 | 29.0 | 29.0 |
| Total | | 363.0 | 350.5 | 343.5 | 345.5 | 347.4 | 339.0 | 322.0 | 311.0 | 297.5 | 295.5 |

Notes. In FY 2004, the County added an Emergency Ambulance service that was previously shared funding with the City and Hospital District.

In FY2006, the County added a transfer function in the Emergency Ambulance service.

WALKER COUNTY, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

TABLE E-17

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Function | | | | | | | | |
| Sheriff Office/Constables | | | | | | | | |
| Papers Served | 1,853 | 1,712 | 1,773 | 2,003 | 1,933 | 2,034 | 2,236 | 2,363 |
| Jail | | | | | | | | |
| Bookings at Jail | 3,918 | 4,238 | 4,456 | 4,089 | 4,086 | 4,035 | 4,227 | 4,871 |
| Average Daily Jail Population | 146 | 151 | 151 | 143 | 136 | 143 | 145 | 152 |
| Highest Daily Jail Population | 176 | 173 | 175 | 176 | 153 | 173 | 177 | 199 |
| Health and Welfare | | | | | | | | |
| Permits Issued | 405 | 897 | 899 | 860 | 250 | 273 | 269 | 292 |
| Judicial/Courts | | | | | | | | |
| Number of indigent cases | 1,277 | 1,330 | 1,239 | 1,361 | 1,462 | 1,142 | 1,064 | 892 |
| Number of cases heard-District Courts-Criminal | 2,253 | 2,804 | 2,037 | 1,968 | 2,537 | 1,812 | 2,250 | 1,963 |
| Number of cases heard-District Courts-Civil | 669 | 290 | 521 | 469 | 623 | 346 | 475 | 446 |
| Cases filed District Courts-Civil | 557 | 513 | 593 | 551 | 598 | 572 | 343 | 323 |
| Cases disposed -County Court at Law | 1,403 | 1,508 | 1,696 | 1,833 | 2,073 | 1,918 | 2,315 | 2,246 |
| Cases filed in Court at Law-Criminal | 1,198 | 1,583 | 1,555 | 1,605 | 1,864 | 1,745 | 2,353 | 2,085 |
| Cases filed County Court at Law-Civil | 343 | 487 | 478 | 547 | 601 | 706 | 654 | 488 |
| Cases filed in JP Courts-Traffic/Non Traffic Misdemeanors | 10,899 | 9,099 | 12,682 | 11,732 | 11,786 | 11,678 | 14,933 | 15,499 |
| Cases filed in JP Courts - Civil | 658 | 718 | 587 | 677 | 657 | 659 | 405 | 366 |
| Cases Disposed of - JP Courts | 9,939 | 8,794 | 12,805 | 13,060 | 12,603 | 13,110 | 14,387 | 13,504 |
| County Clerk | | | | | | | | |
| Documents recorded | 10,079 | 9,503 | 9,036 | 8,400 | 8,441 | 8,984 | 10,430 | 10,705 |
| Adult Probation | | | | | | | | |
| Offenders Supervised | 3,476 | 3,415 | 3,388 | 3,395 | 2,409 | 2,465 | 2,749 | 2,829 |
| Juvenile Probation | | | | | | | | |
| Juveniles Supervised | 81 | 90 | 109 | 109 | 111 | 130 | 95 | 91 |

Note: In FY2006, Walker County began reporting this information. Reporting is from that date forward.

Note: Cases heard include indigent cases.

Note: Cases filed and disposed in JP Courts based on Official Monthly Report filed with the State by the JPs.

WALKER COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION

TABLE E-18

| Function | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Public Safety: | | | | | | | | |
| Sheriff Office: | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol Units | 35 | 35 | 35 | 34 | 33 | 33 | 33 | 29 |
| Jail: | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of beds | 162 | 162 | 162 | 162 | 162 | 162 | 162 | 162 |
| Road & Bridge: | | | | | | | | |
| Miles of roads | 537 | 537 | 537 | 552 | 531 | 530 | 530 | 530 |
| Courts: | | | | | | | | |
| District Courts | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| County Court at Law | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| JP Courts | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

Note: In FY2006, Walker County began reporting this information. Reporting is from that date forward.

(This page is intentionally left blank)

COMPLIANCE SECTION

(This page was intentionally left blank)



Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

Conroe
1406 Wilson Rd., Suite 100
Conroe, Texas 77304
Tel 936-756-8127
Metro 936-441-1338
Fax 936-756-8132

Members of the
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Private Companies Practice Section
of the AICPA Division for Firms

Cleveland
111 East Boothe
Cleveland, Texas 77327
Tel 281-592-6443
Fax 281-592-7706

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Commissioners' Court
Walker County, Texas
1100 University Avenue
Huntsville, Texas 77340

Members of the Commissioners' Court:

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Walker County, Texas (County), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Walker County, Texas' basic financial statements and have issued our report thereon dated March 21, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Walker County, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Walker County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Walker County, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Walker County, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully,

Hereford, Lynch, Sellars & Kirkham, P.C.

HEREFORD, LYNCH, SELLARS & KIRKHAM, P.C.
Certified Public Accountants

Conroe, Texas
March 21, 2014



Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

Conroe
1406 Wilson Rd., Suite 100
Conroe, Texas 77304
Tel 936-756-8127
Metro 936-441-1338
Fax 936-756-8132

Members of the
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants
Private Companies Practice Section
of the AICPA Division for Firms

Cleveland
111 East Boothe
Cleveland, Texas 77327
Tel 281-592-6443
Fax 281-592-7706

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND TEXAS UNIFORM
GRANT MANAGEMENT STANDARDS**

Commissioners' Court
Walker County, Texas
1100 University Avenue
Huntsville, Texas 77340

Members of the Commissioners' Court:

Report on Compliance for Each Major State Program

We have audited Walker County, Texas' (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and Texas Uniform Grant Management Standards that could have a direct and material effect on each of Walker County, Texas' major state programs for the year ended September 30, 2013. Walker County, Texas' major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Walker County, Texas' major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Texas Uniform Grant Management Standards. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Walker County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Walker County, Texas' compliance.

Opinion on Each Major State Program

In our opinion, Walker County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of Walker County, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Walker County, Texas' internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, and Texas Uniform Grant Management Standards, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Walker County, Texas' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance is a deficiency*, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be, material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and Texas Uniform Grant Management Standards. Accordingly, this report is not suitable for any other purpose.

Respectfully,

Hereford, Lynch, Sellars & Kirkham, P.C.

HEREFORD, LYNCH, SELLARS & KIRKHAM, P.C.
Certified Public Accountants

Conroe, Texas
March 21, 2014

WALKER COUNTY, TEXAS**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

| | |
|---|---|
| SECTION I – SUMMARY OF AUDITORS’ RESULTS | |
| FINANCIAL STATEMENTS | |
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal Control over Financial Reporting: | |
| a. Material Weakness(es) identified? | No |
| b. Significant Deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to Financial Statements noted? | No |
| STATE AWARDS | |
| 4. Internal control over major programs: | |
| a. Material Weakness(es) identified? | No |
| b. Significant Deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 5. Type of auditors’ report issued on compliance with major programs | Unmodified |
| 6. Any Audit Findings Disclosed that are Required to be Reported in Accordance with Texas Uniform Grant Management Standards? | No |
| 7. Identifications of Major Programs | Prosecution of Prison Crimes - Criminal |
| 8. Dollar Threshold used to Distinguish Between Type A and Type B State Programs | \$300,000 |
| 9. Auditee Qualified as a Low-Risk Auditee? | Yes |
| SECTION II – FINANCIAL STATEMENT FINDINGS | |
| None reported | |
| SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS | |
| None reported | |

WALKER COUNTY, TEXAS

*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - STATE PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2013*

PRIOR YEAR FINDINGS

None reported

WALKER COUNTY, TEXAS**EXHIBIT D-1****SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

| Federal Grantor/ Pass-Through Grantor/ Program Title | Pass-Through Entity Identifying Number | Total Expenditures | Pass-Through Amount to Subrecipients |
|---|---|-------------------------------|---|
| <u>STATE AWARDS</u> | | | |
| Passed Through Office of Court Administration: | | | |
| <i>Task Force on Indigent Defense</i> | 212-13-236 | \$ 52,082 | \$ - |
| Passed Through Office of Governor: | | | |
| <i>Prosecution of Prison Crimes - Criminal</i> | SF-11-A10-14918-13 | 1,323,297 | - |
| Passed Through Office of State Comptroller: | | | |
| <i>Judiciary Appointment - CDA</i> | - | 22,450 | - |
| Passed Through Texas Department of State Health Services: | | | |
| <i>EMS - Local Project (DSHS - Equipment)</i> | 2013-042903 | 35,000 | - |
| <i>AgriLife Extension- Preventative Hospitalization</i> | 2012-040354 | 93,296 | - |
| Total Passed Through Texas Department of State Health Services | | 128,296 | - |
| Passed Through Office of Attorney General: | | | |
| <i>Statewide Victim Information and Notification Everyday System</i> | 1337690 | 17,369 | - |
| Passed Through Commission on Environmental Quality: | | | |
| <i>Walker County Environmental Investigator</i> | 12-16-G06 | 48,590 | - |
| <i>Walker County Educational Outreach</i> | 13-16-G06 | 26,720 | - |
| <i>Juvenile Mental Health Services</i> | 26067-01 | 1,981 | - |
| Total Passed Through Commission on Environmental Quality | | 77,291 | - |
| Passed Through Office of the Secretary of State: | | | |
| <i>Chapter 19 Voter Funds</i> | - | 2,509 | - |
| TOTAL EXPENDITURES OF STATE AWARDS | | 1,623,294 | - |
| <u>STATE ALLOCATIONS</u> | | | |
| <i>SPU - State Allocation</i> | 08-A10-14918-12 | 207,063 | - |
| <i>SPU - Civil</i> | 08-A10-14918-12 | 2,121,006 | - |
| <i>SPU - Longevity Pay - Criminal</i> | 08-A10-14918-12 | 31,945 | - |
| <i>SPU - Juvenile</i> | 08-A10-14918-12 | 775,114 | - |
| <i>SPU - Longevity Pay - Juvenile</i> | 08-A10-14918-12 | 2,435 | - |
| <i>Constitutional Judge Salary Supplement</i> | SB 600 | 15,000 | - |
| <i>CCL Judge Supplement</i> | SB 600 | 75,000 | - |
| <i>Juror Pay</i> | SB 1704 | 10,590 | - |
| <i>State Longevity Pay</i> | SB 844 | 2,720 | - |
| <i>Road & Bridge - Lateral Road Allocation</i> | Tax Code-Chap 162 | 76,865 | - |
| TOTAL STATE ALLOCATIONS | | 3,317,738 | - |
| TOTAL STATE AWARDS, ALLOCATIONS, AND REIMBURSEMENTS | | \$ 4,941,032 | \$ - |

The accompanying notes are an integral part of this schedule.

(This page was intentionally left blank)

WALKER COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2013

Basis of Presentation

The accompanying schedule of expenditures of state awards includes the state grant activity of Walker County, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and Texas Uniform Grant Management Standards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Insurance

Walker County is currently insured through the purchase of insurance for Workers Compensation, Health Insurance and other insurances through the Texas Association of Counties. The coverage is through several policies including Workers Compensation, Health, Property, Inland Marine, General Liability, Public Officials and Employee Related Practices Liability, Boiler and Machinery, Automobile Liability, Automobile Comprehensive, and Law Enforcement Legal Liability. Property coverage varies related to property type and type of occurrence, with the total of the listed properties at an aggregate value of approximately \$39,285,121. Coverage of buildings is at replacement cost Public Officials and Law Enforcement Liability each have \$2,000,000 limits of liability. Automobile Liability coverage is 100K/300K/100K. Automobile Physical Damage is per the scheduled values. General Liability limits of coverage are 100K/300K/100K.