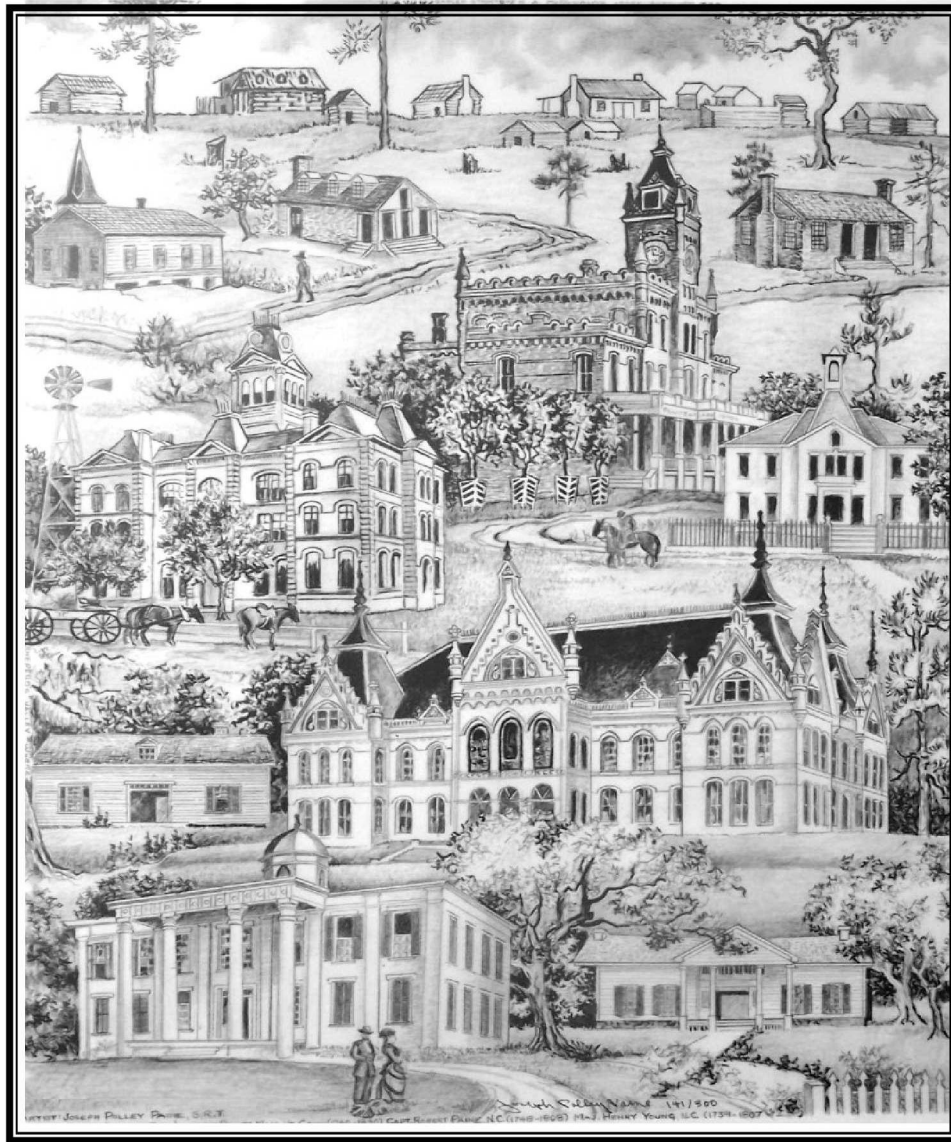




# Walker County, Texas



*Comprehensive Annual Financial Report  
For the Year Ended September 30, 2015*

Shown on the cover and copied with permission of the artist,  
Mr. Joseph Polley Paine, is a reproduction of a lithograph  
he did for Huntsville's Bicentennial in 1976.

JOSEPH POLLEY PAINE'S "Early Architecture of Huntsville"  
is what the artist calls "Documentary art".

Across the top is a reproduction of Bollaert's sketch of Huntsville made in December, 1843. Englishman William Bollaert came to Texas, at General Sam Houston's invitation, to study the possibility of attracting immigrants. Bollaert's diary of his visit to Huntsville read, "Three miles brought us to Huntsville, situated on a pine height. This town was commenced in 1836, but made little progress until 1842 when Mr. MacDonald gave an impetus to building. On entering the town is observed a planter's exchange, Gibbs Grocery, Huntsville Hotel... Mr. MacDonald, besides a very large and comfortable residence, has built a brick store, the upper part devoted to a Masonic Lodge. A large brick building for girls and boys schools is now building and many other improvements going on."

Next in the artwork is the Cumberland Presbyterian Church erected in 1839. The Christian congregation purchased the property in 1868.

The third structure is MacDonald's (sometimes spelled McDonald's) brick store and Masonic Hall. It was redrawn from an 1844 map of the city.

The Huntsville Academy, also from the map of 1844, is right of the tower. The structure at the left is the third building used as the Walker County Courthouse. This building in 1888, was razed by fire.

The large building facing the right portion of the drawing is the original building in the state prison system. The building, along with several others in Huntsville, was "remodeled" or "modernized" and the tower was removed. This building was revamped in 1942.

At the right is Andrews Female College, a Methodist institution built in 1852, which later became public school property in 1879 and a frame building was put on the same site.

Built in the 1840's, Henderson Yoakum's home at Shepherd's Valley was where Yoakum wrote his "History of Texas." The history was published in 1855. Dog run style houses had a hall through the center 20 feet wide. On each side of the open hall were two 20 by 20 foot rooms. The sills of the hand-hewn logs were sixty feet long and three feet thick.

Now known as Old Main, the Sam Houston Normal Institute was dedicated in 1890. (Lost to fire on February 12, 1982)

The Austin College building behind the Normal Institute was dedicated in 1851 as a Presbyterian school. The Bell Tower shown in Mr. Paine's Lithograph is now at the Austin College in Sherman, Texas and is rung at graduation there. This building was the main structure at Sam Houston Normal Institute from 1879 to 1890.

The final structure in the Bicentennial work is Sam Houston's home, "Woodlands", which was built in 1847.

Artist Paine was assisted in his research by Mrs. Josephine Bush, keeper of the books in the Thompson Room of Sam Houston State University Library.



**WALKER COUNTY, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Prepared by:  
County Auditor Department



# WALKER COUNTY, TEXAS

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WALKER COUNTY AUDITOR

1301 Sam Houston Avenue Room 206

Huntsville, Texas 77320

(936) 436-4948

March 23, 2016

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

Gentlemen:

The Comprehensive Annual Financial Report of Walker County, Texas, for the year ended September 30, 2015, 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, 2015 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, 2015 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 and Questioned Costs 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 H.E.A.R.T.S Veteran's Museum of Texas is located adjacent to Interstate 45.

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.

Walker County's estimated population is 69,789. 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 2015 was 5.0%, compared with the state unemployment rate of 4.4% and national unemployment rate of 4.9%. This county rate compares to 5.1%, 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 13,635 inmates. Sam Houston State

University, also located in Walker County, reported an enrollment of approximately 20,031 students for the fall of 2015 as compared to 19,719 for 2014.

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 16 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 during 2012. This followed several years of planning and discussion. A tax rate increase was necessary to pay the debt. The jail was finished and occupied in May 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 Policies 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, 2014, as in previous years, one-time costs were funded with funds available in fund balance. There was a tax increase in 2012 and 2013 followed by no tax increases in 2014, 2015 or 2016. The total budget for FY 15/16, that began October 1, 2015 is \$33,112,116 compared to the original budget of \$32,927,065 for the FY 14/15 year covered by this report, an increase of \$185,051.

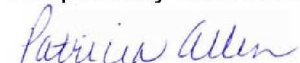
### **Awards and Acknowledgements**

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, 2014. This was the nineteenth 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**

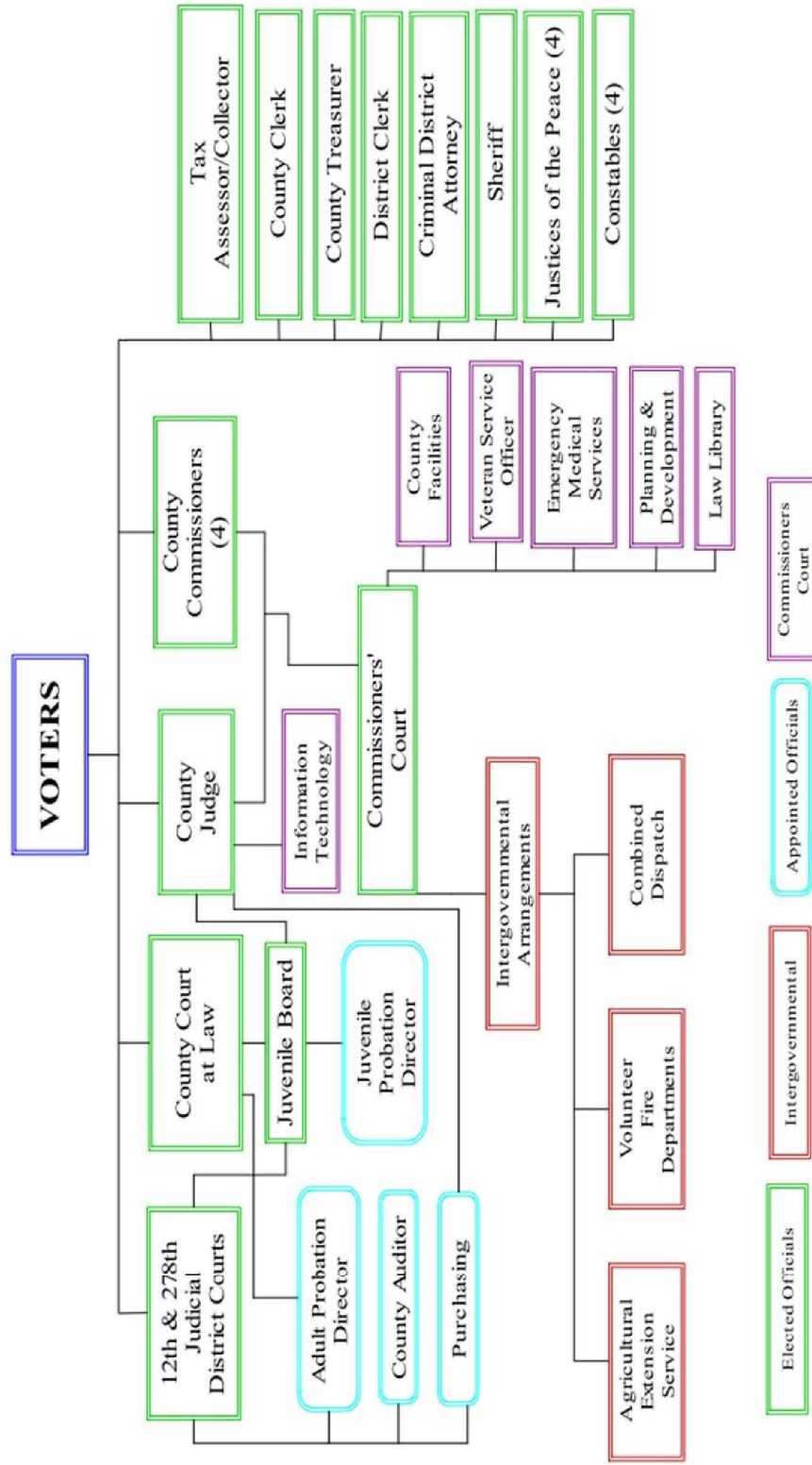
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Emswiler". The signature is written in a cursive, flowing style.

Executive Director/CEO

# Walker County, Texas Organization



**WALKER COUNTY, TEXAS**  
*LIST OF PRINCIPAL OFFICIALS*  
*SEPTEMBER 30, 2015*

Elected Officials

Donald Kraemer .....	Judge, 12th Judicial District Court
Hal Ridley .....	Judge, 278th Judicial District Court
Robert D. Pierce, II .....	County Judge
Tracy Sorensen .....	Judge, County Court at Law
B.J. Gaines, Jr. ....	Commissioner, Precinct 1
Ronnie White .....	Commissioner, Precinct 2
Glen Reader .....	Commissioner, Precinct 3
Jimmy Henry .....	Commissioner, Precinct 4
Diana McRae .....	Tax Assessor/Collector
Amy Klawinsky .....	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
Stephen Cole .....	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

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# HLSK

*Hereford, Lynch, Sellars & Kirkham*

Certified Public Accountants • A Professional Corporation

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## INDEPENDENT AUDITORS' REPORT

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

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, 2015, 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.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Walker County, Texas as of September 30, 2015, and the respective changes in financial position, thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Emphasis of Matter**

As discussed in Note A.3., in 2015 the County adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, and Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, 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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walker County's basic financial statements. The Introductory Section, Supplementary Information, Statistical Section and Compliance Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information and the schedules 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 Supplementary Information and the schedules 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 Section and Statistical Section 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 23, 2016 on our consideration of the Walker County's 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's internal control over financial reporting and compliance.

Respectfully,

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

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

**Conroe, Texas**  
**March 23, 2016**

## Management Discussion and 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, 2015. 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 and deferred outflows of resources of Walker County exceeded its liabilities at the close of its most recent fiscal year by \$6,608,951 (net position). The unrestricted net position is a negative \$5,497,318, due to the implementation of GASB 68 and GASB 71, a major change in the method for accounting for pensions which occurs with the issue of this report. Governments are required to reduce their net position by 100% of unfunded liability for future payments to the employee's retirement system, even though annual funding requirements are being met. For Walker County, the reduction of beginning net position amounted to \$10,224,078. Without this accounting change, the reported number would have been a positive \$4,726,760. Unrestricted net position is the amount that may be used to meet the ongoing obligations to citizens and creditors. The balance is net investment in capital assets and restricted for debt.
- On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$20,791,350. General revenues of \$21,048,459 (Exhibit A-2) were \$257,109 more than expenses net of program revenue. An accrual of \$1,380,905 for postemployment benefits is included in the expenses. This is the sixth year the County has recorded this liability resulting in a total of \$8,175,925 recorded as the net OPEB obligation at the end of the fiscal year.
- The General Fund, on a current financial resource basis (fund level), reported revenues over expenditures and other financing sources (uses) of \$1,127,272 as compared to a planned reduction of \$1,938,546 (Exhibits A-5 and B-1), the result primarily of decreased spending and revenues over budget.
- As of September 30, 2015, unassigned fund balance in the General Fund was \$5,516,930. The total unassigned Fund Balance for the prior year was \$5,006,369.
- Unassigned Fund balance as a percentage of expenditures for the General Fund is 32%, an amount that exceeds the minimum requirement goal (16.67%) set by Commissioners' Court. The adopted budget for FY 2016 included use of fund balance for one-time expenditures. The amount included in the FY 2016 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 B and Note L 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 four sections: introductory, financial, 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 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, liabilities, and deferred outflows/inflows of resources of Walker County, with the difference 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, liabilities, and deferred outflows/inflows of resources 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 76.

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 21.

**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 32 to 53 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 56 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 required schedules for its pension plan (B-5 and B-6) and its OPEB plan (B-7). Information for the Non-Major Governmental Funds begins on page 76.

## Government-wide Financial Analysis

Below is condensed financial information for the fiscal year 2015 with comparative data for 2014. The following schedule focuses on the net position of the County as a whole and gives data as of September 30<sup>th</sup> (the County's fiscal year end date) of each year.

### WALKER COUNTY, TEXAS NET POSITION

	Governmental Activities					
	2015		2014		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Cash, Cash Equivalents, & Investments	\$ 13,008,433	28	\$ 12,569,758	28	\$ 438,675	3
Receivables and Prepaids	6,149,560	13	4,006,317	9	2,143,243	53
Capital Assets, Net of Depreciation	27,697,244	59	28,655,524	63	(958,280)	(3)
<b>Total Assets</b>	<b>46,855,237</b>	<b>100</b>	<b>45,231,599</b>	<b>100</b>	<b>1,623,638</b>	
<b>Total Deferred Outflows of Resources</b>	<b>2,517,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,517,087</b>	<b>-</b>
Other Liabilities	4,500,978	11	4,049,283	14	451,695	11
Long-term Liabilities Outstanding	38,262,395	89	24,606,396	86	13,655,999	55
<b>Total Liabilities</b>	<b>42,763,373</b>	<b>100</b>	<b>28,655,679</b>	<b>100</b>	<b>14,107,694</b>	
Net Investment in Capital Assets	10,521,448	159	11,004,750	66	(483,302)	(4)
Restricted	1,584,821	24	83,580	1	1,501,241	1,796
Unrestricted	(5,497,318)	(83)	5,487,590	33	(10,984,908)	(200)
<b>Total Net Position</b>	<b>\$ 6,608,951</b>	<b>100</b>	<b>\$ 16,575,920</b>	<b>100</b>	<b>\$ (9,966,969)</b>	

As mentioned earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources exceeded liabilities by \$6,608,951 at September 30, 2015 as compared to \$16,575,920 at September 30, 2014. Investment in capital assets (land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding totals \$10,521,448. 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.

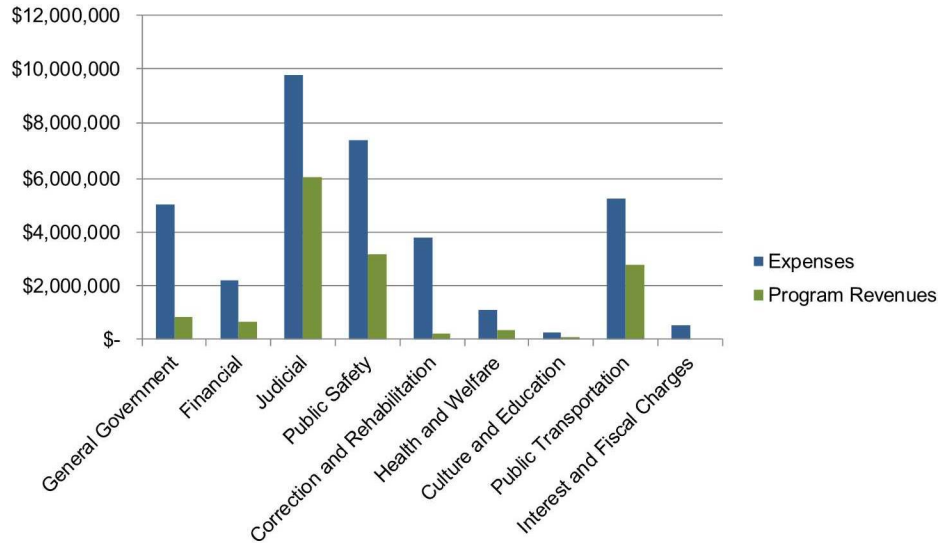
An additional portion of the assets at fiscal year end represent resources that are subject to restrictions on how they may be used. \$172,707 is restricted for Debt Service and \$1,412,114 is restricted for grants and purposes defined by legislation. Net position not restricted or invested in capital assets may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position at fiscal year end is a negative (\$5,497,318). The deficit is due to the implementation of GASB 68 and GASB 71, which forces a major change in the method for accounting for unfunded liability for future payments to the employee's retirement system, even if, annual funding requirements are being met. For Walker County, this reduction amounted to \$10,224,078. Currently the employee's retirement system is funded at 82%. Additional information on the liability for the retirement system is found in Note M beginning on page 47 of this report.

**Government-wide Activities.** There was a difference in revenues over expenses of \$257,109 reported on the Statement of Activities on a government-wide view. An adjustment of (\$10,224,078) is reported for the liability for the retirement plan, resulting in net decrease to net position of \$9,966,969. Included in the expenses is \$1,385,545 for other postemployment benefits. Key elements of the overall decrease in net position are as follows:

#### WALKER COUNTY, TEXAS' CHANGES IN NET POSITION

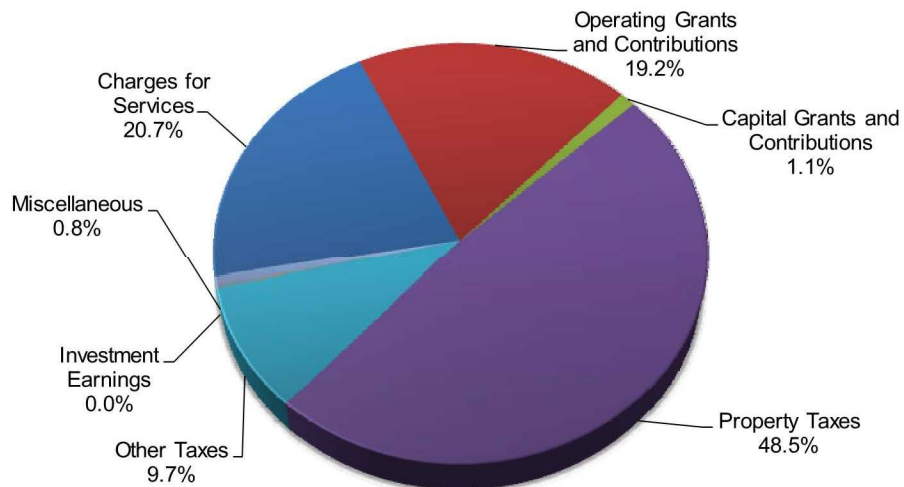
	Governmental Activities					
	2015		2014		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 7,366,025	21	\$ 7,368,405	22	\$ (2,380)	-
Operating Grants and Contributions	6,840,859	19	6,284,264	18	556,595	9
Capital Grants and Contributions	393,558	1	40,301	-	353,257	-
General Revenues:						
Property Taxes	17,294,805	48	16,804,691	49	490,114	3
Other Taxes	3,445,822	10	3,248,319	10	197,503	6
Investment Earnings	24,256	-	17,952	-	6,304	35
Miscellaneous	283,576	1	238,396	1	45,180	-
<b>Total Revenues</b>	<b>35,648,901</b>	<b>100</b>	<b>34,002,328</b>	<b>100</b>	<b>1,646,573</b>	
<b>Expenses:</b>						
General Government	5,034,941	14	4,981,792	15	53,149	1
Financial	2,228,163	6	2,010,372	6	217,791	11
Judicial	9,785,092	27	9,308,556	27	476,536	5
Public Safety	7,358,381	21	8,034,882	24	(676,501)	(8)
Correction and Rehabilitation	3,809,298	11	3,240,101	10	569,197	18
Health and Welfare	1,101,500	3	687,926	2	413,574	60
Culture and Education	267,349	1	246,614	1	20,735	8
Public Transportation	5,255,590	15	4,604,784	14	650,806	14
Interest and Fiscal Charges	551,478	2	637,620	1	(86,142)	(14)
<b>Total Expenses</b>	<b>35,391,792</b>	<b>100</b>	<b>33,752,647</b>	<b>100</b>	<b>1,639,145</b>	
Change in Net Position	257,109		249,681		7,428	
Net Position - Beginning	16,575,920		16,326,239		249,681	
Prior Period Adjustment - Implement GASB 68 & 71	(10,224,078)		-		(10,224,078)	
Net Position - Beginning, as restated	6,351,842		16,326,239		(9,974,397)	
<b>Net Position - Ending</b>	<b>\$ 6,608,951</b>		<b>\$ 16,575,920</b>		<b>\$ (9,966,969)</b>	

**Walker County, Texas  
Expenses and Program Revenues  
Government-wide Governmental Activities  
For the Year Ending September 30, 2015**



The following graphic presents revenues by source for fiscal year 2015 for governmental activities (government-wide).

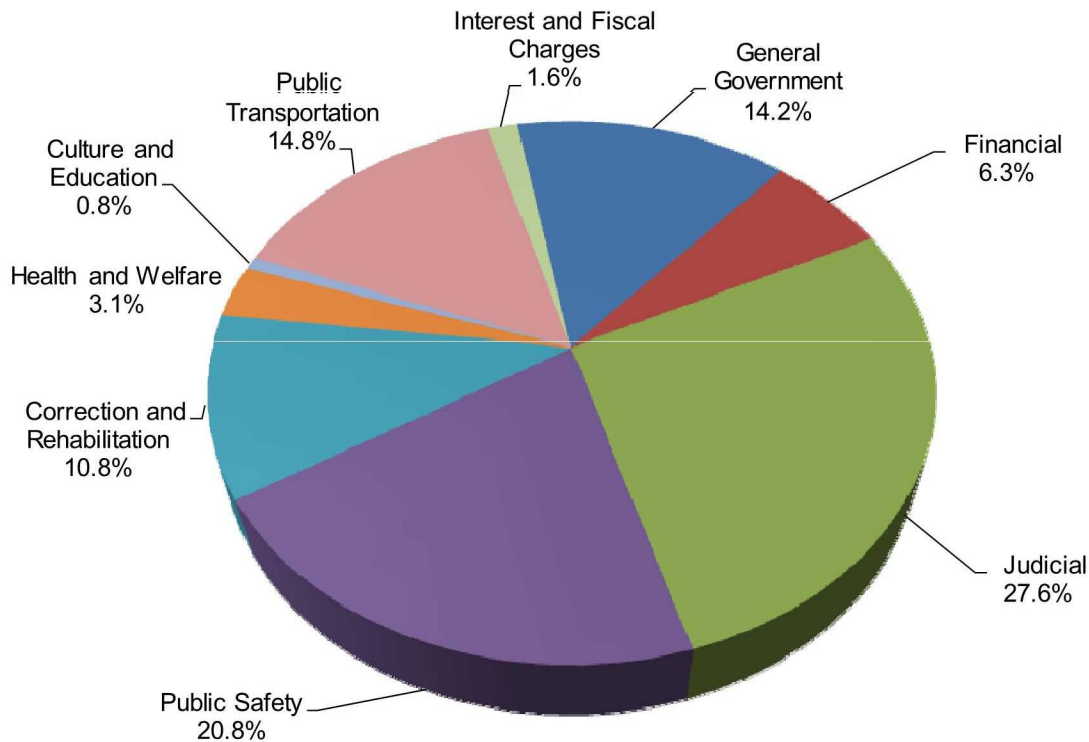
**Walker County, Texas  
Revenues by Source-Government-wide  
Governmental Activities  
For the Year Ending September 30, 2015**





The following graphic presentation presents expenditures by function for fiscal year 2015 for governmental activities (government-wide).

**Walker County, Texas  
Expenses by Function-Government-wide  
Governmental Activities  
For the Year Ending September 30, 2015**



**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 \$14,482,358 (Exhibit A-3) compared to \$12,396,665, in the prior year, an increase of \$2,085,693. The amount includes an increase in restricted funds for Public Transportation of \$572,169 primarily due to the recording of revenues from FEMA for flood projects that had not been spent, an increase of \$357,154 in funds restricted for grants and legislatively designated purposes with the remainder in General Fund including project allocations.

As required by GASB Statement 54, funds balances are classified as restricted, committed, assigned or unassigned. Unassigned fund balance as of September 30, 2015 is \$5,516,930 compared to \$5,006,369 in the fiscal year ending September 30, 2014. This amount is available for day-to-day operations of the County. The General Fund including project allocations showed an increase of \$1,127,272. Debt Service Fund showed a decrease of \$17,249. Road and Bridge Fund showed an increase of \$572,169. EMS fund shows an increase of \$392,857.

One measure of liquidity is to compare fund balance to total fund expenditures. The unassigned fund balance in the General Fund is approximately 32% of General Fund expenditures. Sales tax revenue came in at \$366,088 over budget due to increased economic activity and partially as of a result of changes in prices. Increased sales

and upward price changes result in increased sales tax. Sales tax collections in FY 2016 (our current year) remain relatively flat from fiscal year 2015. In total in the General Fund, revenues exceeded budget by \$804,763. Monies included in the General Fund for projects that were not spent during the fiscal year total \$1,499,348. These project monies are carried forward to the next budget year (FY 2016) for these projects. Vacancies and unfilled positions also resulted in expenditures less than budget.

There was not a significant net change in Fund Balance in the Debt Service Fund. The decrease is \$17,249.

The Capital Project – Jail Construction Fund shows a fund balance of \$629,092 at year end, a decrease of \$346,510. Funds were used for purchase of a voice/video system for communication from the jail to the Courts. Remaining funds are carried forward to the FY 2016 Budget.

Walker County continues to apply for and receive various grants. At year end accruals and deferred revenues are booked as appropriate. Fund balance for grant funds are \$0 at year end.

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 \$1,964,019 up from \$1,391,850 in the prior fiscal year end. Road and Bridge Fund expenditures including transfers out total \$5,380,808 compared to \$4,695,380 in FY 2014. The unspent funds continue to be committed for road maintenance in future years. Revenues and other financing sources total \$5,952,977 netting a \$572,169 increase in fund balance primarily due to the recording of revenues from FEMA for flood projects that had not been spent. Vacancies resulted in approximately \$211,000 of the fund balance.

The Walker County EMS fund has a fund balance of \$1,518,682 at year end, an increase of \$392,857. EMS revenues exceeded budget by \$458,723, a result of increased collections for service calls. Expenditures were \$167,720 less than budget.

## General Fund Budgetary Highlights

### WALKER COUNTY, TEXAS' ANALYSIS OF FINAL BUDGET TO ACTUAL - GENERAL FUND

	General Fund					
	Final Budget		Actual		Variance	
	Final Budget	%	Actual	%	Amount	
<b>Revenues:</b>						
Ad Valorem Taxes	\$ 13,585,604	70	\$ 13,485,055	66	\$ (100,549)	
Property Tax Penalty and Interest	220,000	1	217,423	1	(2,577)	
Other Taxes	3,054,896	16	3,445,822	17	390,926	
Licenses and Permits	115,000	1	224,649	1	109,649	
Intergovernmental Revenues	343,765	2	510,012	3	166,247	
Charges for Services	1,810,117	9	1,919,890	10	109,773	
Fines and Forfeitures	85,472	-	145,294	1	59,822	
Interest Income	9,205	-	21,143	-	11,938	
Other Income	118,515	1	178,049	1	59,534	
<b>Total Revenues</b>	<b>19,342,574</b>	<b>100</b>	<b>20,147,337</b>	<b>100</b>	<b>804,763</b>	
<b>Expenditures:</b>						
Salaries/Other Pay/Benefits	12,996,875	64	12,359,929	71	636,946	
Operations	3,609,520	18	3,124,643	18	484,877	
Intergovernmental/Contracts	1,376,912	7	1,357,337	8	19,575	
Contingency	162,911	1	-	-	162,911	
Projects	1,734,209	9	236,278	1	1,497,931	
Capital	301,862	1	289,589	2	12,273	
<b>Total Expenditures</b>	<b>20,182,289</b>	<b>100</b>	<b>17,367,776</b>	<b>100</b>	<b>2,814,513</b>	
<b>Total Revenues over Expenditures</b>	<b>(839,715)</b>		<b>2,779,561</b>		<b>3,619,276</b>	
<b>Other Financing Sources (Uses):</b>						
Transfers In	77,774		77,774		-	
Transfers Out	(1,857,130)		(1,730,063)		127,067	
<b>Total Other Financing Sources (Uses)</b>	<b>(1,779,356)</b>		<b>(1,652,289)</b>		<b>127,067</b>	
<b>Net Change in Fund Balance</b>	<b>\$ (2,619,071)</b>		<b>\$ 1,127,272</b>		<b>\$ 3,746,343</b>	



This is the fifth year of reporting under the requirements of GASB 54. Funds previously budgeted in Other Governmental Funds and the Projects Fund are 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. The remaining funds from projects approved in prior years that have not completed are reflected as amendments to the original budget for fiscal year 2016 (current year).

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 \$1,127,272.

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 insurance reimbursements. A budgetary comparison by department for the General Fund can be found in the required supplementary information section beginning on page 56.

Actual revenues exceed the final budget by \$804,763 with increased sales tax accounting for roughly 45% of the total. Increases in licenses and permit are a result of a new subdivision in the southern part of the county. Intergovernmental revenues increased by \$166,247.

Expenditures were \$2,814,513 less than budgeted with \$636,946 in the Salaries/Other Pay and Benefits category, a result of vacancies and turnover in various departments. The largest budget variance is in the Projects category with a \$1,497,931 difference between budget and expenditures. Two major projects, courthouse security and improvements at the Justice Center account for approximately \$1,000,000 of this amount. Both projects are expected to be substantially complete by the end of fiscal year 2016.

## Capital Assets and Debt Administration

**Capital Assets.** Walker County's investment in capital assets on a government-wide basis as of September 30, 2015 is \$27,697,224 (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					
	2015		2014		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land	\$ 680,552	2	\$ 680,552	2	\$ -	-
Vehicles	1,043,676	4	1,096,945	4	(53,269)	(5)
Office Furniture and Fixtures	409,809	1	518,234	2	(108,425)	(21)
Machinery and Equipment	2,508,843	9	1,705,974	6	802,869	47
Buildings, Facilities, and Equipment	23,054,364	84	24,653,819	86	(1,599,455)	(6)
<b>Totals</b>	<b>\$ 27,697,244</b>	<b>100</b>	<b>\$ 28,655,524</b>	<b>100</b>	<b>\$ (958,280)</b>	

Additional information on the County's capital assets can be found in Note H and in the supplementary information on Exhibits 32-34 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, 2015 is \$17,700,000.

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 annual payments are generally in the \$1,380,000 range.

#### WALKER COUNTY, TEXAS' OUTSTANDING DEBT FOR CERTIFICATES OF OBLIGATION

	Governmental Activities					
	2015		2014		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Certificates of Obligation:						
CO Series 2012	\$ 17,700,000	100	\$ 18,515,000	100	\$ (815,000)	(4)
<b>Totals</b>	<b>\$ 17,700,000</b>	<b>100</b>	<b>\$ 18,515,000</b>	<b>100</b>	<b>\$ (815,000)</b>	

For the fiscal year ended September 30, 2015, payments on certificates of obligation debt totaled \$815,000.

Additional information on debt can be found in Note I to the financial statements. In addition to debt for certificates of obligation the County has recorded debt for compensated absences of \$1,016,724, a long-term obligation for post-employment benefits of \$8,175,925. The obligation for post-employment benefits is discussed in Note N of this report. In addition, the liability of \$13,111,582 is recorded for the net pension liability. Note M beginning on page 47 provides information related to this liability.

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

- The unemployment rate in the County for 2015 was 5.0%, as compared to the state unemployment rate of 4.4% and national unemployment rate of 4.9%. This rate compares to 5.1% 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 13,635 inmates.
- The new improvement/construction value added to the tax roll for FY 2015 (tax year 2014) totaled \$53,928,593 as compared to \$53,541,869 for the prior year. \$50,000,000+ had been consistent for the last ten years.
- Commissioners' Court approved a \$33,112,116 expenditure budget for FY 2016, an increase from the \$32,927,065 budget for the 2015 fiscal year.
- The tax rate adopted for the FY 2016 budget is \$0.6206 per \$100 of valuation, down from the \$0.6589 for FY 2015. The rate adopted was the effective tax rate and was lower than the prior year as a result of growth in the tax base.
- Walker County revenues for FY 2016 at the date of this report generally continue to be in line with expectations. Total sales tax receipts are relatively flat in FY 2016 as compared to this time in FY 2015. 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.

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## **BASIC FINANCIAL STATEMENTS**

**WALKER COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

**EXHIBIT A-1**

	Governmental Activities
<b>ASSETS:</b>	
<i>Cash and Cash Equivalents</i>	\$ 13,008,433
<i>Taxes Receivable</i>	1,401,345
<i>Accounts Receivable, Net</i>	1,955,034
<i>Fines Receivable</i>	710,263
<i>Prepaid Items</i>	35,538
<i>Due from Other Governments</i>	1,957,502
<i>Due from Others</i>	89,878
<b>Capital Assets Not Being Depreciated:</b>	
<i>Land</i>	680,552
<i>Capital Assets, Net of Accumulated Depreciation</i>	<u>27,016,692</u>
<b>Total Assets</b>	<u><b>46,855,237</b></u>
 <b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
<i>Deferred Outflows of Resources from Pensions</i>	<u>2,517,087</u>
 <b>LIABILITIES:</b>	
<i>Accounts Payable</i>	729,024
<i>Accrued Interest</i>	90,227
<i>Due to Other Governments</i>	235
<i>Due to Others</i>	366,700
<i>Accrued Liabilities</i>	1,467,262
<i>Unearned Revenue</i>	806
<b>Noncurrent Liabilities:</b>	
<i>Due Within One Year</i>	1,846,724
<i>Due in More than One Year</i>	<u>38,262,395</u>
<b>Total Liabilities</b>	<u><b>42,763,373</b></u>
 <b>NET POSITION:</b>	
<i>Net Investment in Capital Assets</i>	10,521,448
<b>Restricted for:</b>	
<i>Debt Service</i>	172,707
<i>Grants or by Legislation</i>	1,412,114
<i>Unrestricted</i>	<u>(5,497,318)</u>
<b>Total Net Position</b>	<u><b>\$ 6,608,951</b></u>

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT A-2**

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
<b>Governmental Activities:</b>					
<i>General Government</i>	\$ 5,034,941	\$ 745,490	\$ 104,196	\$ -	\$ (4,185,255)
<i>Financial</i>	2,228,163	668,773	-	-	(1,559,390)
<i>Judicial</i>	9,785,092	646,069	5,410,537	-	(3,728,486)
<i>Public Safety</i>	7,358,381	3,089,754	105,915	-	(4,162,712)
<i>Correction and Rehabilitation</i>	3,809,298	195,042	4,633	-	(3,609,623)
<i>Health and Welfare</i>	1,101,500	197,043	160,201	393,558	(350,698)
<i>Culture and Education</i>	267,349	-	84,667	-	(182,682)
<i>Public Transportation</i>	5,255,590	1,823,854	970,710	-	(2,461,026)
<i>Interest and Fiscal Charges</i>	551,478	-	-	-	(551,478)
Total Governmental Activities	<u>35,391,792</u>	<u>7,366,025</u>	<u>6,840,859</u>	<u>393,558</u>	<u>(20,791,350)</u>
Total Primary Government	<u>\$ 35,391,792</u>	<u>\$ 7,366,025</u>	<u>\$ 6,840,859</u>	<u>\$ 393,558</u>	<u>(20,791,350)</u>
General Revenues:					
<i>Property Taxes</i>					17,294,805
<i>Sales Taxes</i>					3,293,984
<i>Mixed Beverage and Other Taxes</i>					151,838
<i>Investment Earnings</i>					24,256
<i>Miscellaneous</i>					283,576
Total General Revenues					<u>21,048,459</u>
Change in Net Position					<u>257,109</u>
Net Position - Beginning					16,575,920
Prior Period Adjustment - Implement GASB 68 and 71 for Pensions					<u>(10,224,078)</u>
Net Position - Beginning, as restated					<u>6,351,842</u>
Net Position - Ending					<u>\$ 6,608,951</u>

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS****BALANCE SHEET – GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2015

	General Fund	Debt Service Fund	Capital Project - Jail Construction Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 8,567,319	\$ 159,259	\$ 635,942
<i>Taxes Receivable</i>	1,297,670	103,675	-
<i>Accounts Receivable, Net</i>	61,692	-	-
<i>Prepaid Items</i>	35,538	-	-
<i>Due from Other Governments</i>	605,471	-	-
<i>Due from Other Funds</i>	1,431,528	-	-
<i>Due from Others</i>	76,710	-	-
Total Assets	<u>\$ 12,075,928</u>	<u>\$ 262,934</u>	<u>\$ 635,942</u>
<b>LIABILITIES:</b>			
<i>Accounts Payable</i>	\$ 213,067	\$ -	\$ 6,850
<i>Due to Other Governments</i>	-	-	-
<i>Due to Other Funds</i>	-	-	-
<i>Due to Others</i>	366,700	-	-
<i>Accrued Liabilities</i>	1,399,299	-	-
<i>Unearned Revenue</i>	-	-	-
Total Liabilities	<u>1,979,066</u>	<u>-</u>	<u>6,850</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
<i>Unavailable Revenue - Property Taxes</i>	<u>1,297,670</u>	<u>103,675</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,297,670</u>	<u>103,675</u>	<u>-</u>
<b>FUND BALANCES:</b>			
<i>Nonspendable - Prepaid Items</i>	35,538	-	-
<i>Restricted for Debt Service</i>	-	159,259	-
<i>Restricted for Grants or by Legislation</i>	-	-	-
<i>Restricted for Capital Projects Fund</i>	-	-	629,092
<i>Committed for Projects</i>	1,499,348	-	-
<i>Committed for Public Transportation</i>	-	-	-
<i>Committed for Public Safety</i>	-	-	-
<i>Assigned-One-Time Allocation</i>	1,747,376	-	-
<i>Unassigned</i>	<u>5,516,930</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>8,799,192</u>	<u>159,259</u>	<u>629,092</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,075,928</u>	<u>\$ 262,934</u>	<u>\$ 635,942</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

Grants and Contracts Fund	Road and Bridge Fund	Walker County EMS Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 16,806	\$ 1,081,040	\$ 1,128,751	\$ 1,419,316	\$ 13,008,433
-	-	-	-	1,401,345
1,476,264	-	417,078	-	1,955,034
-	-	-	-	35,538
401,122	918,990	-	31,919	1,957,502
-	-	-	-	1,431,528
12,012	-	320	836	89,878
<u>\$ 1,906,204</u>	<u>\$ 2,000,030</u>	<u>\$ 1,546,149</u>	<u>\$ 1,452,071</u>	<u>\$ 19,879,258</u>
 \$ 410,557	 \$ 36,011	 \$ 27,467	 \$ 35,072	 \$ 729,024
-	-	-	235	235
1,430,938	-	-	590	1,431,528
-	-	-	-	366,700
64,709	-	-	3,254	1,467,262
-	-	-	806	806
<u>1,906,204</u>	<u>36,011</u>	<u>27,467</u>	<u>39,957</u>	<u>3,995,555</u>
 -	 -	 -	 -	 1,401,345
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,401,345</u>
 -	 -	 -	 -	 35,538
-	-	-	-	159,259
-	-	-	1,412,114	1,412,114
-	-	-	-	629,092
-	-	-	-	1,499,348
-	1,964,019	-	-	1,964,019
-	-	1,518,682	-	1,518,682
-	-	-	-	1,747,376
-	-	-	-	5,516,930
<u>-</u>	<u>1,964,019</u>	<u>1,518,682</u>	<u>1,412,114</u>	<u>14,482,358</u>
 \$ 1,906,204	 \$ 2,000,030	 \$ 1,546,149	 \$ 1,452,071	 \$ 19,879,258



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

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015*

**Total Fund Balances - Governmental Funds (Exhibit A-3)** **\$ 14,482,358**

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. 27,697,244

Certain deferred inflows for property tax revenues are not available to pay current period expenditures and, therefore, are deferred in the governmental funds. 1,401,345

Certain court fines receivables are not available to pay current period expenditures and, therefore, are not reported in the funds. 710,263

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	\$ (17,700,000)	
Premium on Bond	(104,888)	
Accrued Interest on Debt	(90,227)	
Compensated Absences	(1,016,724)	
Post-employment Benefits (OPEB)	(8,175,925)	
Net Pension Liability	<u>(13,111,582)</u>	(40,199,346)

Deferred outflows for pension are included in the statement of net position and are not reported in the funds due to they are not a current financial resource available to pay for current expenditures. 2,517,087

**Total Net Position - Governmental Activities (Exhibit A-1)** **\$ 6,608,951**

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	General Fund	Debt Service Fund	Capital Project - Jail Construction Fund
<b>REVENUES:</b>			
<i>Property Taxes</i>	\$ 13,485,055	\$ 1,340,551	\$ -
<i>Property Tax Penalty and Interest</i>	217,423	17,531	-
<i>Sales Tax</i>	3,293,984	-	-
<i>In Lieu of Tax</i>	28,452	-	-
<i>Mixed Beverage</i>	123,386	-	-
<i>Licenses and Permits</i>	224,649	-	-
<i>Intergovernmental</i>	510,012	-	-
<i>Charges for Services</i>	1,919,890	-	-
<i>Fines and Forfeitures</i>	145,294	-	-
<i>Interest Income</i>	21,143	336	412
<i>Other Income</i>	178,049	-	-
<b>Total Revenues</b>	<u>20,147,337</u>	<u>1,358,418</u>	<u>412</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<i>General Government</i>	3,147,531	-	-
<i>Financial</i>	2,147,626	-	-
<i>Judicial</i>	4,276,542	-	-
<i>Public Safety</i>	4,397,134	-	-
<i>Correction and Rehabilitation</i>	2,632,449	-	346,922
<i>Health and Welfare</i>	585,884	-	-
<i>Culture and Education</i>	179,173	-	-
<i>Public Transportation</i>	1,437	-	-
<b>Debt Service:</b>			
<i>Principal Retirement</i>	-	815,000	-
<i>Interest and Fiscal Charges</i>	-	560,667	-
<b>Total Expenditures</b>	<u>17,367,776</u>	<u>1,375,667</u>	<u>346,922</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,779,561</u>	<u>(17,249)</u>	<u>(346,510)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers In</i>	77,774	-	-
<i>Transfers Out</i>	(1,730,063)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,652,289)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	1,127,272	(17,249)	(346,510)
<b>Fund Balances - Beginning</b>	7,671,920	176,508	975,602
<b>Fund Balances - Ending</b>	<u>\$ 8,799,192</u>	<u>\$ 159,259</u>	<u>\$ 629,092</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

Grants and Contracts Fund	Road and Bridge Fund	Walker County EMS Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,120,590	\$ -	\$ -	\$ 16,946,196
-	-	-	-	234,954
-	-	-	-	3,293,984
-	-	-	-	28,452
-	-	-	-	123,386
-	-	-	-	224,649
6,332,135	1,138,467	34,428	477,261	8,492,303
-	815,980	2,479,335	396,071	5,611,276
-	1,007,874	-	261,188	1,414,356
-	1,492	291	583	24,257
17,167	141,375	17,155	10,663	364,409
<u>6,349,302</u>	<u>5,225,778</u>	<u>2,531,209</u>	<u>1,145,766</u>	<u>36,758,222</u>
-	-	-	88,217	3,235,748
-	-	-	-	2,147,626
4,673,987	-	-	671,103	9,621,632
966,659	-	3,125,038	43,799	8,532,630
-	-	-	-	2,979,371
625,432	-	-	-	1,211,316
84,895	-	-	-	264,068
-	5,303,034	-	-	5,304,471
-	-	-	-	815,000
-	-	-	-	560,667
<u>6,350,973</u>	<u>5,303,034</u>	<u>3,125,038</u>	<u>803,119</u>	<u>34,672,529</u>
<u>(1,671)</u>	<u>(77,256)</u>	<u>(593,829)</u>	<u>342,647</u>	<u>2,085,693</u>
1,671	727,199	986,686	14,507	1,807,837
-	(77,774)	-	-	(1,807,837)
<u>1,671</u>	<u>649,425</u>	<u>986,686</u>	<u>14,507</u>	<u>-</u>
-	572,169	392,857	357,154	2,085,693
-	1,391,850	1,125,825	1,054,960	12,396,665
<u>\$ -</u>	<u>\$ 1,964,019</u>	<u>\$ 1,518,682</u>	<u>\$ 1,412,114</u>	<u>\$ 14,482,358</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, 2015**

<b>Total Net Change in Fund Balance - Governmental Funds (Exhibit A-5)</b>	<b>\$</b>	<b>2,085,693</b>
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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.		113,655
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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.		(310)
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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	\$ 1,926,541	
Depreciation Expense	<u>(2,884,821)</u>	(958,280)

Long-term debt (e.g., certificate of obligation, compensated absences, post employment benefits and net pension liability) 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	\$ 815,000	
Amortization of bond premium	6,488	
Accrued interest on debt	2,701	
Compensated absences liability <i>increased</i>	(56,516)	
Payables for post employment benefits which <i>increased</i>	<u>(1,380,905)</u>	(613,232)

The net change in net pension liability and deferred outflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred Outflows <i>Increased (Decreased)</i>	\$ 1,007,075	
Net Pension Liability <i>(Increased) Decreased</i>	<u>(1,377,492)</u>	<u>(370,417)</u>

<b>Change in Net Position - Governmental Activities (Exhibit A-2)</b>	<b>\$</b>	<b><u>257,109</u></b>
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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, 2015****ASSETS:**

<i>Cash and Cash Equivalents</i>	\$ 3,649,392
<i>Accounts Receivable, Net</i>	248
<i>Due from Other Governments</i>	2,676
<b>Total Assets</b>	<b>\$ <u>3,652,316</u></b>

**LIABILITIES:**

<i>Accounts Payable</i>	\$ 13,680
<i>Due to Other Governments</i>	1,707,948
<i>Due to Others</i>	1,914,433
<i>Accrued Liabilities</i>	16,255
<b>Total Liabilities</b>	<b>\$ <u>3,652,316</u></b>

The accompanying notes are an integral part of this statement.

# **WALKER COUNTY, TEXAS**

## **NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015

### **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 basic 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 basic 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, 2015**

#### 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 is 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, 2015**

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, within the basic financial statements. 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 Fund

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

#### Capital Project – Jail Construction Fund

The Capital Project – Jail Construction fund accounts for the construction of the new county jail.

#### Grants and Contracts Fund

This governmental fund accounts for grants and contracts 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.

#### Walker County EMS 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 are used to account for assets held by the County as an agent on behalf of various third parties outside of the County.

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 funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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.

#### **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) resulting in fund balance.

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.

#### **3. New Accounting Standards Adopted**

In fiscal year 2015, the County adopted five new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*
- Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*
- Statement No. 69, *Government Combinations and Disposals of Government Operations*
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*

Statement No. 67 establishes financial reporting standards, but not funding or budgetary standards, for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements (Pension Trusts) in which:

- a. Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- b. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

- c. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and presentation as pension trust funds in the financial statements of another government, and specifies the required approach to measuring the pension liability of employers and any nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which certain information is required to be presented. Distinctions are made regarding the particular presentation requirements depending upon the type of pension plan administered. For defined contribution plans, the Statement provides specific note disclosure requirements.

The adoption of Statement No. 67 has no impact on the County's financial statements.

Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the County's governmental fund financial statements, which continue to report expenditures in the contribution amount determined annually by the actuary for TCDRS. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the County's beginning net position for the fiscal year 2015 government-wide financial statements to reflect the reporting of net pension liability and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement. Net position as of October 1, 2014, was decreased by \$10,224,078 to reflect the cumulative effect of adoption. The net pension liability of \$11,734,090 and the deferred outflows of resources of \$1,510,012 at September 30, 2014, were reported as a prior period adjustment to the net position on October 1, 2014. Refer to Note M for more information regarding the County's pensions.

Statement No. 69 improves financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term "government combinations" is used to refer to a variety of arrangements including mergers and acquisitions. Mergers include combinations of legally separate entities without the exchange of significant consideration. Government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. Government combinations also include transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services.

There was no impact on the County's financial statements as a result of the implementation of Statement No. 69.

## **WALKER COUNTY, TEXAS**

### **NOTES TO THE FINANCIAL STATEMENTS**

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Statement No. 70 was issued to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

The Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The Statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

There was no impact on the County's financial statements as a result of the implementation of Statement No. 70.

Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognizes a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Since the measurement date of the pension plan was different than the County's fiscal year-end, the effects from the County's reported contributions to the plan subsequent to the respective measurement date of the plan as an increase in deferred outflow of resources and a decrease in net position are as follows:

- TCDRS – The beginning deferred outflow includes contributions from January 1, 2014, through September 30, 2014, totaling \$1,510,012.

## **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. Inventories and Prepaid Items**

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

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

### **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

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

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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>
Vehicles	4-7
Furniture and Fixtures	1-10
Machinery and Equipment	5-20
Buildings	5-20
Building Improvements	3-20
Infrastructure	20-40

#### 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 only has one item that qualifies for reporting in this category. The deferred outflow for pensions results for the difference in projected and actual earnings on plan investments and the effects of actuarial differences and changes in assumptions. The plan's investment earnings difference is amortized over 5 years and the actuarial differences and changes in assumptions is amortized over a period equal to the average of the expected remaining service lives of all employees.

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*, 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 - property taxes*, is reported only in the governmental funds balance sheet. The

## **WALKER COUNTY, TEXAS**

### **NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

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. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's Fiduciary Net Position have been determined on the same basis as they are reported by TCDRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **8. 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 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.

#### **9. 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.

#### **10. 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.

## **WALKER COUNTY, TEXAS**

### **NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2015**

#### **11. 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.

#### **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 or 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, 2015**

**1. Cash Deposits**

The County's cash and cash equivalents at September 30, 2015 are summarized as follows:

	<b>Carrying Amount</b>
Cash Deposits	\$ 6,268,538
Investments considered cash and cash equivalents:	
Wells Fargo Investment Portfolio	6,029,642
Texas Local Government Investment Pool	3,194,616
Cooperative Liquid Assets Securities System Trust (Texas Class)	777,088
DWS Government Cash Institutional Shares	387,941
<b>Total Cash and Cash Equivalents</b>	<b>\$ 16,657,825</b>

**2. 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) securities lending program, (5) repurchase agreements, (6) mutual funds, (7) investment pools, (8) guaranteed investment contracts, and (9) commercial paper.

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.

**3. 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 with credit ratings of AAA or AAAM by at least nationally recognized rating service. At year end, the County was not significantly exposed to credit risk. As of September 30, 2015, the government's investment in all investment pools were rated at least AAAM by Standard & Poor's and insured cash shelters which are federally insured cash accounts.

**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

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### 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. In accordance with its written policy, the County manages this risk by limiting the maximum allowable stated maturity of any individual investment to 2 years, at the time of purchase.

## E. Receivables

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2015 are as follows:

	General	Debt Service	Grants and Contracts	Road and Bridge Fund	EMS	Nonmajor Governmental	Total
<b>Receivables:</b>							
Taxes	\$ 1,297,670	\$ 103,675	\$ -	\$ -	\$ -	\$ -	\$ 1,401,345
Accounts	61,692	-	1,476,264	-	2,780,519	-	4,318,475
Due from Other Governments	605,471	-	401,122	918,990	-	31,919	1,957,502
Due from Others	76,710	-	12,012	-	320	836	89,878
Less: Allowance for Uncollectibles	-	-	-	-	(2,363,441)	-	(2,363,441)
<b>Net Total Receivables</b>	<b>\$ 2,041,543</b>	<b>\$ 103,675</b>	<b>\$ 1,889,398</b>	<b>\$ 918,990</b>	<b>\$ 417,398</b>	<b>\$ 32,755</b>	<b>\$ 5,403,759</b>

Seventy-eight percent of property taxes receivable is not likely to be collected in the subsequent year.

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, 2015 the various components of unearned revenue reported in the governmental funds are as follows:

	Unearned
Grant funds received prior to meeting all eligibility requirements	\$ 806
<b>Total Unearned Revenue for Governmental Funds</b>	<b>\$ 806</b>

## F. 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. 2014 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 2015 fiscal year (2014 tax year), the County levied property taxes of \$0.6589 per \$100 of assessed valuation. The 2014 rates resulted in total tax levies of approximately \$17.09 million based on a total adjusted valuation of approximately \$2.6 billion. The total tax rate in the 2014 tax year was prorated as follows:

	2014 Rate
General Fund/Road and Bridge	\$ 0.6071
Debt Service Fund	0.0518
<b>Total Tax Rate</b>	<b>\$ 0.6589</b>

### 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,

**WALKER COUNTY, TEXAS****NOTES TO THE FINANCIAL STATEMENTS**

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including the County, may challenge orders of the WCAD's Appraisal Review Board through various appeals and, if necessary, legal action may be taken.

**G. Interfund Receivables and Payables**

At September 30, 2015, 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	\$ 1,430,938	Short-term Loan
General Fund	Nonmajor Governmental Funds	590	Short-term Loan
<b>Total</b>		<b>\$ 1,431,528</b>	

**H. Capital Assets**

Capital asset activity for the year ended September 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers, Adjustments, and Disposition</u>	<u>Ending Balance</u>
<b>Capital Assets, not being Depreciated:</b>				
Land	\$ 680,552	\$ -	\$ -	\$ 680,552
<b>Total Capital Assets, not being Depreciated</b>	<b>680,552</b>	<b>-</b>	<b>-</b>	<b>680,552</b>
<b>Capital Assets, being Depreciated:</b>				
Vehicles	4,841,044	357,662	(25,689)	5,173,017
Office Furniture and Fixtures	1,648,362	115,356	(15,032)	1,748,686
Machinery and Equipment	5,899,683	1,407,380	(24,125)	7,282,938
Buildings, Facilities, and Improvements	39,557,047	46,143	-	39,603,190
<b>Total Capital Assets, being Depreciated</b>	<b>51,946,136</b>	<b>1,926,541</b>	<b>(64,846)</b>	<b>53,807,831</b>
<b>Less Accumulated Depreciation for:</b>				
Vehicles	(3,744,099)	(410,931)	25,689	(4,129,341)
Office Furniture and Fixtures	(1,130,128)	(223,781)	15,032	(1,338,877)
Machinery and Equipment	(4,193,709)	(604,511)	24,125	(4,774,095)
Buildings, Facilities, and Improvements	(14,903,228)	(1,645,598)	-	(16,548,826)
<b>Total Accumulated Depreciation</b>	<b>(23,971,164)</b>	<b>(2,884,821)</b>	<b>64,846</b>	<b>(26,791,139)</b>
<b>Total Capital Assets, being Depreciated, net</b>	<b>27,974,972</b>	<b>(958,280)</b>	<b>-</b>	<b>27,016,692</b>
<b>Capital Assets, net</b>	<b>\$ 28,655,524</b>	<b>\$ (958,280)</b>	<b>\$ -</b>	<b>\$ 27,697,244</b>

Depreciation was charged to functions as follows:

General Government	\$ 501,698
Judicial	51,238
Financial	86,477
Public Safety	847,898
Correction and Rehabilitation	1,127,060
Health and Welfare	25,147
Culture and Education	1,621
Public Transportation	243,682
<b>Total Depreciation Expense</b>	<b>\$ 2,884,821</b>

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2015

### I. 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, 2015 are listed below:

Description	Interest Rate	Date of Issue	Maturity Date	Original Issue	Outstanding Debt
Certificates of Obligation: Series 2012	2.00-3.750%	6/1/2012	8/1/2032	\$ 20,000,000	\$ 17,700,000
<b>Totals</b>				<b>\$ 20,000,000</b>	<b>\$ 17,700,000</b>

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, 2015, follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Certificates of Obligation	\$ 18,515,000	\$ -	\$ (815,000)	\$ 17,700,000	\$ 830,000
Less Deferred Amounts:					
For Issuance Premiums	111,376	-	(6,488)	104,888	-
<b>Total Certificates of Obligation, net</b>	<b>18,626,376</b>	<b>-</b>	<b>(821,488)</b>	<b>17,804,888</b>	<b>830,000</b>
Compensated Absences*	960,208	773,670	(717,154)	1,016,724	1,016,724
OPEB Obligations*	6,795,020	1,623,095	(242,190)	8,175,925	-
Net Pension Liability*	11,734,090	10,612,239	(9,234,747)	13,111,582	-
<b>Total Long-term Liabilities</b>	<b>\$ 38,115,694</b>	<b>\$ 13,009,004</b>	<b>\$ (11,015,579)</b>	<b>\$ 40,109,119</b>	<b>\$ 1,846,724</b>

\*Other Long-term Liabilities

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

Liability	Activity Type	Fund
Compensated Absences	Governmental	General Fund and Special Revenue Funds
OPEB Obligations	Governmental	General Fund
Net Pension Liability	Governmental	General Fund

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

Year Ending September 30,	Certificates of Obligation		
	Principal Value	Interest	Total Requirements
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
<b>Totals</b>	<b>\$ 17,700,000</b>	<b>\$ 5,676,817</b>	<b>\$ 23,376,817</b>

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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 County does not expect to incur a liability.

#### J. 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 was twenty years beginning November 14, 1985. The Senior Center of Walker County, Inc. still occupies the facility. 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	\$	<u>-</u>
Current Year Depreciation	\$	-

##### 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		35,542
Carrying Cost of Building	\$	<u>50,621</u>
Current Year Depreciation	\$	4,308

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

#### **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	\$	<u>-</u>
Current Year Depreciation	\$	-

#### **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		17,429
Carrying Cost of Building	\$	<u>-</u>
Current Year Depreciation	\$	-

#### **K. 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, 2015:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General Fund	Grants and Contributions	\$ 1,671
General Fund	Road and Bridge Fund	727,199
General Fund	Walker County EMS Fund	986,686
General Fund	Other Governmental Funds - Nonmajor	14,507
Road and Bridge Fund	General Fund	77,774
<b>Total</b>		<b>\$ <u>1,807,837</u></b>

Transfers made from general fund to various funds were approved by Commissioner's Court and made to supplement various projects throughout the year. The transfer from road and bridge fund to general fund was to reimburse the general fund for previously transferred funds.

**WALKER COUNTY, TEXAS****NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2015

**L. Fund Balances**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note B. The following is a detail of fund balances for all the major and nonmajor governmental funds at September 30, 2015:

	General	Debt Service	Capital Project - Jail Construction	Road and Bridge	Walker County EMS	Nonmajor Governmental	Total
<b>Fund Balances:</b>							
Nonspendable:							
Prepays	\$ 35,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,538
<b>Total Nonspendable</b>	<b>35,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,538</b>
<b>Restricted for:</b>							
Debt Service	-	159,259	-	-	-	-	159,259
Legislative/Grants	-	-	-	-	-	1,412,114	1,412,114
Capital Projects	-	-	629,092	-	-	-	629,092
<b>Total Restricted</b>	<b>-</b>	<b>159,259</b>	<b>629,092</b>	<b>-</b>	<b>-</b>	<b>1,412,114</b>	<b>2,200,465</b>
<b>Committed to:</b>							
Legislative	-	-	-	1,964,019	-	-	1,964,019
Emergency Medical Services	-	-	-	-	1,518,682	-	1,518,682
Projects	1,499,348	-	-	-	-	-	1,499,348
<b>Total Committed</b>	<b>1,499,348</b>	<b>-</b>	<b>-</b>	<b>1,964,019</b>	<b>1,518,682</b>	<b>-</b>	<b>4,982,049</b>
<b>Assigned to:</b>							
Projects	1,747,376	-	-	-	-	-	1,747,376
<b>Total Assigned</b>	<b>1,747,376</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,747,376</b>
Unassigned	5,516,930	-	-	-	-	-	5,516,930
<b>Total Fund Balances</b>	<b>\$ 8,799,192</b>	<b>\$ 159,259</b>	<b>\$ 629,092</b>	<b>\$ 1,964,019</b>	<b>\$ 1,518,682</b>	<b>\$ 1,412,114</b>	<b>\$ 14,482,358</b>

**M. Pension Plan****1. Plan Description**

The County's nontraditional defined benefit pension plan, Texas County and District Retirement System (TCDRS), provides pensions for all of its full-time employees. The TCERS Board of Trustees is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 656 nontraditional defined benefit pension plans. TCERS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCERS Board of Trustees at P.O. Box 2034 Austin, TX, 78768.

**2. Benefits Provided**

TCERS provides retirement, disability, and death benefits. The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCERS (TCERS Act). Members can retire with eight or more years of serviced at age 60 and above, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee's contribution to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the Commissioners' Court of the County within the actuarial constraints imposed by the TCERS 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 deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCERS Act.

The Plan is open to new entrants.

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

#### 3. Employees Covered by Benefit Terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	184
Inactive employees entitled to but not yet receiving benefits	182
Active employees	372
<b>Total</b>	<b>738</b>

#### 4. Contributions

Walker County has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of the employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 12.35 percent and \$1,981,978 for the calendar year 2014.

The deposit rate payable by the employee member for calendar year 2014 was 7.0 percent as adopted by the Commissioners' Court. The employee deposit rate and the employer contribution rate may be changed by the Commissioners' Court within the options available in the TCDRS Act.

#### 5. Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Payroll growth	3.00%
Real rate of return	5.00%
Long-term investment return	8.00%

The actuarial assumptions that determined the total pension liability as of December 31, 2014, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012. In addition, mortality rates were based on the following mortality tables:

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The numbers shown are based on January 2015 information for a 7-10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	16.50 %	5.35%
Private Equity	12.00	8.35%
Global Equities	1.50	5.65%
International Equities - Developed	11.00	5.35%
International Equities - Emerging	9.00	6.35%
Investment - Grade Bonds	3.00	0.55%
High-Yield Bonds	3.00	3.75%
Opportunistic Credit	5.00	5.54%
Direct Lending	2.00	5.80%
Distressed Debt	3.00	6.75%
REIT Equities	2.00	4.00%
Commodities	2.00	-0.20%
Master Limited Partnerships	2.00	5.30%
Private Real Estate Partnerships	3.00	7.20%
Hedge Funds	25.00	5.15%
<b>Total</b>	<b>100.00 %</b>	

### Discount Rate:

The discount rate used to measure the total pension liability was 8.10%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the funding policy and the legal requirements under the TCDRS Act. TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20-year closed layered periods. The employee is legally required to make the contribution specified in the funding policy. The employer's assets are projected to exceed it accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost. Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable. Based on the above assumptions, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected levels of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the net pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes. Therefore, a discount rate of 8.10% has been used. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8.00%, net of all expenses, increased by 0.10% to be gross of administrative expenses.



# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

### 6. Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2013	\$ 66,293,981	\$ 54,559,891	\$ 11,734,090
Changes for the year:			
Service cost	2,368,490	-	2,368,490
Interest	5,370,303	-	5,370,303
Effect of economic demographic gains or losses	475,276	-	475,276
Refund of contributions	(187,830)	(187,830)	-
Benefit payments	(2,168,317)	(2,168,317)	-
Administrative expense	-	(43,790)	43,790
Member contributions	-	1,141,438	(1,141,438)
Net investment income	-	3,755,184	(3,755,184)
Employer contributions	-	1,981,978	(1,981,978)
Other changes	-	1,767	(1,767)
Net changes	5,857,922	4,480,430	1,377,492
Balances at December 31, 2014	\$ 72,151,903	\$ 59,040,321	\$ 13,111,582

#### Sensitivity Analysis:

The following presents the net pension liability of the County, calculated using the discount rate of 8.10%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.10%) or 1-percentage-point higher (9.10%) than the current rate.

	1% Decrease (7.10%)	Current Discount Rate (8.10%)	1% Increase (9.10%)
County's net pension liability	\$ 22,608,866	\$ 13,111,582	\$ 5,338,074

### 7. Pension Expense and Deferred Outflows of Resources Related to Pensions

For the fiscal year ended September 30, 2015, the County recognized pension expense of \$2,413,607.

At September 30, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 356,457	\$ -
Net difference between projected and actual earnings on pension plan investments	589,406	-
Contributions made subsequent to the measurement date	1,571,224	-
<b>Totals</b>	<b>\$ 2,517,087</b>	<b>\$ -</b>

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

The \$1,571,224 reported as deferred outflows of resources related to pensions from County contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the fiscal year ended September 30, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended September 30:**

2016	\$	266,171
2017		266,171
2018		266,171
2019		147,352

## N. Other Postemployment Benefits Plan

### 1. Plan Description

Permanent full-time employees and elected officials of the County who were hired before October 1, 2013 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 paid by Walker County until the retiree becomes eligible for Medicare. The County will then pay the premium for a Medicare supplement policy. The retiree pays Medicare Part B premiums.

Permanent full-time employees and elected officials of the County who retire that were hired prior to October 1, 2013 and meet one of the following criteria 1) 8 years of continuous service and are at least 60 years of age; 2) age plus years of service equals 75; or 3) 20 no-consecutive years of service, may continue their coverage until the retiree becomes eligible for Medicare under the County's medical insurance program for themselves and their eligible dependents by paying the total premium.

### 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.

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

### 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 is as follows:

	2015	2014	2013
Annual OPEB cost:			
Annual Required Contribution (ARC)	\$ 1,600,640	\$ 1,655,650	\$ 1,576,251
Interest on Prior Year Net OPEB Obligation	305,776	237,446	175,096
Adjustment to the ARC	(283,321)	(220,009)	(162,238)
Annual OPEB Cost	<u>1,623,095</u>	<u>1,673,087</u>	<u>1,589,109</u>
Employer Contributions	<u>(242,190)</u>	<u>(154,636)</u>	<u>(203,564)</u>
Total Contributions	<u>(242,190)</u>	<u>(154,636)</u>	<u>(203,564)</u>
Net OPEB Obligation Increase (Decrease)	1,380,905	1,518,451	1,385,545
Net OPEB Obligation - October 1	6,795,020	5,276,569	3,891,024
Net OPEB Obligation - September 30	<u>\$ 8,175,925</u>	<u>\$ 6,795,020</u>	<u>\$ 5,276,569</u>
Percentage of Annual OPEB Cost Contributed	14.92%	9.24%	12.81%

### 4. Funded Status and Funding Progress

The funded status of the plan based on an actuarial update using age-adjusted premiums as of October 1, 2014, was as follows:

Actuarial Valuation Date as of October 1	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)
2014	\$ -	\$ 16,417,125	\$ 16,417,125	0.00%	\$ 9,170,494	179.02%

Under the reporting parameters, the County's retiree health plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$16,417,125 at October 1, 2014.

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 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.

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

The following is a summary of the actuarial assumptions:

	10/1/2013	10/1/2014
Actuarial valuation date		
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%
Mortality Table	RP-2000 Project AA 2015	RP-2000 Project AA 2015

**O. Commitments and Contingencies**

**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.

**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, 2015.

**P. Risk Management**

The County is exposed to various risks of losses related to torts, 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 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. The County contributes a minimum of \$712 per month for each employee who elects medical coverage. 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.

**Q. Prior Period Adjustment**

Net position at October 1, 2014 was restated per the following table for the implementation of GASB 68 and GASB 71:

	Governmental Activities
Beginning Net Position, as Previously Reported	\$ 16,575,920
Implementation of GASB 68 and 71 for Pensions	(10,224,078)
<b>Beginning Net Position, Restated</b>	<b>\$ 6,351,842</b>

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT B-1**  
**Page 1 of 8**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Ad Valorem Taxes:				
Current Taxes	\$ 13,300,604	\$ 13,300,604	\$ 13,191,703	\$ (108,901)
Delinquent Taxes	285,000	285,000	293,352	8,352
Total Ad Valorem Taxes	13,585,604	13,585,604	13,485,055	(100,549)
Property Tax Penalty and Interest	220,000	220,000	217,423	(2,577)
Other Taxes:				
Sales Tax	2,927,896	2,927,896	3,293,984	366,088
In Lieu of Tax	25,000	25,000	28,452	3,452
Mixed Beverage	102,000	102,000	123,386	21,386
Total Other Taxes	3,054,896	3,054,896	3,445,822	390,926
Licenses and Permits:				
Building and Utility Permits	115,000	115,000	224,649	109,649
Total Licenses and Permits	115,000	115,000	224,649	109,649
Intergovernmental:				
Federal Funds:				
Local Law Enforcement	-	5,272	83,057	77,785
Total Federal Funds	-	5,272	83,057	77,785
State Funds:				
Other State Funds	136,633	153,611	203,118	49,507
Total State Funds	136,633	153,611	203,118	49,507
Other Governmental Funds:				
Appraisal District	15,000	15,000	43,631	28,631
Other	169,882	169,882	180,206	10,324
Total Other Governmental Funds	184,882	184,882	223,837	38,955
Total Intergovernmental	321,515	343,765	510,012	166,247
Charges for Services:				
General Administration	50,000	50,000	47,866	(2,134)
IT	12,000	12,000	12,000	-
County Clerk	443,500	443,500	380,852	(62,648)
Courts Central Service	500	500	500	-
County Court-at-Law	40,800	40,800	45,063	4,263
12th and 278th District	36,000	36,000	30,720	(5,280)
District Clerk	102,000	102,000	104,160	2,160
District Attorney	1,200	1,200	70	(1,130)
Justice of the Peace-Precinct 1	100,000	100,000	72,886	(27,114)
Justice of the Peace-Precinct 2	31,000	31,000	33,725	2,725
Justice of the Peace-Precinct 3	14,500	14,500	21,942	7,442
Justice of the Peace-Precinct 4	64,000	64,000	90,916	26,916
County Auditor	40,000	40,000	41,338	1,338
Vehicle Registration	513,300	513,300	615,613	102,313
Voter Registration	300	300	389	89
County Facilities	14,520	14,520	10,650	(3,870)

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT B-1**  
**Page 2 of 8**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>County Jail</i>	144,000	144,000	193,475	49,475
<i>Sheriff's Office</i>	9,000	9,000	6,442	(2,558)
<i>Sheriff's Estray</i>	1,500	1,500	-	(1,500)
<i>Constables Central Service</i>	175,000	175,000	179,491	4,491
<i>Constable - Precinct 1</i>	-	-	20	20
<i>Constable - Precinct 2</i>	-	-	30	30
<i>Constable - Precinct 4</i>	-	-	13,394	13,394
<i>Probation Support</i>	2,500	3,997	4,826	829
<i>Emergency Management</i>	5,000	5,000	6,677	1,677
<i>County Treasurer - Collections</i>	8,000	8,000	6,705	(1,295)
<i>Planning and Development</i>	-	-	140	140
<b>Total Charges for Services</b>	<b>1,808,620</b>	<b>1,810,117</b>	<b>1,919,890</b>	<b>109,773</b>
<b>Fines and Forfeitures:</b>				
<i>Bond Forfeiture</i>	-	-	59,822	59,822
<i>License and Weight-Operations</i>	85,472	85,472	85,472	-
<b>Total Fines and Forfeitures</b>	<b>85,472</b>	<b>85,472</b>	<b>145,294</b>	<b>59,822</b>
<i>Interest Income</i>	9,205	9,205	21,143	11,938
<i>Other Income</i>	51,000	118,515	178,049	59,534
<b>Total Revenues</b>	<b>19,251,312</b>	<b>19,342,574</b>	<b>20,147,337</b>	<b>804,763</b>
<b>EXPENDITURES:</b>				
<b>General Government:</b>				
<b>County Judge:</b>				
<i>Salary, Other Pay, and Benefits</i>	185,400	190,237	190,178	59
<i>Operations</i>	8,910	9,590	8,400	1,190
<b>Total County Judge</b>	<b>194,310</b>	<b>199,827</b>	<b>198,578</b>	<b>1,249</b>
<b>IT Operations - County Judge:</b>				
<i>Salary, Other Pay, and Benefits</i>	298,245	298,245	246,486	51,759
<i>Operations</i>	13,736	13,736	7,052	6,684
<b>Total IT Operations - County Judge</b>	<b>311,981</b>	<b>311,981</b>	<b>253,538</b>	<b>58,443</b>
<b>IT Hardware Software - County Judge</b>				
<i>Operations</i>	305,596	233,734	231,313	2,421
<i>Capital Expenditures</i>	-	51,862	51,087	775
<b>Total IT Hardware Software - County Judge</b>	<b>305,596</b>	<b>285,596</b>	<b>282,400</b>	<b>3,196</b>
<b>Commissioner's Court:</b>				
<i>Salary, Other Pay, and Benefits</i>	53,923	53,923	53,904	19
<i>Operations</i>	8,746	9,426	6,913	2,513
<b>Total Commissioner's Court</b>	<b>62,669</b>	<b>63,349</b>	<b>60,817</b>	<b>2,532</b>
<b>County Clerk:</b>				
<i>Salary, Other Pay, and Benefits</i>	502,286	502,286	492,702	9,584
<i>Operations</i>	103,401	103,401	76,714	26,687
<b>Total County Clerk</b>	<b>605,687</b>	<b>605,687</b>	<b>569,416</b>	<b>36,271</b>



**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT B-1**  
**Page 3 of 8**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Healthy County Initiative:				
<i>Operations</i>	1,000	1,240	1,239	1
Total Healthy County Initiative	1,000	1,240	1,239	1
Voter Registration:				
<i>Salary, Other Pay, and Benefits</i>	43,725	45,843	45,839	4
<i>Operations</i>	25,500	23,382	10,594	12,788
Total Voter Registration	69,225	69,225	56,433	12,792
Elections:				
<i>Salary, Other Pay, and Benefits</i>	99,484	125,277	119,490	5,787
<i>Operations</i>	30,146	49,563	34,266	15,297
Total Elections	129,630	174,840	153,756	21,084
County Facilities:				
<i>Salary, Other Pay, and Benefits</i>	346,200	346,200	327,553	18,647
<i>Operations</i>	268,743	335,121	330,646	4,475
<i>Capital Expenditures</i>	-	9,175	9,175	-
Total County Facilities	614,943	690,496	667,374	23,122
Facilities-Justice Center Municipal Allocation:				
<i>Operations</i>	10,983	10,983	7,095	3,888
Total Facilities-Justice Center Municipal Allocation	10,983	10,983	7,095	3,888
Centralized Costs:				
<i>Salary, Other Pay, and Benefits</i>	196,277	226,277	231,039	(4,762)
<i>Operations</i>	596,951	584,377	528,023	56,354
Total Centralized Costs	793,228	810,654	759,062	51,592
Contingency:				
<i>Contingency</i>	885,225	162,911	-	162,911
Total Contingency	885,225	162,911	-	162,911
General Governmental Projects:				
<i>Operations</i>	250,000	331,532	137,823	193,709
<i>Capital Expenditures</i>	10,052	43,152	-	43,152
<i>Contingency</i>	212,877	1,073,226	-	1,073,226
Total General Government Projects	472,929	1,447,910	137,823	1,310,087
Total General Government	4,457,406	4,834,699	3,147,531	1,687,168
Financial:				
Financial Systems:				
<i>Operations</i>	60,833	60,833	44,952	15,881
Total Financial Systems	60,833	60,833	44,952	15,881
County Auditor:				
<i>Salary, Other Pay, and Benefits</i>	606,985	606,985	587,516	19,469
<i>Operations</i>	55,454	55,454	47,239	8,215
Total County Auditor	662,439	662,439	634,755	27,684

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**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>	310,184	322,384	306,026	16,358
<i>Operations</i>	42,653	51,815	49,246	2,569
Total County Treasurer	352,837	374,199	355,272	18,927
Collections-County Treasurer:				
<i>Salary, Other Pay, and Benefits</i>	105,303	105,303	104,228	1,075
<i>Operations</i>	21,820	22,756	21,984	772
Total Collections-County Treasurer	127,123	128,059	126,212	1,847
Purchasing:				
<i>Salary, Other Pay, and Benefits</i>	182,009	182,609	182,523	86
<i>Operations</i>	14,905	14,305	11,509	2,796
Total Purchasing	196,914	196,914	194,032	2,882
Vehicle Registration:				
<i>Salary, Other Pay, and Benefits</i>	366,759	366,759	354,999	11,760
<i>Operations</i>	12,510	12,510	10,147	2,363
Total Vehicle Registration	379,269	379,269	365,146	14,123
Financial Service Contracts:				
<i>Operations</i>	418,162	418,162	418,162	-
Total Financial Service Contracts	418,162	418,162	418,162	-
Financial Projects:				
<i>Operations</i>	20,000	40,600	9,095	31,505
<i>Capital Expenditures</i>	80,000	97,493	-	97,493
Total Financial Projects	100,000	138,093	9,095	128,998
Total Financial	2,297,577	2,357,968	2,147,626	210,342
Judicial:				
Courts-Central Costs:				
<i>Salary, Other Pay, and Benefits</i>	24,544	24,544	24,285	259
<i>Operations</i>	247,396	80,700	70,696	10,004
Total Courts-Central Costs	271,940	105,244	94,981	10,263
County Court-at-Law:				
<i>Salary, Other Pay, and Benefits</i>	405,387	405,387	396,505	8,882
<i>Operations</i>	160,365	215,365	181,610	33,755
<i>Capital Expenditures</i>	-	13,290	13,168	122
Total County Court-at-Law	565,752	634,042	591,283	42,759
12th Judicial District Court:				
<i>Salary, Other Pay, and Benefits</i>	198,162	198,678	198,677	1
<i>Operations</i>	131,006	225,490	215,491	9,999
Total 12th Judicial District Court	329,168	424,168	414,168	10,000
278th Judicial District Court:				
<i>Salary, Other Pay, and Benefits</i>	201,486	201,486	190,556	10,930
<i>Operations</i>	135,823	175,823	163,271	12,552
Total 278th Judicial District Court	337,309	377,309	353,827	23,482

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT B-1**  
**Page 5 of 8**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
District Clerk:				
<i>Salary, Other Pay, and Benefits</i>	396,379	396,379	389,752	6,627
<i>Operations</i>	32,639	32,639	25,797	6,842
Total District Clerk	429,018	429,018	415,549	13,469
Criminal District Attorney:				
<i>Salary, Other Pay, and Benefits</i>	1,456,014	1,456,014	1,376,302	79,712
<i>Operations</i>	76,387	51,927	44,339	7,588
<i>Capital Expenditures</i>	-	24,460	24,460	-
Total Criminal District Attorney	1,532,401	1,532,401	1,445,101	87,300
Justice of Peace-Precinct 1:				
<i>Salary, Other Pay, and Benefits</i>	193,860	193,860	191,949	1,911
<i>Operations</i>	13,174	13,174	9,559	3,615
Total Justice of Peace-Precinct 1	207,034	207,034	201,508	5,526
Justice of Peace-Precinct 2:				
<i>Salary, Other Pay, and Benefits</i>	186,721	186,721	182,805	3,916
<i>Operations</i>	9,595	9,595	5,232	4,363
Total Justice of Peace-Precinct 2	196,316	196,316	188,037	8,279
Justice of Peace-Precinct 3:				
<i>Salary, Other Pay, and Benefits</i>	190,305	190,305	189,759	546
<i>Operations</i>	11,104	11,553	10,037	1,516
Total Justice of Peace-Precinct 3	201,409	201,858	199,796	2,062
Justice of Peace-Precinct 4:				
<i>Salary, Other Pay, and Benefits</i>	238,633	238,633	236,924	1,709
<i>Operations</i>	20,172	20,172	15,719	4,453
Total Justice of Peace-Precinct 4	258,805	258,805	252,643	6,162
Juvenile Probation Support:				
<i>Salary, Other Pay, and Benefits</i>	17,261	5,421	1,588	3,833
<i>Operations</i>	106,474	118,314	118,061	253
Total Juvenile Probation Support	123,735	123,735	119,649	4,086
Total Judicial	4,452,887	4,489,930	4,276,542	213,388
Public Safety:				
Sheriff's Office:				
<i>Salary, Other Pay, and Benefits</i>	2,412,597	2,412,597	2,266,724	145,873
<i>Operations</i>	323,520	323,520	257,774	65,746
<i>Capital Expenditures</i>	197,000	197,000	184,851	12,149
Total Sheriff's Office	2,933,117	2,933,117	2,709,349	223,768
Estray:				
<i>Operations</i>	6,000	6,000	3,179	2,821
Total Estray	6,000	6,000	3,179	2,821
Courthouse Security General Fund:				
<i>Salary, Other Pay, and Benefits</i>	69,021	69,021	57,856	11,165
Total Courthouse Security General Fund	69,021	69,021	57,856	11,165

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT B-1**  
**Page 6 of 8**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Constables Central:				
<i>Salary, Other Pay, and Benefits</i>	45,994	45,994	43,454	2,540
<i>Operations</i>	9,119	9,119	1,542	7,577
Total Constables Central	55,113	55,113	44,996	10,117
Constable-Precinct 1:				
<i>Salary, Other Pay, and Benefits</i>	69,776	69,776	68,977	799
<i>Operations</i>	5,640	5,640	3,822	1,818
Total Constable-Precinct 1	75,416	75,416	72,799	2,617
Constable-Precinct 2:				
<i>Salary, Other Pay, and Benefits</i>	69,776	69,776	69,212	564
<i>Operations</i>	6,123	6,123	4,308	1,815
Total Constable-Precinct 2	75,899	75,899	73,520	2,379
Constable-Precinct 3:				
<i>Salary, Other Pay, and Benefits</i>	69,776	69,776	69,135	641
<i>Operations</i>	6,164	6,164	5,097	1,067
Total Constable-Precinct 3	75,940	75,940	74,232	1,708
Constable-Precinct 4:				
<i>Salary, Other Pay, and Benefits</i>	164,859	164,859	147,675	17,184
<i>Operations</i>	26,786	27,123	22,554	4,569
<i>Capital Expenditures</i>	47,600	48,116	48,114	2
Total Constable-Precinct 4	239,245	240,098	218,343	21,755
Support Personnel-DPS:				
<i>Salary, Other Pay, and Benefits</i>	54,657	54,657	53,787	870
<i>Operations</i>	2,215	2,215	572	1,643
Total Support Personnel-DPS	56,872	56,872	54,359	2,513
Weigh Station Utilities Services:				
<i>Operations</i>	25,187	25,187	20,669	4,518
Total Weigh Station Utilities Services	25,187	25,187	20,669	4,518
Weigh Station Site Support:				
<i>Salary, Other Pay, and Benefits</i>	17,602	17,602	16,529	1,073
<i>Operations</i>	10,000	10,000	650	9,350
Total Weigh Station Site Support	27,602	27,602	17,179	10,423
Emergency Management:				
<i>Salary, Other Pay, and Benefits</i>	57,467	57,467	48,791	8,676
<i>Operations</i>	83,566	93,863	66,419	27,444
Total Emergency Management	141,033	151,330	115,210	36,120
Public Safety Governmental Services Contracts:				
<i>Operations</i>	859,520	859,520	847,520	12,000
Total Public Safety Governmental Services Contracts	859,520	859,520	847,520	12,000

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT B-1**  
**Page 7 of 8**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety Projects:				
<i>Operations</i>	-	28,510	19,310	9,200
<i>Capital Expenditures</i>	-	68,613	68,613	-
Total Public Safety Projects:	-	97,123	87,923	9,200
Total Public Safety	4,639,965	4,748,238	4,397,134	351,104
Correction and Rehabilitation:				
County Jail:				
<i>Salary, Other Pay, and Benefits</i>	2,015,509	2,015,509	1,872,613	142,896
<i>Operations</i>	458,963	471,457	411,999	59,458
Total County Jail	2,474,472	2,486,966	2,284,612	202,354
Jail-Inmate Medical Cost Center:				
<i>Salary, Other Pay, and Benefits</i>	141,533	141,533	141,063	470
<i>Operations</i>	99,478	99,478	98,057	1,421
Total Jail-Inmate Medical Cost Center	241,011	241,011	239,120	1,891
Probation Support:				
<i>Operations</i>	50,484	40,735	40,295	440
<i>Capital Expenditures</i>	-	20,283	20,282	1
Total Probation Support	50,484	61,018	60,577	441
Adult-Community Service:				
<i>Salary, Other Pay, and Benefits</i>	49,540	49,540	47,780	1,760
<i>Operations</i>	850	850	360	490
Total Adult-Community Service	50,390	50,390	48,140	2,250
Total Correction and Rehabilitation	2,816,357	2,839,385	2,632,449	206,936
Health and Welfare:				
Veteran's Service:				
<i>Salary, Other Pay, and Benefits</i>	27,782	27,782	26,392	1,390
<i>Operations</i>	2,137	2,137	950	1,187
Total Veteran's Service	29,919	29,919	27,342	2,577
Social Services:				
<i>Operations</i>	23,800	23,800	7,671	16,129
Total Social Services	23,800	23,800	7,671	16,129
Planning and Development:				
<i>Salary, Other Pay, and Benefits</i>	411,554	411,554	374,765	36,789
<i>Operations</i>	62,225	62,225	46,506	15,719
<i>Capital Expenditures</i>	-	9,821	9,821	-
Total Planning and Development	473,779	483,600	431,092	52,508
Litter Control General Fund:				
<i>Salary, Other Pay, and Benefits</i>	15,416	15,416	14,456	960
<i>Operations</i>	14,476	14,476	13,668	808
Total Litter Control General Fund	29,892	29,892	28,124	1,768

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT B-1**  
**Page 8 of 8**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare Governmental Service Contracts:				
<i>Operations</i>	99,230	99,230	91,655	7,575
Total Health and Welfare Governmental Service Contracts	99,230	99,230	91,655	7,575
Health and Welfare Projects:				
<i>Operations</i>	33,000	33,000	-	33,000
Total Health and Welfare Projects	33,000	33,000	-	33,000
Total Health and Welfare	689,620	699,441	585,884	113,557
Culture and Education:				
Historical Commission:				
<i>Operations</i>	4,980	4,980	4,150	830
Total Historical Commission	4,980	4,980	4,150	830
Texas AgriLife Extension Service:				
<i>Salary, Other Pay, and Benefits</i>	159,791	159,791	147,527	12,264
<i>Operations</i>	29,774	29,774	27,496	2,278
Total Texas AgriLife Extension Service	189,565	189,565	175,023	14,542
Total Culture and Education	194,545	194,545	179,173	15,372
Public Transportation:				
Road and Bridge Projects:				
<i>Operations</i>	18,083	18,083	1,437	16,646
Total Road and Bridge Projects	18,083	18,083	1,437	16,646
Total Public Transportation	18,083	18,083	1,437	16,646
Total Expenditures	19,566,440	20,182,289	17,367,776	2,814,513
Excess (Deficiency) of Revenues Over (Under) Expenditures	(315,128)	(839,715)	2,779,561	3,619,276
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	77,774	77,774	77,774	-
<i>Transfers Out</i>	(1,701,192)	(1,857,130)	(1,730,063)	127,067
Total Other Financing Sources (Uses)	(1,623,418)	(1,779,356)	(1,652,289)	127,067
Net Change in Fund Balance	(1,938,546)	(2,619,071)	1,127,272	3,746,343
Fund Balance - Beginning	7,671,920	7,671,920	7,671,920	-
Fund Balance - Ending	\$ 5,733,374	\$ 5,052,849	\$ 8,799,192	\$ 3,746,343

See accompanying notes to the required supplementary information.

**WALKER COUNTY, TEXAS**  
**GRANTS AND CONTRACTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental:				
Federal Funds:				
Homeland Security Grant	\$ 115,983	\$ 115,983	\$ 115,983	\$ -
CDBG Grant	1,563,157	1,563,157	1,236,661	(326,496)
Generator Grant	243,901	248,901	160,201	(88,700)
Justice Assistance Grant	7,572	7,572	7,573	1
Total Federal Funds	1,930,613	1,935,613	1,520,418	(415,195)
State Funds:				
Other State Funds	5,101,184	5,232,773	4,811,717	(421,056)
Total State Funds	5,101,184	5,232,773	4,811,717	(421,056)
Total Intergovernmental	7,031,797	7,168,386	6,332,135	(836,251)
Other Income	-	16,499	17,167	668
Total Revenues	7,031,797	7,184,885	6,349,302	(835,583)
<b>EXPENDITURES:</b>				
Judicial:				
SPU Criminal-State General Allocation:				
Salary, Other Pay, and Benefits	1,550,248	1,550,248	1,473,271	76,977
Operations	193,645	246,547	189,627	56,920
Total SPU Criminal-State General Allocation	1,743,893	1,796,795	1,662,898	133,897
SPU/Civil Division:				
Salary, Other Pay, and Benefits	1,397,228	1,397,228	1,365,006	32,222
Operations	1,001,669	1,051,669	922,267	129,402
Total SPU/Civil Division	2,398,897	2,448,897	2,287,273	161,624
SPU-Juvenile Division:				
Salary, Other Pay, and Benefits	702,197	702,197	618,014	84,183
Operations	103,265	131,952	105,802	26,150
Total SPU-Juvenile Division	805,462	834,149	723,816	110,333
Total Judicial	4,948,252	5,079,841	4,673,987	405,854
Public Safety:				
Homeland Security Grant 2014:				
Operations	115,983	94,572	94,573	(1)
Capital Expenditures	-	21,411	21,410	1
Total Homeland Security Grant 2014	115,983	115,983	115,983	-
JAG Grant 2014:				
Operations	7,572	-	-	-
Capital Expenditures	-	7,572	7,573	(1)
Total JAG Grant 2014	7,572	7,572	7,573	(1)
CDBG Grant - Fire Protection:				
Operations	14,375	14,375	10,482	3,893
Capital Expenditures	1,027,673	1,027,673	832,621	195,052
Total CDBG Grant - Fire Protection	1,042,048	1,042,048	843,103	198,945
Total Public Safety	1,165,603	1,165,603	966,659	198,944

**WALKER COUNTY, TEXAS**  
**GRANTS AND CONTRACTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
HGAC Environmental Grant:				
Operations	29,664	29,664	19,452	10,212
Total HGAC Environmental Grant	29,664	29,664	19,452	10,212
HGAC Grant:				
Operations	-	5,342	-	5,342
Capital Expenditures	34,051	35,722	35,722	-
Total HGAC Grant	34,051	41,064	35,722	5,342
CDBG Grant:				
Operations	176,700	181,700	176,700	5,000
Capital Expenditures	67,201	67,201	-	67,201
Total CDBG Grant	243,901	248,901	176,700	72,201
CDBG-Riverside Water Project:				
Operations	335,635	335,635	265,755	69,880
Total CDBG-Riverside Water Project	335,635	335,635	265,755	69,880
CDBG-Frisby Landing Project:				
Operations	185,474	185,474	127,803	57,671
Total CDBG-Frisby Landing Project	185,474	185,474	127,803	57,671
Total Health and Welfare	828,725	840,738	625,432	215,306
Culture and Education:				
DSHS AgriLife Grant:				
Salary, Other Pay, and Benefits	20,646	19,346	19,719	(373)
Operations	44,799	46,099	43,886	2,213
Total DSHS AgriLife Grant	65,445	65,445	63,605	1,840
Master Gardeners Grant:				
Salary, Other Pay, and Benefits	4,142	4,142	4,074	68
Operations	19,630	19,630	17,216	2,414
Total Master Gardeners Grant	23,772	23,772	21,290	2,482
Total Culture and Education	89,217	89,217	84,895	4,322
Total Expenditures	7,031,797	7,175,399	6,350,973	824,426
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	9,486	(1,671)	(11,157)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	-	7,013	1,671	(5,342)
Total Other Financing Sources (Uses)	-	7,013	1,671	(5,342)
Net Change in Fund Balance	-	16,499	-	(16,499)
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ 16,499	\$ -	\$ (16,499)

See accompanying notes to the required supplementary information.



**WALKER COUNTY, TEXAS**  
**ROAD AND BRIDGE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT B-3**  
**Page 1 of 2**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Ad Valorem Taxes:				
<i>Current Taxes</i>	\$ 1,897,723	\$ 1,897,723	\$ 2,120,590	\$ 222,867
Total Ad Valorem Taxes	<u>1,897,723</u>	<u>1,897,723</u>	<u>2,120,590</u>	<u>222,867</u>
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	<u>90,000</u>	<u>156,430</u>	<u>167,591</u>	<u>11,161</u>
Total State Funds	<u>90,000</u>	<u>156,430</u>	<u>167,591</u>	<u>11,161</u>
Federal Funds:				
<i>Miscellaneous</i>	<u>-</u>	<u>852,560</u>	<u>852,561</u>	<u>1</u>
Total Federal Funds	<u>-</u>	<u>852,560</u>	<u>852,561</u>	<u>1</u>
Other Governmental Funds:				
<i>U.S. Forest Service</i>	<u>180,000</u>	<u>180,000</u>	<u>118,315</u>	<u>(61,685)</u>
Total Other Governmental Funds	<u>180,000</u>	<u>180,000</u>	<u>118,315</u>	<u>(61,685)</u>
Total Intergovernmental	<u>270,000</u>	<u>1,188,990</u>	<u>1,138,467</u>	<u>(50,523)</u>
<i>Charges for Services</i>	<u>820,842</u>	<u>820,842</u>	<u>815,980</u>	<u>(4,862)</u>
Fine and Forfeitures:				
<i>Other Fines and Forfeitures</i>	<u>895,997</u>	<u>895,997</u>	<u>712,250</u>	<u>(183,747)</u>
<i>License and Weight-Operations</i>	<u>280,000</u>	<u>280,000</u>	<u>295,624</u>	<u>15,624</u>
Total Fines and Forfeitures	<u>1,175,997</u>	<u>1,175,997</u>	<u>1,007,874</u>	<u>(168,123)</u>
<i>Interest Income</i>	<u>850</u>	<u>850</u>	<u>1,492</u>	<u>642</u>
<i>Other Income</i>	<u>-</u>	<u>141,375</u>	<u>141,375</u>	<u>-</u>
Total Revenues	<u>4,165,412</u>	<u>5,225,777</u>	<u>5,225,778</u>	<u>1</u>
EXPENDITURES:				
General Government:				
Contingency:				
<i>Contingency</i>	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Contingency	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public Transportation:				
General - Road and Bridge:				
<i>Operations</i>	<u>70,000</u>	<u>122,378</u>	<u>33,700</u>	<u>88,678</u>
Total General - Road and Bridge	<u>70,000</u>	<u>122,378</u>	<u>33,700</u>	<u>88,678</u>

**WALKER COUNTY, TEXAS**  
**ROAD AND BRIDGE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT B-3**  
**Page 2 of 2**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Precinct 1 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	548,123	548,123	534,208	13,915
<i>Operations</i>	522,542	986,761	676,135	310,626
<i>Capital Expenditures</i>	85,000	41,629	-	41,629
Total Precinct 1 - Commissioner	1,155,665	1,576,513	1,210,343	366,170
Precinct 2 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	610,583	610,583	538,140	72,443
<i>Operations</i>	592,943	978,810	731,184	247,626
<i>Capital Expenditures</i>	155,000	91,140	91,139	1
Total Precinct 2 - Commissioner	1,358,526	1,680,533	1,360,463	320,070
Precinct 3 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	684,930	684,930	579,257	105,673
<i>Operations</i>	560,033	762,079	571,378	190,701
Total Precinct 3 - Commissioner	1,244,963	1,447,009	1,150,635	296,374
Precinct 4 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	599,893	599,893	581,038	18,855
<i>Operations</i>	669,314	1,465,017	837,214	627,803
<i>Capital Expenditures</i>	-	65,000	61,978	3,022
Total Precinct 4 - Commissioner	1,269,207	2,129,910	1,480,230	649,680
Capital Project (Weigh Station):				
<i>Capital Expenditures</i>	120,753	120,753	1,233	119,520
Total Capital Project (Weigh Station)	120,753	120,753	1,233	119,520
Precinct 2 Grant				
<i>Operations</i>	-	66,430	66,430	-
Total Precinct 2 Grant	-	66,430	66,430	-
Total Public Transportation	5,219,114	7,143,526	5,303,034	1,840,492
Total Expenditures	5,919,114	7,143,526	5,303,034	1,840,492
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,753,702)	(1,917,749)	(77,256)	1,840,493
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	600,000	727,199	727,199	-
<i>Transfers Out</i>	77,774	(77,774)	(77,774)	-
Total Other Financing Sources (Uses)	677,774	649,425	649,425	-
Net Change in Fund Balance	(1,075,928)	(1,268,324)	572,169	1,840,493
Fund Balance - Beginning	1,391,850	1,391,850	1,391,850	-
Fund Balance - Ending	\$ 315,922	\$ 123,526	\$ 1,964,019	\$ 1,840,493

See accompanying notes to the required supplementary information.

**WALKER COUNTY, TEXAS**  
**EMS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT B-4**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ -	\$ 34,428	\$ 34,428	\$ -
Total State Funds	-	34,428	34,428	-
Total Intergovernmental	-	34,428	34,428	-
Charges for Services:				
<i>Emergency Medical Services</i>	2,025,440	2,025,440	2,479,335	453,895
Total Charges for Services	2,025,440	2,025,440	2,479,335	453,895
<i>Interest Income</i>	-	-	291	291
<i>Other Income</i>	-	12,618	17,155	4,537
Total Revenues	2,025,440	2,072,486	2,531,209	458,723
<b>EXPENDITURES:</b>				
Public Safety:				
Walker County EMS:				
<i>Salary, Other Pay, and Benefits</i>	2,311,209	2,311,209	2,296,784	14,425
<i>Operations</i>	456,604	468,984	414,873	54,111
<i>Capital Expenditures</i>	-	56,392	56,392	-
Total Walker County EMS	2,767,813	2,836,585	2,768,049	68,536
EMS Transfer:				
<i>Salary, Other Pay, and Benefits</i>	426,973	426,973	342,385	84,588
<i>Operations</i>	29,200	29,200	14,604	14,596
Total EMS Transfer	456,173	456,173	356,989	99,184
Total Public Safety	3,223,986	3,292,758	3,125,038	167,720
Total Expenditures	3,223,986	3,292,758	3,125,038	167,720
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,198,546)	(1,220,272)	(593,829)	626,443
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	1,086,685	1,108,411	986,686	(121,725)
Total Other Financing Sources (Uses)	1,086,685	1,108,411	986,686	(121,725)
Net Change in Fund Balance	(111,861)	(111,861)	392,857	504,718
Fund Balance - Beginning	1,125,825	1,125,825	1,125,825	-
Fund Balance - Ending	\$ 1,013,964	\$ 1,013,964	\$ 1,518,682	\$ 504,718

See accompanying notes to the required supplementary information.

**WALKER COUNTY, TEXAS****SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015****EXHIBIT B-5**

	<u>2015*</u>
Total Pension Liability:	
Service Cost	\$ 2,368,490
Interest (on the Total Pension Liability)	5,370,303
Changes of benefit terms	-
Difference between expected and actual experience	-
Effect of economic/demographic (gains) or losses	475,276
Benefit payments, including refunds of employee contributions	(2,356,148)
Net Change in Total Pension Liability	<u>5,857,921</u>
Total Pension Liability - Beginning	66,293,981
Total Pension Liability - Ending (a)	<u>\$ 72,151,902</u>
Plan Fiduciary Net Position:	
Contributions - County	\$ 1,981,978
Contributions - Employee	1,141,438
Net Investment Income	3,755,184
Benefit payments, including refunds of employee contributions	(2,356,148)
Administrative Expense	(43,790)
Other	1,767
Net Change in Plan Fiduciary Net Position	<u>4,480,429</u>
Plan Fiduciary Net Position - Beginning	54,559,891
Plan Fiduciary Net Position - Ending (b)	<u>\$ 59,040,320</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 13,111,582</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.83%
Covered Employee Payroll	\$ 16,048,404
Net Pension Liability as a Percentage of Covered Employee Payroll	81.70%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

See accompanying notes to the required supplementary information.

**WALKER COUNTY, TEXAS****EXHIBIT B-6****SCHEDULE OF COUNTY CONTRIBUTIONS TO TEXAS COUNTY AND DISTRICT RETIREMENT  
SYSTEM (TCDRS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>2015*</u>
Actuarially Determined Contribution	\$ 1,981,978
Contributions in Relation to the Actuarially Determined Contribution	<u>(1,981,978)</u>
<b>Contribution Deficiency (Excess)</b>	<b>\$ <u>-</u></b>
 Covered-Employee Payroll	 \$ 16,048,404
 Contributions as a Percentage of Covered- Employee Payroll	 12.35%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

See accompanying notes to the required supplementary information.

**WALKER COUNTY, TEXAS****EXHIBIT B-7***SCHEDULE OF FUNDING PROGRESS**OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)**SEPTEMBER 30, 2015**(UNAUDITED)*

<b>Actuarial Valuation Date</b>	<b>Actuarial Value Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll ( c )</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
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%
10/01/2012	-	14,052,101	14,052,101	0.00%	12,483,000	112.57%
10/01/2013	-	15,057,656	15,057,656	0.00%	12,811,140	117.54%
10/01/2014	-	16,417,125	16,417,125	0.00%	9,170,494	179.02%

See accompanying notes to the required supplementary information.

# WALKER COUNTY, TEXAS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2015

### A. Budgetary Information

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.

### B. Pension

#### Valuation Date:

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

Methods and assumptions used to determine contributions are reported:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, closed
Remaining Amortization Period	20 years
Asset Valuation Method	5 Year Smoothed Non-asymptotic
Inflation	3.00%
Salary Increases	3.5% average, Including Inflation
Investment Rate of Return	8.10%, net of Investment Expense
Cost-of-Living Adjustments	Cost-of-Living Adjustments for Walker County are considered to be substantively automatic under GASB 68. Therefore, an annual 40% CPI cost-of-living adjustment is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Depositing Members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year set-back, both with the projection scale AA.
Service Retirees, Beneficiaries and Non-depositing Members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled Retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

## **SUPPLEMENTARY INFORMATION**



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## **Special Revenue Funds**

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2015**

	District Attorney Hot Check Fee Fund	Court Reporter Service Fund	County Law Library Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 777	\$ 4,086	\$ 63,178
<i>Due from Other Governments</i>	-	-	-
<i>Due from Others</i>	116	-	37
Total Assets	<u>\$ 893</u>	<u>\$ 4,086</u>	<u>\$ 63,215</u>
<b>LIABILITIES:</b>			
<i>Accounts Payable</i>	\$ 893	\$ -	\$ 3,014
<i>Due to Other Governments</i>	-	-	-
<i>Due to Other Funds</i>	-	-	-
<i>Accrued Liabilities</i>	-	-	-
<i>Unearned Revenue</i>	-	-	-
Total Liabilities	<u>893</u>	<u>-</u>	<u>3,014</u>
<b>FUND BALANCES:</b>			
<i>Restricted for Grants or by Legislation</i>	-	4,086	60,201
Total Fund Balances	<u>-</u>	<u>4,086</u>	<u>60,201</u>
Total Liabilities and Fund Balances	<u>\$ 893</u>	<u>\$ 4,086</u>	<u>\$ 63,215</u>

Courthouse Security Fund	Justice Courts Building Security Fund	Elections Equipment Fund	Tax Assessor Elections Service Contract Fund	County Clerk Records Management and Preservation Fund	County Clerk Records Archive Fund
\$ 46,351	\$ 22,462	\$ 23,539	\$ 15,222	\$ 213,424	\$ 298,063
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 46,351</u>	<u>\$ 22,462</u>	<u>\$ 23,539</u>	<u>\$ 15,222</u>	<u>\$ 213,424</u>	<u>\$ 298,063</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,913
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,913</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,913</u>
46,351	22,462	23,539	15,222	213,424	292,150
<u>46,351</u>	<u>22,462</u>	<u>23,539</u>	<u>15,222</u>	<u>213,424</u>	<u>292,150</u>
<u>\$ 46,351</u>	<u>\$ 22,462</u>	<u>\$ 23,539</u>	<u>\$ 15,222</u>	<u>\$ 213,424</u>	<u>\$ 298,063</u>

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2015**

	County Records Managment and Preservation Fund	County Records Preservation II Fund	District Clerk Records Management and Preservation Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 17,030	\$ 45,541	\$ -
<i>Due from Other Governments</i>	-	-	-
<i>Due from Others</i>	-	-	-
Total Assets	<u>\$ 17,030</u>	<u>\$ 45,541</u>	<u>\$ -</u>
<b>LIABILITIES:</b>			
<i>Accounts Payable</i>	\$ -	\$ -	\$ -
<i>Due to Other Governments</i>	-	-	-
<i>Due to Other Funds</i>	-	-	-
<i>Accrued Liabilities</i>	-	-	-
<i>Unearned Revenue</i>	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>			
<i>Restricted for Grants or by Legislation</i>	<u>17,030</u>	<u>45,541</u>	<u>-</u>
Total Fund Balances	<u>17,030</u>	<u>45,541</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 17,030</u>	<u>\$ 45,541</u>	<u>\$ -</u>

Sheriff Forfeiture Fund	District Attorney Forfeiture Fund	Juvenile Grant Fund	Tax Assessor Special Inventory Fee Fund	District Clerk Rider Fund	District Clerk Archive Fund
\$ 97,676	\$ 131,623	\$ 78,623	\$ 19	\$ 29,591	\$ 1,194
-	-	29,384	-	-	-
-	-	-	-	-	-
<u>\$ 97,676</u>	<u>\$ 131,623</u>	<u>\$ 108,007</u>	<u>\$ 19</u>	<u>\$ 29,591</u>	<u>\$ 1,194</u>
\$ 4,942	\$ 328	\$ -	\$ -	\$ 17,354	\$ -
-	-	235	-	-	-
-	-	-	-	-	-
-	-	3,254	-	-	-
-	-	806	-	-	-
<u>4,942</u>	<u>328</u>	<u>4,295</u>	<u>-</u>	<u>17,354</u>	<u>-</u>
92,734	131,295	103,712	19	12,237	1,194
<u>92,734</u>	<u>131,295</u>	<u>103,712</u>	<u>19</u>	<u>12,237</u>	<u>1,194</u>
<u>\$ 97,676</u>	<u>\$ 131,623</u>	<u>\$ 108,007</u>	<u>\$ 19</u>	<u>\$ 29,591</u>	<u>\$ 1,194</u>

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2015**

	District Attorney Prosecutors Supplement Fund	Pretrial Intervention Program Fund	County Jury Fee Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ -	\$ -	\$ 1,433
<i>Due from Other Governments</i>	2,535	-	-
<i>Due from Others</i>	683	-	-
Total Assets	<u>\$ 3,218</u>	<u>\$ -</u>	<u>\$ 1,433</u>
<b>LIABILITIES:</b>			
<i>Accounts Payable</i>	\$ 2,628	\$ -	\$ -
<i>Due to Other Governments</i>	-	-	-
<i>Due to Other Funds</i>	590	-	-
<i>Accrued Liabilities</i>	-	-	-
<i>Unearned Revenue</i>	-	-	-
Total Liabilities	<u>3,218</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>			
<i>Restricted for Grants or by Legislation</i>	-	-	1,433
Total Fund Balances	<u>-</u>	<u>-</u>	<u>1,433</u>
Total Liabilities and Fund Balances	<u>\$ 3,218</u>	<u>\$ -</u>	<u>\$ 1,433</u>

Justice Courts Technology Fund	County and District Courts Technology Fund	Sheriff Inmate Medical Fund	DOJ Equitable Sharing Fund	Total Nonmajor Special Revenue Fund (See Exhibit A-3)
\$ 21,767	\$ 5,476	\$ 24,609	\$ 277,632	\$ 1,419,316
-	-	-	-	31,919
-	-	-	-	836
<u>\$ 21,767</u>	<u>\$ 5,476</u>	<u>\$ 24,609</u>	<u>\$ 277,632</u>	<u>\$ 1,452,071</u>
\$ -	\$ -	\$ -	\$ -	\$ 35,072
-	-	-	-	235
-	-	-	-	590
-	-	-	-	3,254
-	-	-	-	806
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,957</u>
21,767	5,476	24,609	277,632	1,412,114
<u>21,767</u>	<u>5,476</u>	<u>24,609</u>	<u>277,632</u>	<u>1,412,114</u>
<u>\$ 21,767</u>	<u>\$ 5,476</u>	<u>\$ 24,609</u>	<u>\$ 277,632</u>	<u>\$ 1,452,071</u>



**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	District Attorney Hot Check Fee Fund	Court Reporter Service Fund	County Law Library Fund
<b>REVENUES:</b>			
<i>Intergovernmental</i>	\$ -	\$ -	\$ -
<i>Charges for Services</i>	10,954	14,159	33,026
<i>Fines and Forfeitures</i>	-	-	-
<i>Interest Income</i>	-	-	34
<i>Other Income</i>	-	-	65
Total Revenues	<u>10,954</u>	<u>14,159</u>	<u>33,125</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	-	-	-
<i>Judicial</i>	13,513	10,073	49,441
<i>Public Safety</i>	-	-	-
Total Expenditures	<u>13,513</u>	<u>10,073</u>	<u>49,441</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,559)</u>	<u>4,086</u>	<u>(16,316)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers In</i>	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(2,559)	4,086	(16,316)
Fund Balances - Beginning	2,559	-	76,517
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 4,086</u>	<u>\$ 60,201</u>

Courthouse Security Fund	Justice Courts Building Security Fund	Elections Equipment Fund	Tax Assessor Elections Service Contract Fund	County Clerk Records Management and Preservation Fund	County Clerk Records Archive Fund
-	\$ -	\$ 11,245	\$ -	\$ -	\$ -
36,710	6,522	-	5,117	100,391	102,732
-	-	-	-	-	-
1	9	10	4	84	119
-	-	-	-	-	-
<u>36,711</u>	<u>6,531</u>	<u>11,255</u>	<u>5,121</u>	<u>100,475</u>	<u>102,851</u>
-	-	20,120	-	28,672	9,418
-	-	-	-	-	-
18,915	5,627	-	-	-	-
<u>18,915</u>	<u>5,627</u>	<u>20,120</u>	<u>-</u>	<u>28,672</u>	<u>9,418</u>
17,796	904	(8,865)	5,121	71,803	93,433
14,507	-	-	-	-	-
<u>14,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
32,303	904	(8,865)	5,121	71,803	93,433
14,048	21,558	32,404	10,101	141,621	198,717
<u>46,351</u>	<u>\$ 22,462</u>	<u>\$ 23,539</u>	<u>\$ 15,222</u>	<u>\$ 213,424</u>	<u>\$ 292,150</u>

**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	County Records Managment and Preservation Fund	County Records Preservation II Fund	District Clerk Records Management and Preservation Fund
<b>REVENUES:</b>			
<i>Intergovernmental</i>	\$ -	\$ -	\$ -
<i>Charges for Services</i>	18,480	10,891	3,340
<i>Fines and Forfeitures</i>	-	-	-
<i>Interest Income</i>	12	20	2
<i>Other Income</i>	-	-	-
Total Revenues	<u>18,492</u>	<u>10,911</u>	<u>3,342</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	24,037	5,970	-
<i>Judicial</i>	-	-	15,669
<i>Public Safety</i>	-	-	-
Total Expenditures	<u>24,037</u>	<u>5,970</u>	<u>15,669</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,545)</u>	<u>4,941</u>	<u>(12,327)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers In</i>	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(5,545)	4,941	(12,327)
Fund Balances - Beginning	22,575	40,600	12,327
Fund Balances - Ending	<u>\$ 17,030</u>	<u>\$ 45,541</u>	<u>\$ -</u>

Sheriff Forfeiture Fund	District Attorney Forfeiture Fund	Juvenile Grant Fund	Tax Assessor Special Inventory Fee Fund	District Clerk Rider Fund	District Clerk Archive Fund
\$ -	\$ -	\$ 429,906	\$ -	\$ 13,000	\$ -
-	-	-	-	-	1,194
52,604	36,863	-	-	-	-
24	60	60	-	3	-
1,715	7,450	-	-	-	-
<u>54,343</u>	<u>44,373</u>	<u>429,966</u>	<u>-</u>	<u>13,003</u>	<u>1,194</u>
-	-	-	-	-	-
-	53,442	431,111	-	7,122	-
<u>19,257</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>19,257</u>	<u>53,442</u>	<u>431,111</u>	<u>-</u>	<u>7,122</u>	<u>-</u>
35,086	(9,069)	(1,145)	-	5,881	1,194
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
35,086	(9,069)	(1,145)	-	5,881	1,194
57,648	140,364	104,857	19	6,356	-
<u>\$ 92,734</u>	<u>\$ 131,295</u>	<u>\$ 103,712</u>	<u>\$ 19</u>	<u>\$ 12,237</u>	<u>\$ 1,194</u>

**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	District Attorney Prosecutors Supplement Fund	Pretrial Intervention Program Fund	County Jury Fee Fund
<b>REVENUES:</b>			
<i>Intergovernmental</i>	\$ 23,110	\$ -	\$ -
<i>Charges for Services</i>	-	19,557	3,449
<i>Fines and Forfeitures</i>	-	-	-
<i>Interest Income</i>	-	-	-
<i>Other Income</i>	-	-	1,433
Total Revenues	<u>23,110</u>	<u>19,557</u>	<u>4,882</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	-	-	-
<i>Judicial</i>	23,110	38,214	3,449
<i>Public Safety</i>	-	-	-
Total Expenditures	<u>23,110</u>	<u>38,214</u>	<u>3,449</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(18,657)</u>	<u>1,433</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers In</i>	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(18,657)	1,433
Fund Balances - Beginning	-	18,657	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,433</u>

Justice Courts Technology Fund	County and District Courts Technology Fund	Sheriff Inmate Medical Fund	DOJ Equitable Sharing Fund	Total Nonmajor Special Revenue Funds (See Exhibit A-5)
\$ -	\$ -	\$ -	\$ -	\$ 477,261
26,354	1,745	1,450	-	396,071
-	-	-	171,721	261,188
7	2	10	122	583
-	-	-	-	10,663
<u>26,361</u>	<u>1,747</u>	<u>1,460</u>	<u>171,843</u>	<u>1,145,766</u>
-	-	-	-	88,217
25,959	-	-	-	671,103
-	-	-	-	43,799
<u>25,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>803,119</u>
402	1,747	1,460	171,843	342,647
-	-	-	-	14,507
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,507</u>
402	1,747	1,460	171,843	357,154
21,365	3,729	23,149	105,789	1,054,960
<u>\$ 21,767</u>	<u>\$ 5,476</u>	<u>\$ 24,609</u>	<u>\$ 277,632</u>	<u>\$ 1,412,114</u>

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## **Budgetary Comparison Schedules**



**WALKER COUNTY, TEXAS**

DISTRICT ATTORNEY HOT CHECK FEE FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

**EXHIBIT C-3**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 17,000	\$ 17,000	\$ 10,954	\$ (6,046)
Total Revenue	17,000	17,000	10,954	(6,046)
<b>EXPENDITURES:</b>				
Judicial:				
Hot Checks:				
<i>Salary, Other Pay, and Benefits</i>	17,866	10,226	4,513	5,713
<i>Operations</i>	3,159	10,799	9,000	1,799
Total Hot Check	21,025	21,025	13,513	7,512
Total Judicial	21,025	21,025	13,513	7,512
Total Expenditures	21,025	21,025	13,513	7,512
Net Change in Fund Balance	(4,025)	(4,025)	(2,559)	1,466
Fund Balance - Beginning	2,559	2,559	2,559	-
Fund Balance - Ending	\$ (1,466)	\$ (1,466)	\$ -	\$ 1,466

**WALKER COUNTY, TEXAS**  
**COURT REPORTER SERVICE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT C-4**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Court Reporter Fees</i>	\$ 15,000	\$ 15,000	\$ 14,159	\$ (841)
Total Charges for Services	<u>15,000</u>	<u>15,000</u>	<u>14,159</u>	<u>(841)</u>
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>14,159</u>	<u>(841)</u>
<b>EXPENDITURES:</b>				
Judicial:				
Court Reporter Services:				
<i>Operations</i>	<u>15,000</u>	<u>15,000</u>	<u>10,073</u>	<u>4,927</u>
Total Court Reporter Services	<u>15,000</u>	<u>15,000</u>	<u>10,073</u>	<u>4,927</u>
Total Judicial	<u>15,000</u>	<u>15,000</u>	<u>10,073</u>	<u>4,927</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>10,073</u>	<u>4,927</u>
Net Change in Fund Balance	-	-	4,086	4,086
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,086</u>	<u>\$ 4,086</u>

**WALKER COUNTY, TEXAS**  
COUNTY LAW LIBRARY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

**EXHIBIT C-5**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Law Library</i>	\$ 34,400	\$ 34,400	\$ 33,026	\$ (1,374)
Total Charges for Services	34,400	34,400	33,026	(1,374)
<i>Interest Income</i>	20	20	34	14
<i>Other Income</i>	-	-	65	65
Total Revenues	34,420	34,420	33,125	(1,295)
<b>EXPENDITURES:</b>				
Judicial:				
Law Library:				
<i>Salary, Other Pay, and Benefits</i>	9,405	9,405	7,821	1,584
<i>Operations</i>	37,588	43,788	41,620	2,168
<i>Contingency</i>	14,000	7,800	-	7,800
Total Law Library	60,993	60,993	49,441	11,552
Total Judicial	60,993	60,993	49,441	11,552
Total Expenditures	60,993	60,993	49,441	11,552
Net Change in Fund Balance	(26,573)	(26,573)	(16,316)	10,257
Fund Balance - Beginning	76,517	76,517	76,517	-
Fund Balance - Ending	\$ 49,944	\$ 49,944	\$ 60,201	\$ 10,257

**WALKER COUNTY, TEXAS**  
**COURT HOUSE SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT C-6**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Court House Security</i>	\$ 44,000	\$ 44,000	\$ 36,710	\$ (7,290)
Total Charges for Services	44,000	44,000	36,710	(7,290)
<i>Interest Income</i>	-	-	1	1
Total Revenues	44,000	44,000	36,711	(7,289)
<b>EXPENDITURES:</b>				
Public Safety:				
Courthouse Security:				
<i>Salary, Other Pay, and Benefits</i>	62,176	62,176	18,915	43,261
Total Courthouse Security	62,176	62,176	18,915	43,261
Total Public Safety	62,176	62,176	18,915	43,261
Total Expenditures	62,176	62,176	18,915	43,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,176)	(18,176)	17,796	35,972
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	14,507	14,507	14,507	-
Total Other Financing Sources (Uses)	14,507	14,507	14,507	-
Net Change in Fund Balance	(3,669)	(3,669)	32,303	35,972
Fund Balance - Beginning	14,048	14,048	14,048	-
Fund Balance - Ending	\$ 10,379	\$ 10,379	\$ 46,351	\$ 35,972

**WALKER COUNTY, TEXAS**

JUSTICE COURTS BUILDING SECURITY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

**EXHIBIT C-7**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Justice Court Security</i>	\$ 7,500	\$ 7,500	\$ 6,522	\$ (978)
Total Charges for Services	7,500	7,500	6,522	(978)
<i>Interest Income</i>	40	40	9	(31)
Total Revenues	7,540	7,540	6,531	(1,009)
<b>EXPENDITURES:</b>				
Public Safety:				
Justice Courts Security:				
<i>Operations</i>	25,000	25,000	5,627	19,373
Total Justice Courts Security	25,000	25,000	5,627	19,373
Total Public Safety	25,000	25,000	5,627	19,373
Total Expenditures	25,000	25,000	5,627	19,373
Net Change in Fund Balance	(17,460)	(17,460)	904	18,364
Fund Balance - Beginning	21,558	21,558	21,558	-
Fund Balance - Ending	\$ 4,098	\$ 4,098	\$ 22,462	\$ 18,364

**WALKER COUNTY, TEXAS**  
**ELECTIONS EQUIPMENT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT C-8**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
<i>Other</i>	\$ 10,000	\$ 10,000	\$ 11,245	\$ 1,245
Total Other Governmental Funds	10,000	10,000	11,245	1,245
Total Intergovernmental	10,000	10,000	11,245	1,245
<i>Interest Income</i>	-	-	10	10
Total Revenues	10,000	10,000	11,255	1,255
<b>EXPENDITURES:</b>				
General Government:				
Elections Equipment:				
<i>Operations</i>	47,001	47,001	20,120	26,881
Total Elections Equipment	47,001	47,001	20,120	26,881
Total General Government	47,001	47,001	20,120	26,881
Total Expenditures	47,001	47,001	20,120	26,881
Net Change in Fund Balance	(37,001)	(37,001)	(8,865)	28,136
Fund Balance - Beginning	32,404	32,404	32,404	-
Fund Balance - Ending	\$ (4,597)	\$ (4,597)	\$ 23,539	\$ 28,136

**WALKER COUNTY, TEXAS****EXHIBIT C-9**

TAX ASSESSOR ELECTIONS SERVICE CONTRACT FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 3,500	\$ 3,500	\$ 5,117	\$ 1,617
<i>Interest Income</i>	-	-	4	4
Total Revenues	3,500	3,500	5,121	1,621
<b>EXPENDITURES:</b>				
General Government:				
Elections Services Contracts:				
<i>Salary, Other Pay, and Benefits</i>	3,713	3,713	-	3,713
Total Elections Service Contracts	3,713	3,713	-	3,713
Total General Government	3,713	3,713	-	3,713
Total Expenditures	3,713	3,713	-	3,713
Net Change in Fund Balance	(213)	(213)	5,121	5,334
Fund Balance - Beginning	10,101	10,101	10,101	-
Fund Balance - Ending	\$ 9,888	\$ 9,888	\$ 15,222	\$ 5,334

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

COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 50,000	\$ 50,000	\$ 100,391	\$ 50,391
Total Charges for Services	50,000	50,000	100,391	50,391
<i>Interest Income</i>	14	14	84	70
Total Revenues	50,014	50,014	100,475	50,461
<b>EXPENDITURES:</b>				
General Government:				
County Clerk-Records Preservation:				
<i>Salary, Other Pay, and Benefits</i>	54,508	54,508	25,977	28,531
<i>Operations</i>	4,600	4,600	2,695	1,905
Total County Clerk-Records Preservation	59,108	59,108	28,672	30,436
Total General Government	59,108	59,108	28,672	30,436
Total Expenditures	59,108	59,108	28,672	30,436
Net Changes in Fund Balance	(9,094)	(9,094)	71,803	80,897
Fund Balance - Beginning	141,621	141,621	141,621	-
Fund Balance - Ending	\$ 132,527	\$ 132,527	\$ 213,424	\$ 80,897



**WALKER COUNTY, TEXAS**

COUNTY CLERK RECORDS ARCHIVE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

**EXHIBIT C-11**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 70,000	\$ 70,000	\$ 102,732	\$ 32,732
Total Charges for Services	70,000	70,000	102,732	32,732
<i>Interest Income</i>	50	50	119	69
Total Revenues	70,050	70,050	102,851	32,801
<b>EXPENDITURES:</b>				
General Government:				
County Clerk Archive:				
<i>Operations</i>	-	9,435	9,418	17
<i>Contingency</i>	25,000	15,565	-	15,565
Total County Clerk Archive	25,000	25,000	9,418	15,582
Total General Government	25,000	25,000	9,418	15,582
Total Expenditures	25,000	25,000	9,418	15,582
Net Changes in Fund Balance	45,050	45,050	93,433	48,383
Fund Balance - Beginning	198,717	198,717	198,717	-
Fund Balance - Ending	\$ 243,767	\$ 243,767	\$ 292,150	\$ 48,383

**WALKER COUNTY, TEXAS****EXHIBIT C-12**

COUNTY RECORDS MANAGEMENT AND PRESERVATION FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 22,800	\$ 22,800	\$ 18,480	\$ (4,320)
Total Charges for Services	<u>22,800</u>	<u>22,800</u>	<u>18,480</u>	<u>(4,320)</u>
<i>Interest Income</i>	<u>7</u>	<u>7</u>	<u>12</u>	<u>5</u>
Total Revenues	<u>22,807</u>	<u>22,807</u>	<u>18,492</u>	<u>(4,315)</u>
<b>EXPENDITURES:</b>				
General Government:				
County Records Management:				
<i>Operations</i>	<u>30,000</u>	<u>30,000</u>	<u>24,037</u>	<u>5,963</u>
Total County Records Management	<u>30,000</u>	<u>30,000</u>	<u>24,037</u>	<u>5,963</u>
Total General Government	<u>30,000</u>	<u>30,000</u>	<u>24,037</u>	<u>5,963</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>24,037</u>	<u>5,963</u>
Net Change in Fund Balances	(7,193)	(7,193)	(5,545)	1,648
Fund Balance - Beginning	<u>22,575</u>	<u>22,575</u>	<u>22,575</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 15,382</u>	<u>\$ 15,382</u>	<u>\$ 17,030</u>	<u>\$ 1,648</u>

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

*COUNTY RECORDS PRESERVATION II FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 11,000	\$ 11,000	\$ 10,891	\$ (109)
Total Charges for Services	11,000	11,000	10,891	(109)
<i>Interest Income</i>	-	-	20	20
Total Revenues	11,000	11,000	10,911	(89)
<b>EXPENDITURES:</b>				
General Government:				
County Records Preservation II Fund:				
<i>Operations</i>	20,000	20,000	5,970	14,030
Total County Records Preservation II Fund	20,000	20,000	5,970	14,030
Total General Government	20,000	20,000	5,970	14,030
Total Expenditures	20,000	20,000	5,970	14,030
Net Change in Fund Balance	(9,000)	(9,000)	4,941	13,941
Fund Balance - Beginning	40,600	40,600	40,600	-
Fund Balance - Ending	<u>\$ 31,600</u>	<u>\$ 31,600</u>	<u>\$ 45,541</u>	<u>\$ 13,941</u>

**WALKER COUNTY, TEXAS****EXHIBIT C-14**

*DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 3,400	\$ 3,400	\$ 3,340	\$ (60)
Total Charges for Services	<u>3,400</u>	<u>3,400</u>	<u>3,340</u>	<u>(60)</u>
<i>Interest Income</i>	<u>10</u>	<u>10</u>	<u>2</u>	<u>(8)</u>
Total Revenues	<u>3,410</u>	<u>3,410</u>	<u>3,342</u>	<u>(68)</u>
<b>EXPENDITURES:</b>				
Judicial:				
District Clerk Records Preservation:				
<i>Operations</i>	-	18,031	15,669	2,362
<i>Contingency</i>	<u>18,031</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District Clerk Records Preservation	<u>18,031</u>	<u>18,031</u>	<u>15,669</u>	<u>2,362</u>
Total Judicial	<u>18,031</u>	<u>18,031</u>	<u>15,669</u>	<u>2,362</u>
Total Expenditures	<u>18,031</u>	<u>18,031</u>	<u>15,669</u>	<u>2,362</u>
Net Change in Fund Balance	(14,621)	(14,621)	(12,327)	2,294
Fund Balance - Beginning	<u>12,327</u>	<u>12,327</u>	<u>12,327</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (2,294)</u>	<u>\$ (2,294)</u>	<u>\$ -</u>	<u>\$ 2,294</u>

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

SHERIFF FORFEITURE FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 52,604	\$ 52,604
<i>Interest Income</i>	-	-	24	24
<i>Other Income</i>	-	-	1,715	1,715
Total Revenues	-	-	54,343	54,343
<b>EXPENDITURES:</b>				
Public Safety:				
Sheriff Forfeiture:				
<i>Operations</i>	-	13,418	11,486	1,932
<i>Capital Expenditures</i>	-	7,772	7,771	1
<i>Contingency</i>	39,261	18,071	-	18,071
Total Sheriff Forfeiture	39,261	39,261	19,257	20,004
Total Public Safety	39,261	39,261	19,257	20,004
Total Expenditures	39,261	39,261	19,257	20,004
Net Change in Fund Balance	(39,261)	(39,261)	35,086	74,347
Fund Balance - Beginning	57,648	57,648	57,648	-
Fund Balance - Ending	\$ 18,387	\$ 18,387	\$ 92,734	\$ 74,347

**WALKER COUNTY, TEXAS****EXHIBIT C-16**

*DISTRICT ATTORNEY FORFEITURE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 36,863	\$ 36,863
<i>Interest Income</i>	-	-	60	60
<i>Other Income</i>	-	-	7,450	7,450
Total Revenues	-	-	44,373	44,373
<b>EXPENDITURES:</b>				
Judicial:				
District Attorney Forfeitures:				
<i>Operations</i>	-	25,015	24,192	823
<i>Capital Expenditures</i>	-	29,251	29,250	1
<i>Contingency</i>	127,136	72,870	-	72,870
Total District Attorney Forfeitures	127,136	127,136	53,442	73,694
Total Judicial	127,136	127,136	53,442	73,694
Total Expenditures	127,136	127,136	53,442	73,694
Net Change in Fund Balance	(127,136)	(127,136)	(9,069)	118,067
Fund Balance - Beginning	140,364	140,364	140,364	-
Fund Balance - Ending	\$ 13,228	\$ 13,228	\$ 131,295	\$ 118,067

**WALKER COUNTY, TEXAS****EXHIBIT C-17**

*JUVENILE GRANT FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Intergovernmental:				
State Funds:				
State Grant Funds	\$ -	\$ 8,100	\$ 7,715	\$ (385)
Other State Funds	424,533	424,533	422,191	(2,342)
Total State Funds	424,533	432,633	429,906	(2,727)
Total Intergovernmental	424,533	432,633	429,906	(2,727)
Interest Income	-	-	60	60
Total Revenues	424,533	432,633	429,966	(2,667)
EXPENDITURES:				
Judicial:				
TJPC-A-94-236				
Salary, Other Pay, and Benefits	344,368	344,368	338,792	5,576
Total TJPC-A-94-236	344,368	344,368	338,792	5,576
Title IV-E Funds				
Salary, Other Pay, and Benefits	-	-	94	(94)
Operations	-	-	1,111	(1,111)
Total Title IV-E Funds	-	-	1,205	(1,205)
Juvenile Grants				
Operations	44,764	44,764	44,764	-
Total Juvenile Grants	44,764	44,764	44,764	-
Medical Service Fund				
Salary, Other Pay, and Benefits	-	-	1,391	(1,391)
Operations	35,401	35,401	33,564	1,837
Total Medical Service Fund	35,401	35,401	34,955	446
HGAC Services Grant				
Operations	-	8,100	7,715	385
Total HGAC Services Grant	-	8,100	7,715	385
Community Programs				
Salary, Other Pay, and Benefits	-	-	3,680	(3,680)
Total Community Programs	-	-	3,680	(3,680)
Total Judicial	424,533	432,633	431,111	1,522
Total Expenditures	424,533	432,633	431,111	1,522
Net Change in Fund Balance	-	-	(1,145)	(1,145)
Fund Balance - Beginning	104,857	104,857	104,857	-
Fund Balance - Ending	\$ 104,857	\$ 104,857	\$ 103,712	\$ (1,145)

**WALKER COUNTY, TEXAS****EXHIBIT C-18**

*TAX ASSESSOR SPECIAL INVENTORY FEE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 1,023	\$ 1,023	\$ -	\$ (1,023)
Total Revenues	1,023	1,023	-	(1,023)
<b>EXPENDITURES:</b>				
Financial:				
Special Inventory Tax:				
<i>Operations</i>	1,041	1,041	-	1,041
Total Special Inventory Tax	1,041	1,041	-	1,041
Total Financial	1,041	1,041	-	1,041
Total Expenditures	1,041	1,041	-	1,041
Net Change in Fund Balance	(18)	(18)	-	18
Fund Balance - Beginning	19	19	19	-
Fund Balance - Ending	\$ 1	\$ 1	\$ 19	\$ 18



**WALKER COUNTY, TEXAS**

DISTRICT CLERK RIDER FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

**EXHIBIT C-19**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Intergovernmental:				
State Funds:				
Other State Funds	\$ 12,000	\$ 12,000	\$ 13,000	\$ 1,000
Total State Funds	12,000	12,000	13,000	1,000
Total Intergovernmental	12,000	12,000	13,000	1,000
Interest Income	-	-	3	3
Total Revenues	12,000	12,000	13,003	1,003
EXPENDITURES:				
Judicial:				
Rider Prosecution Fund:				
Salary, Other Pay, and Benefits	4,823	4,823	4,684	139
Operations	5,000	5,000	2,438	2,562
Total Rider Prosecution Fund	9,823	9,823	7,122	2,701
Total Judicial	9,823	9,823	7,122	2,701
Total Expenditures	9,823	9,823	7,122	2,701
Net Change in Fund Balances	2,177	2,177	5,881	3,704
Fund Balance - Beginning	6,356	6,356	6,356	-
Fund Balance - Ending	\$ 8,533	\$ 8,533	\$ 12,237	\$ 3,704

**WALKER COUNTY, TEXAS**  
**DISTRICT CLERK ARCHIVE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT C-20**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ -	\$ -	\$ 1,194	\$ 1,194
Total Revenues	-	-	1,194	1,194
<b>EXPENDITURES:</b>				
Total Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	1,194	1,194
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,194	\$ 1,194

**WALKER COUNTY, TEXAS****EXHIBIT C-21**

*DISTRICT ATTORNEY PROSECUTORS SUPPLEMENT FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ 22,500	\$ 22,500	\$ 23,110	\$ 610
Total State Funds	<u>22,500</u>	<u>22,500</u>	<u>23,110</u>	<u>610</u>
Total Intergovernmental	<u>22,500</u>	<u>22,500</u>	<u>23,110</u>	<u>610</u>
Total Revenues	<u>22,500</u>	<u>22,500</u>	<u>23,110</u>	<u>610</u>
<b>EXPENDITURES:</b>				
Judicial:				
CDA Supplement:				
<i>Operations</i>	22,500	22,500	23,110	(610)
Total CDA Supplement	<u>22,500</u>	<u>22,500</u>	<u>23,110</u>	<u>(610)</u>
Total Judicial	<u>22,500</u>	<u>22,500</u>	<u>23,110</u>	<u>(610)</u>
Total Expenditures	<u>22,500</u>	<u>22,500</u>	<u>23,110</u>	<u>(610)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

*PRETRIAL INTERVENTION PROGRAM FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Pretrial Intervention</i>	\$ 25,000	\$ 25,000	\$ 19,557	\$ (5,443)
Total Charges for Services	<u>25,000</u>	<u>25,000</u>	<u>19,557</u>	<u>(5,443)</u>
<i>Interest Income</i>	<u>45</u>	<u>45</u>	<u>-</u>	<u>(45)</u>
Total Revenues	<u>25,045</u>	<u>25,045</u>	<u>19,557</u>	<u>(5,488)</u>
<b>EXPENDITURES:</b>				
Judicial:				
Pretrial Intervention:				
<i>Salary, Other Pay, and Benefits</i>	42,507	42,507	32,200	10,307
<i>Operations</i>	<u>6,014</u>	<u>6,014</u>	<u>6,014</u>	<u>-</u>
Total Pretrial Intervention	<u>48,521</u>	<u>48,521</u>	<u>38,214</u>	<u>10,307</u>
Total Judicial	<u>48,521</u>	<u>48,521</u>	<u>38,214</u>	<u>10,307</u>
Total Expenditures	<u>48,521</u>	<u>48,521</u>	<u>38,214</u>	<u>10,307</u>
Net Change in Fund Balance	(23,476)	(23,476)	(18,657)	4,819
Fund Balance - Beginning	<u>18,657</u>	<u>18,657</u>	<u>18,657</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (4,819)</u>	<u>\$ (4,819)</u>	<u>\$ -</u>	<u>\$ 4,819</u>

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

COUNTY JURY FEE FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 2,700	\$ 2,700	\$ 3,449	\$ 749
<i>Other Income</i>	-	-	1,433	1,433
Total Revenues	2,700	2,700	4,882	749
<b>EXPENDITURES:</b>				
Judicial:				
County Jury:				
<i>Operations</i>	2,700	2,700	3,449	(749)
Total County Jury	2,700	2,700	3,449	(749)
Total Judicial	2,700	2,700	3,449	(749)
Total Expenditures	2,700	2,700	3,449	(749)
Net Change Fund Balance	-	-	1,433	1,433
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,433	\$ 1,433

**WALKER COUNTY, TEXAS****EXHIBIT C-24**

JUSTICE COURTS TECHNOLOGY FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 30,000	\$ 30,000	\$ 26,354	\$ (3,646)
<i>Interest Income</i>	5	5	7	2
Total Revenues	30,005	30,005	26,361	(3,644)
<b>EXPENDITURES:</b>				
Judicial:				
Justice Court Technology:				
<i>Operations</i>	35,700	29,508	19,767	9,741
<i>Capital Expenditures</i>	-	6,192	6,192	-
Total Justice Court Technology	35,700	35,700	25,959	9,741
Total Judicial	35,700	35,700	25,959	9,741
Total Expenditures	35,700	35,700	25,959	9,741
Net Change in Fund Balance	(5,695)	(5,695)	402	6,097
Fund Balance - Beginning	21,365	21,365	21,365	-
Fund Balance - Ending	\$ 15,670	\$ 15,670	\$ 21,767	\$ 6,097

**WALKER COUNTY, TEXAS****EXHIBIT C-25**

**COUNTY AND DISTRICT COURTS TECHNOLOGY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 2,500	\$ 2,500	\$ 1,745	\$ (755)
<i>Interest Income</i>	-	-	2	2
<b>Total Revenues</b>	<u>2,500</u>	<u>2,500</u>	<u>1,747</u>	<u>(753)</u>
<b>EXPENDITURES:</b>				
Judicial:				
County and District Courts Technology:				
<i>Operations</i>	8,962	8,962	-	8,962
Total County and District Courts Technology	<u>8,962</u>	<u>8,962</u>	<u>-</u>	<u>8,962</u>
Total Judicial	<u>8,962</u>	<u>8,962</u>	<u>-</u>	<u>8,962</u>
<b>Total Expenditures</b>	<u>8,962</u>	<u>8,962</u>	<u>-</u>	<u>8,962</u>
<b>Net Change in Fund Balance</b>	(6,462)	(6,462)	1,747	8,209
Fund Balance - Beginning	3,729	3,729	3,729	-
Fund Balance - Ending	<u>\$ (2,733)</u>	<u>\$ (2,733)</u>	<u>\$ 5,476</u>	<u>\$ 8,209</u>

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

SHERIFF INMATE MEDICAL FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 1,100	\$ 1,100	\$ 1,450	\$ 350
<i>Interest Income</i>	5	5	10	5
<b>Total Revenues</b>	<u>1,105</u>	<u>1,105</u>	<u>1,460</u>	<u>355</u>
<b>EXPENDITURES:</b>				
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>
<b>Total Expenditures</b>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<b>Net Changes in Fund Balance</b>	(8,895)	(8,895)	1,460	10,355
Fund Balance - Beginning	23,149	23,149	23,149	-
Fund Balance - Ending	<u>\$ 14,254</u>	<u>\$ 14,254</u>	<u>\$ 24,609</u>	<u>\$ 10,355</u>



**WALKER COUNTY, TEXAS**

DOJ EQUITABLE SHARING FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

**EXHIBIT C-27**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 171,721	\$ 171,721
<i>Interest Income</i>	-	-	122	122
Total Revenues	-	-	171,843	171,843
<b>EXPENDITURES:</b>				
Public Safety:				
DOJ Equitable Sharing				
<i>Contingency</i>	104,407	104,407	-	104,407
Total DOJ Equitable Sharing	104,407	104,407	-	104,407
Total Public Safety	104,407	104,407	-	104,407
Total Expenditures	104,407	104,407	-	104,407
Net Change in Fund Balance	(104,407)	(104,407)	171,843	276,250
Fund Balance - Beginning	105,789	105,789	105,789	-
Fund Balance - Ending	\$ 1,382	\$ 1,382	\$ 277,632	\$ 276,250

**Debt Service Fund**

**WALKER COUNTY, TEXAS****EXHIBIT C-28****DEBT SERVICE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Ad Valorem Taxes:				
<i>Current Taxes</i>	\$ 1,166,555	\$ 1,166,555	\$ 1,316,620	\$ 150,065
<i>Delinquent Taxes</i>	25,000	25,000	23,931	(1,069)
Total Ad Valorem Taxes	<u>1,191,555</u>	<u>1,191,555</u>	<u>1,340,551</u>	<u>148,996</u>
 <i>Penalty and Interest</i>	 10,000	 10,000	 17,531	 7,531
 <i>Interest Income</i>	 300	 300	 336	 36
 Total Revenues	 <u>1,201,855</u>	 <u>1,201,855</u>	 <u>1,358,418</u>	 <u>156,563</u>
 <b>EXPENDITURES:</b>				
Debt Service:				
<i>Principal Retirement</i>	815,000	815,000	815,000	-
<i>Interest and Fiscal Charges</i>	<u>560,668</u>	<u>560,668</u>	<u>560,667</u>	<u>1</u>
Total Debt Service	<u>1,375,668</u>	<u>1,375,668</u>	<u>1,375,667</u>	<u>1</u>
 Total Expenditures	 <u>1,375,668</u>	 <u>1,375,668</u>	 <u>1,375,667</u>	 <u>1</u>
 Net Change in Fund Balance	 (173,813)	 (173,813)	 (17,249)	 156,564
 Fund Balance - Beginning	 176,508	 176,508	 176,508	 -
Fund Balance - Ending	<u>\$ 2,695</u>	<u>\$ 2,695</u>	<u>\$ 159,259</u>	<u>\$ 156,564</u>

## **Projects Fund**

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

JAIL CONSTRUCTION FUND

CAPITAL PROJECTS FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Interest Income</i>	\$ -	\$ -	\$ 412	\$ 412
Total Revenues	-	-	412	412
<b>EXPENDITURES:</b>				
Correction and Rehabilitation:				
Jail Project:				
<i>Capital Expenditures</i>	-	975,602	346,922	628,680
Total Jail Project	-	975,602	346,922	628,680
Total Correction and Rehabilitation	-	975,602	346,922	628,680
Total Expenditures	-	975,602	346,922	628,680
Net Change in Fund Balance	-	(975,602)	(346,510)	629,092
Fund Balance - Beginning	975,602	975,602	975,602	-
Fund Balance - Ending	\$ 975,602	\$ -	\$ 629,092	\$ 629,092

## **Fiduciary Funds**

**WALKER COUNTY, TEXAS****EXHIBIT C-30****COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS****SEPTEMBER 30, 2015**

	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)
<b>ASSETS:</b>						
<i>Cash and Cash Equivalents</i>	\$ 2,944,426	\$ 330,200	\$ 38,584	\$ 303,973	\$ 32,209	\$ 3,649,392
<i>Accounts Receivable, Net</i>	-	-	248	-	-	248
<i>Due from Other Governments</i>	-	-	-	2,676	-	2,676
Total Assets	<u>\$ 2,944,426</u>	<u>\$ 330,200</u>	<u>\$ 38,832</u>	<u>\$ 306,649</u>	<u>\$ 32,209</u>	<u>\$ 3,652,316</u>
<b>LIABILITIES:</b>						
<i>Accounts Payable</i>	\$ -	\$ 6,617	\$ 612	\$ 6,451	\$ -	\$ 13,680
<i>Due to Other Governments</i>	1,352,156	323,583	-	-	32,209	1,707,948
<i>Due to Others</i>	1,592,270	-	38,220	283,943	-	1,914,433
<i>Accrued Liabilities</i>	-	-	-	16,255	-	16,255
Total Liabilities	<u>\$ 2,944,426</u>	<u>\$ 330,200</u>	<u>\$ 38,832</u>	<u>\$ 306,649</u>	<u>\$ 32,209</u>	<u>\$ 3,652,316</u>

**WALKER COUNTY, TEXAS****EXHIBIT C-31****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES****ALL AGENCY FUNDS****FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
<b><u>COUNTY OFFICIALS TRUST AND</u></b>				
<b><u>AGENCY FUNDS:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 3,055,304	\$ 1,760,722	\$ 1,871,600	\$ 2,944,426
Total Assets	\$ 3,055,304	\$ 1,760,722	\$ 1,871,600	\$ 2,944,426
<b>Liabilities:</b>				
Due to Other Governments	\$ 1,374,143	\$ 906,593	\$ 928,580	\$ 1,352,156
Due to Others	1,681,161	513,924	602,815	1,592,270
Total Liabilities	\$ 3,055,304	\$ 1,420,517	\$ 1,531,395	\$ 2,944,426
<b><u>WALKER COUNTY PUBLIC SAFETY</u></b>				
<b><u>COMMUNICATIONS CENTER:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 263,116	\$ 955,757	\$ 888,673	\$ 330,200
Accounts Receivable, Net	1,327	11,813	13,140	-
Due from Other Governments	5,585	-	5,585	-
Total Assets	\$ 270,028	\$ 967,570	\$ 907,398	\$ 330,200
<b>Liabilities:</b>				
Accounts Payable	\$ 406	\$ 146,050	\$ 139,839	\$ 6,617
Due to Other Governments	269,622	3,634,069	3,580,108	323,583
Total Liabilities	\$ 270,028	\$ 3,780,119	\$ 3,719,947	\$ 330,200
<b><u>SHERIFF COMMISSARY FUND:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 28,077	\$ 60,011	\$ 49,504	\$ 38,584
Accounts Receivable, Net	-	248	-	248
Total Assets	\$ 28,077	\$ 60,259	\$ 49,504	\$ 38,832
<b>Liabilities:</b>				
Accounts Payable	\$ 214	\$ 22,611	\$ 22,213	\$ 612
Due to Others	27,863	78,856	68,499	38,220
Total Liabilities	\$ 28,077	\$ 101,467	\$ 90,712	\$ 38,832
<b><u>ADULT PROBATION:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 315,899	\$ 1,902,400	\$ 1,914,326	\$ 303,973
Due from Other Governments	-	2,945	269	2,676
Total Assets	\$ 315,899	\$ 1,905,345	\$ 1,914,595	\$ 306,649
<b>Liabilities:</b>				
Accounts Payable	\$ 9,361	\$ 159,623	\$ 162,533	\$ 6,451
Due to Others	306,538	5,852,805	5,875,400	283,943
Accrued Liabilities	-	21,224	4,969	16,255
Total Liabilities	\$ 315,899	\$ 6,033,652	\$ 6,042,902	\$ 306,649
<b><u>AGENCY FUND - LOOSE TRAINING FUND</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 25,626	\$ 9,449	\$ 2,866	\$ 32,209
Total Assets	\$ 25,626	\$ 9,449	\$ 2,866	\$ 32,209
<b>Liabilities:</b>				
Accounts Payable	\$ 281	\$ 2,585	\$ 2,866	\$ -
Due to Other Governments	25,345	9,673	2,809	32,209
Total Liabilities	\$ 25,626	\$ 12,258	\$ 5,675	\$ 32,209
<b><u>TOTAL AGENCY FUNDS:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 3,688,022	\$ 4,688,339	\$ 4,726,969	\$ 3,649,392
Accounts Receivable, Net	1,327	12,061	13,140	248
Due from Other Governments	5,585	2,945	5,854	2,676
Total Assets	\$ 3,694,934	\$ 4,703,345	\$ 4,745,963	\$ 3,652,316
<b>Liabilities:</b>				
Accounts Payable	\$ 10,262	\$ 330,869	\$ 327,451	\$ 13,680
Accrued Liabilities	-	21,224	4,969	16,255
Due to Others	2,015,562	6,445,585	6,546,714	1,914,433
Due to Other Governments	1,669,110	4,550,335	4,511,497	1,707,948
Total Liabilities	\$ 3,694,934	\$ 11,348,013	\$ 11,390,631	\$ 3,652,316



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**WALKER COUNTY, TEXAS****EXHIBIT C-32****COMPARATIVE SCHEDULES BY SOURCE OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Capital Assets:		
Land	\$ 680,552	\$ 680,552
Vehicles	5,173,017	4,841,044
Office Furniture and Fixtures	1,748,686	1,648,362
Machinery and Equipment	7,282,938	5,899,683
Buildings and Facilities	35,175,188	35,151,023
Improvements	<u>4,428,002</u>	<u>4,406,024</u>
Total Capital Assets	<u>\$ 54,488,383</u>	<u>\$ 52,626,688</u>
Investment in Capital Assets by Source:		
General Fund	\$ 7,172,335	\$ 7,170,112
Special Revenue Funds	45,347,722	43,488,250
Capital Projects Funds	<u>1,968,326</u>	<u>1,968,326</u>
Total Investment in Capital Assets	<u>\$ 54,488,383</u>	<u>\$ 52,626,688</u>

# WALKER COUNTY, TEXAS

# EXHIBIT C-33

## SCHEDULE OF DEPRECIATION EXPENSE BY FUNCTION AND ACTIVITY OF CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS SEPTEMBER 30, 2015

Function and Activity	Buildings and Facilities	Improvements	Office Furniture and Fixtures	Vehicles	Machinery and Equipment	Total
<b>General Government:</b>						
County Judge	\$ -	\$ -	\$ -	\$ 4,505	\$ -	\$ 4,505
IT Operations - County Judge	-	3,435	25,456	-	-	28,891
Commissioner's Court	-	-	1,901	-	-	1,901
County Clerk	-	-	7,470	-	-	7,470
Voter Registration	-	-	2,000	-	-	2,000
Elections	974	-	-	-	-	974
County Facilities	644	102,947	-	13,232	25,667	142,490
Courthouse Annex II-University Ave.	4,308	4,659	-	-	-	8,967
Annex II	75,125	-	-	-	20,479	95,604
H.E.A.R.T.S. Complex	98,131	-	-	-	285	98,416
Annex Hwy 75 North	-	1,623	-	-	-	1,623
Non-Department/Centralized Cost	-	-	108,858	-	-	108,858
Total General Government	179,182	112,664	145,685	17,737	46,431	501,699
<b>Financial:</b>						
County Auditor	-	-	49,028	-	-	49,028
County Treasurer	-	-	2,210	-	-	2,210
Total Financial	-	-	51,238	-	-	51,238
<b>Judicial:</b>						
County Court at Law	-	-	529	-	788	1,317
278th Judicial District Court	-	-	1,142	-	-	1,142
District Clerk	-	-	4,214	7,625	-	11,839
Criminal District Attorney	-	30,543	2,446	-	-	32,989
Justice of the Peace-Precinct 3	1,036	2,546	-	-	-	3,582
Justice of the Peace-Precinct 4	2,673	-	619	-	-	3,292
SPU Criminal	-	-	2,193	15,204	-	17,397
SPU Civil Division	-	-	5,960	-	-	5,960
SPU Juvenile Division	-	-	-	7,691	-	7,691
Juvenile Title IV-E	-	-	1,268	-	-	1,268
Total Judicial	3,709	33,089	18,371	30,520	788	86,477
<b>Public Safety:</b>						
Sheriff's Office	108,041	-	1,783	164,935	15,196	289,955
Constable-Precinct 1	-	-	-	6,605	-	6,605
Constable-Precinct 2	-	-	-	6,569	-	6,569
Constable-Precinct 3	-	-	-	7,233	1,799	9,032
Constable-Precinct 4	-	-	-	4,662	1,082	5,744
Weigh Station Utilities Services	5,732	9,848	-	-	937	16,517
Emergency Operations	168,721	-	-	6,425	120,167	295,313
Walker County EMS - Emergency Services	-	-	1,080	98,781	35,041	134,902
CDBG Grant - Fire Protection	-	-	-	-	83,262	83,262
Total Public Safety	282,494	9,848	2,863	295,210	257,484	847,899
<b>Correction and Rehabilitation</b>						
County Jail	902,395	3,578	3,825	20,570	146,747	1,077,115
Probation Support	46,100	-	818	-	-	46,918
Adult Basic Supervision	-	-	-	3,025	-	3,025
Total Correction and Rehabilitation	948,495	3,578	4,643	23,595	146,747	1,127,058
<b>Health and Welfare:</b>						
Planning and Development	-	-	982	19,272	-	20,254
Litter Control General Fund	-	-	-	3,572	1,321	4,893
Total Health and Welfare	-	-	982	22,844	1,321	25,147
<b>Culture and Education:</b>						
Texas AgriLife Extension Service	-	-	-	-	1,621	1,621
Total Culture and Education	-	-	-	-	1,621	1,621
<b>Public Transportation:</b>						
General	-	-	-	-	6,971	6,971
Precinct 1	-	20,543	-	2,111	54,323	76,977
Precinct 2	433	2,493	-	12,116	45,086	60,128
Precinct 3	-	8,381	-	2,111	18,795	29,287
Precinct 4	12,471	28,219	-	4,686	24,944	70,320
Total Public Transportation	12,904	59,636	-	21,024	150,119	243,683
<b>Total Capital Assets</b>	<b>\$ 1,426,784</b>	<b>\$ 218,815</b>	<b>\$ 223,782</b>	<b>\$ 410,930</b>	<b>\$ 604,511</b>	<b>\$ 2,884,822</b>

**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, 2015**

Function and Activity	Capital Assets October 1, 2014	Additions	Transfers, Adjustments, and Disposition	Capital Assets September 30, 2015
<b>General Government:</b>				
County Judge	\$ 22,734	\$ -	\$ (9,503)	\$ 13,231
IT Operations - County Judge	642,565	51,087	-	693,652
Commissioner's Court	6,952	-	2,551	9,503
County Clerk	50,105	-	-	50,105
Voter Registration	9,998	-	-	9,998
Elections	138,204	-	-	138,204
County Facilities	4,173,280	9,175	-	4,182,455
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
Non-Departmental/Centralized Cost	441,712	-	-	441,712
Total General Government	9,969,312	60,262	(6,952)	10,022,622
<b>Financial:</b>				
County Auditor	253,221	-	(8,080)	245,141
County Treasurer	11,049	-	-	11,049
Total Financial	264,270	-	(8,080)	256,190
<b>Judicial:</b>				
12th Judicial District	10,956	-	(5,244)	5,712
278th Judicial District	-	-	5,244	5,244
County Court at Law	-	13,168	-	13,168
Criminal District Attorney	408,893	53,710	20,620	483,223
Justice of the Peace-Precinct 2	104,357	-	-	104,357
Justice of the Peace-Precinct 3	113,017	-	-	113,017
Justice of the Peace-Precinct 4	81,409	6,192	-	87,601
SPU Criminal	80,721	-	76,024	156,745
SPU State General Allocation	-	-	(76,024)	-
SPU Civil Division	100,694	-	-	100,694
SPU Juvenile Division	85,956	-	-	85,956
SPU Support	15,740	-	-	15,740
Juvenile Title IV-E	5,789	-	-	5,789
District Court Records Preservation	21,069	-	-	21,069
County Jail	20,620	-	(20,620)	-
Total Judicial	1,125,245	73,070	-	1,198,315
<b>Public Safety:</b>				
Sheriff's Office	3,280,512	245,770	(25,689)	3,500,593
Constable-Precinct 1	45,025	-	-	45,025
Constable-Precinct 2	32,845	-	-	32,845
Constable-Precinct 3	78,130	-	-	78,130
Constable-Precinct 4	54,831	48,115	-	102,946
Department of Public Safety	14,226	-	-	14,226
Weigh Station	400,893	-	-	400,893
Emergency Management	4,085,890	-	-	4,085,890
CDBG Grant - Radios	-	832,621	-	832,621
EMS	1,407,861	125,004	-	1,532,865
Total Public Safety	9,400,213	1,251,510	(25,689)	10,626,034
<b>Correction and Rehabilitation:</b>				
County Jail	24,150,897	322,757	-	24,473,654
Probation Support	922,008	8,182	-	930,190
Adult Probation	61,112	12,100	-	73,212
Total Correction and Rehabilitation	25,134,017	343,039	-	25,477,056
<b>Health and Welfare:</b>				
Utility Department	139,847	9,821	-	149,668
Litter Control General Fund	34,200	35,722	-	69,922
Total Health and Welfare	174,047	45,543	-	219,590
<b>Culture and Education:</b>				
TexasAgriLife Extension Service	8,104	-	-	8,104
Total Cultrue and Education	8,104	-	-	8,104
<b>Public Transportation:</b>				
General	802,858	-	-	802,858
Precinct 1	1,520,996	-	(24,125)	1,496,871
Precinct 2	1,132,803	91,139	-	1,223,942
Precinct 3	1,471,483	-	-	1,471,483
Precinct 4	1,623,340	61,978	-	1,685,318
Total Public Transportation	6,551,480	153,117	(24,125)	6,680,472
<b>Total Capital Assets</b>	<b>\$ 52,626,688</b>	<b>\$ 1,926,541</b>	<b>\$ (64,846)</b>	<b>\$ 54,488,383</b>

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## 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.

<b>Contents</b>	<b>Page</b>
Financial Trends	129
<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	135
<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	140
<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	143
<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	144
<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.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 7,290,739	\$ 8,418,965	\$ 11,143,016	\$ 13,024,741	\$ 12,704,554	\$ 13,032,866	\$ 12,439,349	\$ 12,086,797	\$ 11,004,750	\$ 10,521,448
Restricted	1,624,434	893,725	3,414,486	1,232,050	1,336,137	83,707	-	116,489	83,580	1,584,821
Unrestricted	8,998,584	11,014,631	9,864,761	7,784,884	7,364,026	7,234,637	5,270,066	4,122,953	5,487,590	(5,497,318)
Total governmental activities net position	\$ 17,913,757	\$ 20,327,321	\$ 24,422,263	\$ 22,041,675	\$ 21,404,717	\$ 20,351,210	\$ 17,709,415	\$ 16,326,239	\$ 16,575,920	\$ 6,608,951
<b>Primary government</b>										
Net investment in capital assets	\$ 7,290,739	\$ 8,418,965	\$ 11,143,016	\$ 13,024,741	\$ 12,704,554	\$ 13,032,866	\$ 12,439,349	\$ 12,086,797	\$ 11,004,750	\$ 10,521,448
Restricted	1,624,434	893,725	3,414,486	1,232,050	1,336,137	83,707	-	116,489	83,580	1,584,821
Unrestricted	8,998,584	11,014,631	9,864,761	7,784,884	7,364,026	7,234,637	5,270,066	4,122,953	5,487,590	(5,497,318)
Total primary government net position	\$ 17,913,757	\$ 20,327,321	\$ 24,422,263	\$ 22,041,675	\$ 21,404,717	\$ 20,351,210	\$ 17,709,415	\$ 16,326,239	\$ 16,575,920	\$ 6,608,951



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

**TABLE E-2**

<b>Expenses</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Governmental Activities:										
General Government	\$ 2,338,585	\$ 2,196,767	\$ 2,284,682	\$ 3,000,402	\$ 3,759,057	\$ 3,495,070	\$ 4,863,509	\$ 6,320,712	\$ 5,046,049	\$ 5,034,941
Financial	1,614,681	1,612,653	2,065,268	2,186,499	1,951,551	2,344,939	1,496,460	1,057,993	2,010,372	2,228,163
Judicial	5,317,466	5,698,418	7,613,070	8,457,490	9,071,422	9,150,956	8,912,108	8,780,081	9,289,170	9,785,092
Public Safety	9,086,967	9,569,292	10,290,778	10,775,866	10,617,796	10,244,585	7,622,032	7,749,329	8,034,882	7,358,381
Correction and Rehabilitation	-	-	-	-	-	-	1,940,555	2,397,990	3,240,101	3,809,298
Health and Welfare	514,364	515,571	573,404	603,749	666,885	1,151,364	580,721	620,634	687,926	1,101,500
Culture and Education	-	-	-	-	-	-	184,623	279,181	246,614	267,349
Public Transportation	3,814,065	4,097,826	4,632,488	4,596,948	4,744,706	5,018,699	5,347,720	4,921,612	4,559,913	5,255,590
Intergovernmental Expenditure	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	145,280	116,254	101,016	85,581	62,340	38,128	11,750	672,971	637,620	551,478
Total Governmental Activities	\$ 22,831,408	\$ 23,806,781	\$ 27,560,706	\$ 29,706,535	\$ 30,873,757	\$ 31,443,741	\$ 30,959,478	\$ 32,800,503	\$ 33,752,647	\$ 35,391,792
Total primary government	\$ 22,831,408	\$ 23,806,781	\$ 27,560,706	\$ 29,706,535	\$ 30,873,757	\$ 31,443,741	\$ 30,959,478	\$ 32,800,503	\$ 33,752,647	\$ 35,391,792
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	\$ 261,883	\$ 494,850	\$ 878,401	\$ 930,385	\$ 829,984	\$ 412,098	\$ 859,145	\$ 5,438,239	\$ 842,054	\$ 745,490
Financial	627,417	667,264	305,531	330,732	330,896	834,039	450,135	503,007	544,054	668,773
Judicial	819,936	801,510	610,773	650,617	681,587	805,272	658,268	530,432	769,676	646,069
Public Safety	3,317,369	3,195,179	3,063,739	3,351,915	3,543,133	3,274,199	2,525,266	253,021	2,810,452	3,089,754
Correction and Rehabilitation	-	-	-	-	-	-	172,042	160,918	199,606	195,042
Health and Welfare	109,974	139,150	97,707	88,115	110,969	112,731	170,754	109,604	162,037	197,043
Culture and Education	-	-	-	-	-	-	8,369	-	-	-
Public Transportation	1,659,932	1,778,231	1,402,777	2,285,532	2,129,055	2,184,655	2,009,110	83,040	2,040,526	1,823,854
Operating grants and contributions	4,134,299	4,797,661	6,310,443	6,903,805	7,488,881	7,690,227	5,823,400	6,363,325	6,284,264	6,840,859
Capital grants and contributions	227,734	-	4,773,084	54,254	-	-	-	-	40,301	393,558
Total Governmental Activities	\$ 11,158,544	\$ 11,873,845	\$ 17,442,455	\$ 14,595,355	\$ 15,114,505	\$ 15,313,221	\$ 12,676,489	\$ 13,441,586	\$ 13,692,970	\$ 14,600,442
Total primary government	\$ 11,158,544	\$ 11,873,845	\$ 17,442,455	\$ 14,595,355	\$ 15,114,505	\$ 15,313,221	\$ 12,676,489	\$ 13,441,586	\$ 13,692,970	\$ 14,600,442
Net (expense)/revenue	\$ (11,672,864)	\$ (11,932,936)	\$ (10,118,251)	\$ (15,111,180)	\$ (15,759,252)	\$ (16,130,520)	\$ (18,282,989)	\$ (19,358,917)	\$ (20,059,677)	\$ (20,791,350)
Governmental activities	\$ (11,672,864)	\$ (11,932,936)	\$ (10,118,251)	\$ (15,111,180)	\$ (15,759,252)	\$ (16,130,520)	\$ (18,282,989)	\$ (19,358,917)	\$ (20,059,677)	\$ (20,791,350)
Total primary government net expense	\$ (11,672,864)	\$ (11,932,936)	\$ (10,118,251)	\$ (15,111,180)	\$ (15,759,252)	\$ (16,130,520)	\$ (18,282,989)	\$ (19,358,917)	\$ (20,059,677)	\$ (20,791,350)

TABLE E-2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 10,146,889	\$ 10,469,685	\$ 10,460,117	\$ 11,522,727	\$ 12,625,076	\$ 12,842,095	\$ 13,019,116	\$ 15,468,449	\$ 16,804,691	\$ 17,294,805
Sales taxes	2,068,095	2,197,937	2,260,752	2,423,490	2,343,620	2,442,426	2,488,739	2,696,082	3,114,639	3,293,984
Other taxes	14,280	14,527	14,326	24,399	21,982	25,190	26,669	367,715	20,494	28,452
Vehicle Registration	979,757	992,143	970,798	-	-	-	-	-	-	-
Alcoholic beverage taxes	70,246	77,238	69,668	89,173	92,676	137,417	92,974	70,775	113,186	123,386
Investment earnings	461,856	594,969	437,532	152,407	38,938	15,303	13,696	35,570	17,952	24,256
Transfers	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	238,396	283,576
Total governmental activities	\$ 13,741,123	\$ 14,346,499	\$ 14,213,193	\$ 14,212,196	\$ 15,122,292	\$ 15,462,431	\$ 15,641,194	\$ 18,638,591	\$ 20,309,358	\$ 21,048,459
Total primary government	\$ 13,741,123	\$ 14,346,499	\$ 14,213,193	\$ 14,212,196	\$ 15,122,292	\$ 15,462,431	\$ 15,641,194	\$ 18,638,591	\$ 20,309,358	\$ 21,048,459
<b>Change in Net Position</b>										
Governmental activities	\$ 2,068,259	\$ 2,413,563	\$ 4,094,942	\$ (898,984)	\$ (636,960)	\$ (668,089)	\$ (2,641,795)	\$ (720,326)	\$ 249,681	\$ 257,109
Adjustment-Implementation GASB 68 & 71	-	-	-	-	-	-	-	-	-	(10,224,078)
for Pensions	(116,092)	126,155	-	-	-	-	-	-	-	-
Prior Period Adjustment (EMS Receivables)	\$ 1,952,167	\$ 2,539,718	\$ 4,094,942	\$ (898,984)	\$ (636,960)	\$ (668,089)	\$ (2,641,795)	\$ (720,326)	\$ 249,681	\$ (9,966,969)
Total primary government	\$ 1,952,167	\$ 2,539,718	\$ 4,094,942	\$ (898,984)	\$ (636,960)	\$ (668,089)	\$ (2,641,795)	\$ (720,326)	\$ 249,681	\$ (9,966,969)

Note: Two functional categories were 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)**

Fiscal Year	Property Tax	Sales Tax	Other Taxes	Alcoholic Beverage Tax	Total
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	15,468,449	2,696,082	367,715	70,775	18,603,021
2014	16,804,691	3,114,639	20,494	113,186	20,053,010
2015	17,294,805	3,293,984	28,452	123,386	20,740,627

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

**TABLE E-4**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1)										
General Fund										
Nonspendable - Prepaid Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,383	\$ 34,434	\$ 33,227	\$ 30,081	\$ 35,538
Committed for Projects	-	-	-	-	-	1,362,950	721,980	862,695	1,054,938	1,499,348
Assigned - One Time Allocation	-	-	-	-	-	1,076,540	1,433,682	1,231,385	1,580,532	1,747,376
Unassigned	-	-	-	-	-	4,040,071	3,327,237	3,887,335	5,006,369	5,516,930
Unreserved	4,693,770	5,162,815	5,082,124	5,586,097	5,636,281	-	-	-	-	-
Total General Fund	\$ 4,693,770	\$ 5,162,815	\$ 5,082,124	\$ 5,586,097	\$ 5,636,281	\$ 6,512,944	\$ 5,517,333	\$ 6,014,642	\$ 7,671,920	\$ 8,799,192
All other governmental funds										
Reserved	\$ 644,738	\$ 816,931	\$ 3,348,611	\$ 1,179,475	\$ 1,288,853	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted - Debt Service	-	-	-	-	-	97,168	9	141,977	176,508	159,259
Restricted - Grants or by Legislation	-	-	-	-	-	686,705	783,523	819,058	1,054,960	1,412,114
Restricted - Capital Projects	-	-	-	-	-	-	18,888,014	6,368,829	975,602	629,092
Committed for Public Transportation	-	-	-	-	-	954,656	1,208,584	1,008,717	1,391,850	1,964,019
Committed for Public Safety	-	-	-	-	-	637,029	402,593	547,155	1,125,825	1,518,682
Unassigned	-	-	-	-	-	376,094	-	-	-	-
Unreserved, reported in:										
Special revenue funds	3,665,474	4,871,812	4,133,784	2,371,763	2,631,726	-	-	-	-	-
Total all other governmental funds	\$ 4,310,212	\$ 5,688,743	\$ 7,482,395	\$ 3,551,238	\$ 3,920,579	\$ 2,751,652	\$ 21,282,723	\$ 8,885,736	\$ 4,724,745	\$ 5,683,166

Notes

1) In Fiscal Year ending September 30, 2011, GASB 54 was implemented. New classification of Fund Balances. See Note J, page 48.

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

**TABLE E-5**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>										
Property Taxes	\$ 17,181,150	\$ 16,774,474	\$ 15,003,377	\$ 12,895,031	\$ 12,759,820	\$ 12,568,933	\$ 11,510,947	\$ 10,700,202	\$ 10,329,957	\$ 10,035,873
Other Taxes	3,445,822	3,248,319	3,134,572	2,608,382	2,605,032	2,458,278	2,537,062	2,344,746	3,281,845	3,132,378
Licenses and Permits	224,649	161,392	133,457	105,837	112,025	96,904	84,288	97,664	76,639	71,525
Intergovernmental	8,492,303	6,340,871	6,480,749	6,072,422	7,730,809	7,419,809	7,601,448	10,955,219	4,838,025	4,390,433
Charges for Services	5,611,276	5,610,425	5,026,172	5,178,624	5,741,943	5,899,127	5,716,805	5,486,902	4,618,519	4,594,614
Fines	1,414,356	1,530,692	1,561,876	1,178,873	1,451,893	1,315,714	1,413,686	1,510,048	1,856,488	1,635,806
Investment Earnings	24,257	17,952	35,570	22,838	15,303	38,938	152,407	437,532	594,969	461,856
Other	364,409	399,198	297,423	224,846	298,440	403,525	452,249	418,255	503,441	374,180
Total revenues	\$ 36,758,222	\$ 34,083,323	\$ 31,673,196	\$ 28,286,853	\$ 30,715,265	\$ 30,201,228	\$ 29,468,892	\$ 31,950,568	\$ 26,099,883	\$ 24,696,665
<b>Expenditures</b>										
Current:										
General Government	\$ 3,235,748	\$ 2,461,340	\$ 2,881,971	\$ 2,822,719	\$ 1,908,570	\$ 1,874,541	\$ 1,852,065	\$ 1,841,400	\$ 1,407,377	\$ 1,709,624
Financial	2,147,826	1,980,073	1,535,474	1,499,540	2,006,059	1,920,995	1,835,543	1,727,346	1,609,829	1,598,581
Judicial	9,621,632	9,176,097	9,324,929	9,000,862	9,110,130	9,014,958	8,515,885	7,591,874	5,668,645	5,280,421
Public Safety	8,532,630	6,287,674	6,164,325	6,038,477	8,383,465	9,483,904	9,836,567	8,806,703	8,113,094	7,907,717
Corrections and Rehabilitation	2,979,371	2,352,182	2,088,515	2,191,908	-	-	-	-	-	-
Health and Welfare	1,211,316	581,167	593,720	464,466	948,792	554,724	522,896	511,311	459,356	438,663
Culture and Education	264,068	244,993	186,050	184,623	-	-	-	-	-	-
Public Transportation	5,304,471	4,344,487	4,634,876	4,720,409	4,729,129	4,241,268	3,990,104	4,231,038	3,750,869	3,705,404
Intergovernmental/Contractual	-	1,440,990	1,226,231	1,206,060	1,174,386	1,134,146	1,069,738	1,034,739	959,487	937,601
Capital Outlay	-	6,341,365	13,595,819	2,111,121	1,676,803	1,072,856	3,073,396	4,331,888	1,573,733	598,335
Debt service:										
Principal Retirement	815,000	800,000	685,000	628,135	631,672	535,091	619,306	548,379	604,867	842,592
Interest and Fiscal Charges	560,667	576,668	655,964	13,913	53,105	73,065	98,972	95,220	129,033	156,799
Total expenditures	\$ 34,672,529	\$ 36,587,036	\$ 43,572,874	\$ 30,882,233	\$ 30,622,111	\$ 29,905,548	\$ 31,414,472	\$ 30,719,898	\$ 24,276,290	\$ 23,155,737
Excess of revenues over (under) expenditures	\$ 2,085,693	\$ (2,503,713)	\$ (11,899,678)	\$ (2,595,380)	\$ 93,154	\$ 285,680	\$ (1,945,580)	\$ 1,230,670	\$ 1,823,593	\$ 1,540,928
<b>Other financing sources (uses)</b>										
Transfers in	\$ 1,807,837	\$ 2,015,985	\$ 1,578,561	\$ 1,655,069	\$ 1,334,051	\$ 1,644,023	\$ 1,420,689	\$ 1,537,639	\$ 1,635,416	\$ 2,241,215
Transfers out	(1,807,837)	(2,015,985)	(1,578,561)	(1,655,069)	(1,334,051)	(1,644,023)	(1,420,689)	(1,537,639)	(1,635,416)	(880,713)
Issuance of Certificate of Obligation	-	-	-	20,000,000	-	123,843	-	482,311	23,985	35,226
Premium of Issue of Debt	-	-	-	130,840	-	-	-	-	-	-
sources (uses)	\$ -	\$ -	\$ -	\$ 20,130,840	\$ -	\$ 123,843	\$ -	\$ 482,311	\$ 23,985	\$ 1,395,728
Net change in fund balances	\$ 2,085,693	\$ (2,503,713)	\$ (11,899,678)	\$ 17,535,460	\$ 93,154	\$ 419,523	\$ (1,945,580)	\$ 1,712,981	\$ 1,847,578	\$ 2,936,656
Decrease in fund balances EMS	4.13%	4.55%	4.47%	2.24%	2.37%	2.11%	2.53%	2.44%	3.23%	4.43%
Debt service as a percentage of noncapital expenditures										

Note: Two functional categories were 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)**

Fiscal Year	Property Tax(1)	Sales Tax	Other Taxes	Alcoholic Beverage Tax	Total Other Taxes	Total Taxes
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	15,003,377	2,696,082	367,715	70,775	3,134,572	18,137,949
2014	16,774,474	3,114,639	20,494	113,186	3,248,319	20,022,793
2015	17,181,150	3,293,984	28,452	123,386	3,445,822	20,626,972

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 Residential Property	Commercial Property	Agricultural & Open Acreage	Total Real	Personal Property Total	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Direct Tax Rate	Total Value as a Percentage of Actual Value		
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	939,346,329	2,629,961,386	362,013,594	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	1,056,787,654	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	3,040,090,244	410,009,298	984,974,372	2,489,125,168	0.6355	71.48%		
2014	1,412,141,370	725,269,156	1,201,576,526	3,338,987,052	435,062,998	1,204,347,015	2,569,702,635	0.6778	68.09%		
2015	1,457,835,050	780,413,527	1,215,534,628	3,453,783,205	451,754,627	1,208,379,124	2,697,158,708	0.6589	69.06%		
TAXABLE ASSESSED VALUE BY GROUPING LAST NINE FISCAL YEARS											
State/Code	Description	Grouping	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
A	Single Family Residence	residential	\$ 1,214,424,490	\$ 1,171,963,250	\$ 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	Multi-Family Residence	residential	243,410,360	240,178,120	255,472,510	233,675,970	212,421,879	211,171,040	178,653,610	152,900,200	130,909,590
C	Vacant Lot	land	84,045,429	81,439,934	81,787,312	81,750,505	90,377,875	89,540,840	90,455,940	82,584,011	75,908,609
D1	Qualified Ag Land	land	1,116,282,909	1,108,156,711	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	15,206,290	11,979,881	65,901,170	88,151,283	51,886,549	52,847,729	57,630,844	48,068,459	36,991,240
E	Farm or Ranch Improv.	commercial	415,792,778	377,940,875	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	340,586,809	323,489,681	280,310,140	263,245,850	258,115,930	252,701,530	240,568,988	217,270,660	206,279,660
F2	Industrial Real Property	commercial	24,033,940	23,638,600	16,758,400	18,192,520	18,764,790	15,585,940	13,440,310	12,751,870	12,135,710
G1	Oil and Gas	minerals	10,520,067	4,663,359	4,582,581	7,186,881	9,409,435	10,823,964	11,974,918	12,782,580	12,782,580
G3	Minerals-Non Producing	minerals	275,360	275,360	276,680	280,680	280,680	284,060	284,060	284,060	284,060
J1	Water Systems	personal	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
J2	Gas Distribution System	personal	1,686,520	1,531,050	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	41,235,270	38,883,940	39,602,830	53,687,160	33,981,630	32,425,920	31,723,310	30,385,990	27,129,750
J4	Telephone Company	personal	10,158,600	11,128,710	12,680,250	16,647,590	16,686,730	18,138,180	19,376,840	22,366,010	22,336,320
J5	RailRoad	personal	18,452,040	16,640,630	14,891,740	13,876,080	12,053,960	11,209,160	10,442,880	7,763,270	7,426,640
J6	Pipeline Company	personal	34,937,800	26,280,590	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	5,750,570	5,659,900	5,910,520	3,049,230	3,108,650	2,969,880	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	31,800	31,800	212,000
L1	Commercial Personal	personal	123,936,440	118,823,670	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	148,850,040	153,479,910	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	42,782,260	44,088,289	46,904,675	49,752,480	52,040,250	52,533,620	52,684,250	53,670,390	56,412,470
N	Intangible Property	personal	-	-	15,110	9,710	9,710	10,000	10,000	1,869,020	1,888,050
O	Residential Inventory	personal	1,953,840	2,665,130	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	11,180,020	10,926,260	9,891,630	8,766,500	6,935,690	9,400,840	10,653,350	9,607,690	9,446,390
\$			\$ 3,905,537,632	\$ 3,774,049,650	\$ 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)			(1,072,732,022)	(1,061,987,752)	(864,873,036)	(829,768,729)	(753,881,998)	(775,445,300)	(744,534,217)	(649,250,466)	(476,533,360)
Homestead Cap (10% cap on residential homesteads)			(6,116,646)	(4,844,955)	(3,921,326)	(1,967,776)	(7,534,476)	(15,567,539)	(26,567,273)	(37,861,456)	(42,416,412)
Tax Ceiling and Over 65 and disabled exemption			(66,620,346)	(61,894,961)	(59,000,162)	(56,299,468)	(54,192,145)	(46,170,943)	(45,423,831)	(45,555,372)	(44,214,462)
Other Exemptions /Deductions			(62,907,910)	(75,629,347)	(57,171,848)	(57,135,097)	(63,347,006)	(66,137,508)	(36,227,555)	(18,396,425)	(26,623,128)
Total Exemptions			\$ (1,208,379,124)	\$ (1,204,347,015)	\$ (984,974,372)	\$ (955,191,070)	\$ (878,965,625)	\$ (903,321,290)	\$ (852,752,876)	\$ (751,063,719)	\$ (589,767,362)
\$			\$ 2,697,158,708	\$ 2,569,702,635	\$ 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
Taxable Assessed Value			\$ 2,697,158,708	\$ 2,569,702,635	\$ 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			\$ 0.6589	\$ 0.6778	\$ 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)

TABLE E-8

**WALKER COUNTY, TEXAS**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

County:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating	0.6071	0.6209	0.5712	0.5391	0.5485	0.5485	0.5132	0.5136	0.5284	0.5456
Debt Service	0.0518	0.0569	0.0643	0.0145	0.0308	0.0285	0.0318	0.0314	0.0383	0.0541
Total	0.6589	0.6778	0.6355	0.5536	0.5793	0.5770	0.5450	0.5450	0.5667	0.5997
Huntsville ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.3567	1.4850
Debt Service	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1750
Total	1.2100	1.2100	1.2100	1.2100	1.2100	1.2100	1.2100	1.2100	1.5267	1.6600
Richards ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.3700	1.5000
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.3700	1.5000
New Waverly ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0234	0.9734	1.2414	1.4000
Debt Service	0.2000	0.2000	0.2205	0.2205	0.2300	0.2300	0.2300	0.2300	0.2008	0.2008
Total	1.2400	1.2400	1.2605	1.2605	1.2700	1.2700	1.2534	1.2034	1.4422	1.6008
City of Huntsville										
Operating	0.2862	0.2920	0.2639	0.2381	0.2134	0.2249	0.2108	0.2436	0.2381	0.2391
Debt Service	0.1244	0.1286	0.1567	0.1534	0.1873	0.1758	0.1899	0.1699	0.1811	0.1928
Total	0.4106	0.4206	0.4206	0.3915	0.4007	0.4007	0.4007	0.4135	0.4192	0.4319
City of New Waverly										
Operating	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2088	0.2300	0.2409
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2088	0.2300	0.2409
City of Riverside										
Operating	0.1918	0.0817	0.0894	0.0818	0.0551	0.1101	0.0803	0.0836	0.0617	0.0584
Debt Service	0.0000	0.1107	0.1136	0.1270	0.1585	0.0963	0.1537	0.1644	0.1983	0.2245
Total	0.1918	0.1924	0.2030	0.2088	0.2136	0.2064	0.2340	0.2480	0.2600	0.2829
Hospital District										
Operating	0.1537	0.1590	0.1554	0.1568	0.1530	0.1534	0.1537	0.1600	0.1720	0.1825
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	0.1537	0.1590	0.1554	0.1568	0.1530	0.1534	0.1537	0.1600	0.1720	0.1825
Fire District #1										
Operating	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0300
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0300
Fire District #2										
Operating	0.1000	0.1000	0.1000	0.1000	0.1000	0.0300	0.0300	0.0300	0.0300	0.0300
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	0.1000	0.1000	0.1000	0.1000	0.1000	0.0300	0.0300	0.0300	0.0300	0.0300
<b>Totals</b>										
Operating Total	4.5188	4.4336	4.3599	4.2958	4.2500	4.2469	4.1514	4.3530	5.2883	5.7115
Debt Service Total	0.5462	0.6662	0.7251	0.6854	0.7766	0.7066	0.7754	0.7657	0.7885	0.8472
Total	5.0650	5.0998	5.0850	4.9812	5.0266	4.9475	4.9268	5.1187	6.0768	6.5587



TABLE E-9

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

For the Fiscal Year Ending 09/30/15			For the Fiscal Year Ending 09/30/06		
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxpayer
Entergy Texas Inc	\$ 31,840,420	1.24%	\$ 21,730,140	1.31%	Entergy Gulf States, Inc.
Weatherford US LP	23,764,775	0.92%	18,606,950	1.12%	Southwestern Bell Telephone
Diamond URS Huntsville LLC	21,772,510	0.85%	16,271,230	0.98%	Wal-Mart Stores Texas LP #01-0285
University House Huntsville LLC	19,427,270	0.76%	14,597,648	0.88%	Weatherford Completion & Oilfield
Sycamore Ave Associates, LLC A Delaware LLC	18,759,030	0.73%	12,751,470	0.77%	Rll Timberlands 3 LLC
Wal-Mart Stores Texas LLC	18,312,010	0.71%	12,696,070	0.77%	Dominey
Vesper Forum LLC	15,936,020	0.62%	9,443,060	0.57%	Union Pacific RR Co
Union Pacific Railroad Co	15,401,760	0.60%	8,755,090	0.53%	Universal Forest Products
UFP New Waverly LLC	13,711,209	0.53%	8,722,440	0.53%	Arbors of Huntsville
Campus Crest at Huntsville I LP	13,680,740	0.53%	7,238,290	0.44%	Gibbs Brothers & Co
Totals	\$ 192,605,744	7.49%	\$ 130,812,388	7.90%	Totals

Source: Walker County Appraisal District

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

Fiscal Year Ended September 30	(1) Total Tax Levy for Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
		Amount				
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%
2014	16,604,466	16,158,039	97.3%	329,101	16,487,140	99.3%
2015	17,089,010	16,628,914	97.3%	317,282	16,946,196	99.2%

(1) Original Tax Levy

**WALKER COUNTY, TEXAS**  
**RATIOS OF NET LONG-TERM DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Fiscal Year	General		Capital Leases	Less: Amounts Available in Debt Service Fund (1)		Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Percentage Personal Income
	Obligations Bonds			Total					
2006	\$ 2,899,161	\$ 28,736	\$ 2,927,897	\$ 367,383	\$ 2,560,514	0.15%	39.71	0.80%	
2007	2,347,016	-	2,347,016	407,840	1,939,176	0.11%	30.18	1.10%	
2008	2,290,362	-	2,290,362	401,479	1,888,883	0.10%	29.40	1.22%	
2009	1,671,056	-	1,671,056	401,510	1,269,546	0.06%	19.61	n/a	
2010	1,259,808	-	1,259,808	427,477	832,331	0.04%	12.27	n/a	
2011	628,135	-	628,135	473,262	154,873	0.01%	2.28	n/a	
2012	20,124,352	-	20,124,352	32,807	20,091,545	0.82%	293.26	n/a	
2013	19,432,864	-	19,432,864	141,977	19,290,887	0.78%	280.27	n/a	
2014	18,626,376	-	18,626,376	176,508	18,449,868	0.72%	266.48	n/a	
2015	17,700,000	-	17,700,000	159,259	17,540,741	0.65%	251.34	n/a	

(1) These are the resources that are restricted for the principal payments of bonded debt.

**WALKER COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2015**

<u>Governmental Unit</u>	1]	2]	3]
	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Huntsville I.S.D.	\$ 38,568,617	100%	\$ 38,568,617
New Waverly I.S.D.	10,533,840	100%	10,533,840
City of Huntsville	33,300,000	100%	33,300,000
City of New Waverly	200,000	100%	200,000
City of Riverside	-	100%	-
Subtotal Overlapping Debt			<u>\$ 82,602,457</u>
Walker County direct debt			\$ 17,700,000
Total direct and overlapping debt			<u><u>\$ 100,302,457</u></u>

Source. Entities as listed

Notes

1] Debt Outstanding provided by the Taxing Jurisdiction

2] All entities listed above are within the boundaries of Walker County. Thus, 100% of the debt of these governmental units is included in the estimated share of overlapping debt calculation.

3] 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**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit (Taxable Property)	\$ 167,011,388	\$ 182,946,131	\$ 198,394,502	\$ 213,922,206	\$ 221,047,582	\$ 226,458,936	\$ 243,918,940	\$ 246,912,516	\$ 377,401,965	\$ 390,553,783
Total net debt applicable to limit	2,560,514	1,939,176	1,888,883	1,269,546	832,331	154,873	19,967,193	19,173,023	19,173,023	17,540,741
Legal debt margin	\$ 164,450,874	\$ 181,006,955	\$ 196,505,619	\$ 212,652,660	\$ 220,215,251	\$ 226,304,063	\$ 223,951,747	\$ 227,739,493	\$ 358,228,942	\$ 373,013,042
Total net debt applicable to the limit as a percentage of debt limit	1.53%	1.06%	0.95%	0.59%	0.38%	0.07%	8.19%	7.77%	5.08%	4.49%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Assessed Value	\$ 2,697,158,708
Add back: exempt real property	1,208,379,124
Total assessed value	<u>\$ 3,905,537,832</u>
Debt limit (10% of total assessed value)	\$ 390,553,783
Debt applicable to limit:	
General obligation debt	17,700,000
Less: Amount set aside for repayment of general obligation debt	159,259
Total net debt applicable to limit	<u>17,540,741</u>
Legal debt margin	<u>\$ 373,013,042</u>

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

**TABLE E-14**

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(2) Income (amounts expressed in thousands)</b>	<b>(2) Per Capita Personal Income</b>	<b>(3) Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2006	64,480	\$ 1,217,000	\$ 19,223	n/a	7,116	4.9%
2007	64,245	1,304,000	20,374	n/a	7,014	5.0%
2008	64,239	1,367,000	21,385	n/a	6,572	5.8%
2009	64,739	1,547,453	23,130	n/a	7,186	7.8%
2010	67,861	1,569,000	23,503	n/a	7,191	7.2%
2011	67,861	1,722,000	25,267	n/a	7,127	8.7%
2012	68,087	1,796,000	26,297	n/a	7,270	6.5%
2013	68,408	1,886,000	27,543	n/a	7,281	6.6%
2014	68,817	1,931,000	28,055	n/a	6,898	5.1%
2015	69,789	1,781,973	25,534	n/a	7,880	5.0%

- Note 1. Based on information available from Texas State Data and Office of the State Demographer available at [www.txsdcd.utsa.edu](http://www.txsdcd.utsa.edu) for Walker County.
- Note 2. Based on information available from Bureau of Economic Analysis U.S. Dept. of Commerce at [www.bea.gov/regional/bearfacts](http://www.bea.gov/regional/bearfacts) for Walker County.
- Total personal income and per capita income is as of December 31 of each year.
- Note 3. Based on information available at [www.city-data.com](http://www.city-data.com) for Walker County.

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

	2015			2006		
	<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>
<u>Employer</u>						
Texas Department of Criminal Justice	6,049	1	27.39%			
Sam Houston State University	2,183	2	9.89%			
Huntsville Independent School District	880	3	3.99%			
Huntsville Memorial Hospital	475	4	2.15%			
Walker County	405	5	1.83%			Information not available
Wal-Mart	399	6	1.81%			
City of Huntsville	270	7	1.22%			
Region VI Education Service Center	226	8	1.02%			
Universal Forest Products	200	9	0.91%			
Home Health Care of Huntsville/Three Hospice	200	10	0.91%			

Note. Total employees in Walker County in September 2015 was 22,082.  
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

Function	Full-time Equivalent Employees as of September 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating										
General Government										
Elected	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Employees	29.0	27.0	26.0	25.5	15.5	15.5	13.5	13.5	13.5	12.0
Financial										
Elected	2.0	2.0	2.0	2.0	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	21.5	21.0	21.0	21.0	30.0	31.0	31.0	31.0	28.0	27.5
Judicial										
Elected	7.5	7.5	7.5	7.5	9.0	9.0	9.0	9.0	9.0	9.0
Employees	45.5	44.5	43.0	43.0	42.0	41.0	40.0	40.0	40.0	40.0
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	33.0	31.0	30.5	30.0	35.5	35.5	35.5	35.5	35.5	34.5
Employees-Non-Certified	7.5	8.5	8.5	8.0	34.5	34.5	34.5	34.5	34.5	32.0
Employee-Certified/Noncertified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employees - EMS	39.0	39.0	39.0	39.0	33.0	33.0	32.0	32.0	32.0	30.5
Corrections and Rehabilitation										
Employees-Certified	40.5	40.5	33.5	33.5	0.0	0.0	0.0	0.0	0.0	0.0
Employees-Non-Certified	3.5	3.5	3.5	3.5	0.0	0.0	0.0	0.0	0.0	0.0
Health and Welfare										
Employees	7.5	7.5	6.5	6.5	10.5	10.5	10.0	10.0	10.0	9.0
Culture and Education										
Employees	4.0	4.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Transportation										
Elected	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Employees	34.5	34.0	34.0	33.5	32.5	32.5	31.0	31.0	31.0	30.5
Legislatively Designated										
Judicial	0.0	0.0	0.0	0.0	1.0	1.0	1.5	1.5	1.5	1.5
Public Safety	0.0	0.0	0.0	0.0	3.0	2.0	2.0	2.0	1.0	1.0
General Government	0.0	0.0	0.0	0.0	2.0	2.0	3.0	3.0	2.0	1.5
Grants/State Funding										
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	29.0	29.0	32.0	32.0	31.0	32.0
SPU Criminal/Civil/Juvenile	45.0	45.0	45.0	45.0	45.0	48.0	51.4	43.0	32.0	29.0
Total	368.0	363.0	352.0	350.0	343.5	345.5	347.4	339.0	322.0	311.0

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



**WALKER COUNTY, TEXAS**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST NINE FISCAL YEARS**

**TABLE E-17**

<b>Function</b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Sheriff Office/Constables									
Papers Served	1,975	1,647	1,853	1,712	1,773	2,003	1,933	2,034	2,236
Jail									
Bookings at Jail	3,806	3,015	3,918	4,238	4,456	4,089	4,086	4,035	4,227
Average Daily Jail Population	154	147	146	151	151	143	136	143	145
Highest Daily Jail Population	179	196	176	173	175	176	153	173	177
Health and Welfare									
Permits Issued	1,020	861	405	897	899	860	250	273	269
Judicial/Courts									
Number of indigent cases	1,127	1,092	1,277	1,330	1,239	1,361	1,462	1,142	1,064
Number of cases heard-District Courts-Criminal	3,081	2,437	2,253	2,804	2,037	1,968	2,537	1,812	2,250
Number of cases heard-District Courts-Civil	517	489	669	290	521	469	623	346	475
Cases filed District Courts-Civil	500	608	557	513	593	551	598	572	343
Cases disposed -County Court at Law	1,107	1,337	1,403	1,508	1,696	1,833	2,073	1,918	2,315
Cases filed in Court at Law-Criminal	944	893	1,198	1,583	1,555	1,605	1,864	1,745	2,353
Cases filed County Court at Law-Civil	284	282	343	487	478	547	601	706	654
Cases filed in JP Courts-Traffic/Non Traffic Misdemeanors	8,276	9,172	10,899	9,099	12,682	11,732	11,786	11,678	14,933
Cases filed in JP Courts - Civil	801	714	658	718	587	677	657	659	405
Cases Disposed of - JP Courts	8,084	8,864	9,939	8,794	12,805	13,060	12,603	13,110	14,387
County Clerk									
Documents recorded	9,160	10,172	10,079	9,503	9,036	8,400	8,441	8,984	10,430
Adult Probation									
Offenders Supervised	3,258	3,400	3,476	3,415	3,388	3,395	2,409	2,465	2,749
Juvenile Probation									
Juveniles Supervised	67	63	81	90	109	109	111	130	95

Note: In FY2006, Walker County began reporting this information. Reporting if 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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Public Safety:										
Sheriff Office:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	35	35	35	35	35	34	33	33	33	29
Jail:	1	1	1	1	1	1	1	1	1	1
Number of beds (1)	268	268	162	162	162	162	162	162	162	162
Road & Bridge:										
Miles of roads	537	537	537	537	537	552	531	530	530	530
Courts:										
District Courts	2	2	2	2	2	2	2	2	2	2
County Court at Law	1	1	1	1	1	1	1	1	1	1
JP Courts	4	4	4	4	4	4	4	4	4	4

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

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**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

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, 2015, 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 23, 2016.

**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 23, 2016**

# HLSK

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

### **Report on Compliance for Each Major Federal Program**

We have audited Walker County, Texas (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2015. The County's major federal programs are identified in the summary of auditor's 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 federal programs.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the County's major federal 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*. 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 federal program occurred. An audit includes examining, on a test basis, evidence about the County's 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 federal program. However, our audit does not provide a legal determination of the County's compliance.

#### *Opinion on Each Major Federal 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 federal programs for the year ended September 30, 2015.

## Report on Internal Control Over Compliance

Management of the County 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 the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the County's 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 federal 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 federal 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 federal 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. 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 23, 2016**



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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

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

### **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 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, 2015. 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; Texas Uniform Grant Management Standards. Those standards 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, 2015.



## 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 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 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 23, 2016**

**WALKER COUNTY, TEXAS****SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AND STATE PROGRAMS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b>SECTION I – SUMMARY OF AUDITORS’ RESULTS</b>	
<b>FINANCIAL STATEMENTS</b>	
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
<b>FEDERAL AND STATE AWARDS</b>	
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 Section 510(a) of OMB A-133 and Texas Uniform Grant Management Standards?	No
7. Identifications of Major Federal Programs	CDBG 14.228 Emergency Management Assistance
8. Identifications of Major State Programs	State Aid Contract Prosecution of Prison Crimes - Criminal
9. Dollar Threshold used to Distinguish Between Type A and Type B Federal and State Programs	\$300,000
10. Auditee Qualified as a Low-Risk Auditee?	Federal-No      State-Yes
<b>SECTION II – FINANCIAL STATEMENT FINDINGS</b>	
None reported	
<b>SECTION III – STATE AWARD FINDINGS AND QUESTIONED COSTS</b>	
None reported	

**WALKER COUNTY, TEXAS**

*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - STATE PROGRAMS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015*

**PRIOR YEAR FINDINGS**

None reported

**WALKER COUNTY, TEXAS****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015****EXHIBIT D-1**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Expenditures</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<b>Forest Service Schools and Roads Cluster</b>			
<b>Direct Program:</b>			
<i>Schools and Roads - Grants to States (Forest)</i>	10.665	N/A	\$ 26,836
<b>Passed Through State Comptroller of Public Accounts:</b>			
<i>Schools and Roads - Grants to Counties (Minerals)</i>	10.666	-	91,479
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>118,315</b>
<b><u>U.S. DEPARTMENT OF INTERIOR</u></b>			
<i>Payment in Lieu of Taxes (PILT)</i>	15.227	N/A	28,452
<b>TOTAL U.S. DEPARTMENT OF INTERIOR</b>			<b>28,452</b>
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>			
<b>Passed Through General Land Office:</b>			
<i>CDBG Disaster Recovery Round 2.2 Generators</i>	14.228	DRS220196	160,201
<i>CDBG Disaster Recovery Fire Protection</i>	14.228	15-127-000-8837	843,103
<b>Total Passed Through General Land Office</b>			<b>1,003,304</b>
<b>Passed Through Texas Department of Agriculture:</b>			
<i>Community Development Block Grant - Riverside Water Supply</i>	14.228	713499	265,755
<i>Community Development Block Grant - Frisby Landing</i>	14.228	713017	127,803
<b>Total Passed Through the Texas Department of Agriculture</b>			<b>393,558</b>
<b>Total Program 14.228</b>			<b>1,396,862</b>
<b>TOTAL U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			<b>1,396,862</b>
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<b>Passed Through Bureau of Justice Assistance:</b>			
<i>State Criminal Alien Assistance Program (SCAAP)</i>	16.606	2014-AP-BX-0318	5,848
<i>Bulletproof Vest Partnership Grant Program</i>	16.607	-	1,435
<b>Total Passed Through Bureau of Justice Assistance</b>			<b>7,283</b>
<b>Passed Through City of Huntsville:</b>			
<i>2014 Justice Assistance Grant Program (JAG)</i>	16.738	2014-DJ-BX-1132	7,573
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>14,856</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<b>Passed Through Texas Juvenile Probation Commission:</b>			
<i>Title IV-E Federal Foster Care</i>	93.658	-	1,111
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>1,111</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
<b>Passed Through State Division of Emergency Management:</b>			
<i>Homeland Security Grant (2014 SHSP)</i>	97.067	EMW-2014-SS-00029	115,983
<i>Emergency Management Assistance (EMPG)</i>	97.042	15TX-EMPG-0483	56,217
<i>Emergency Management Assistance</i>	97.036	4223-DR-TX	859,569
<b>Total Passed Through the State Division of Emergency Management</b>			<b>1,031,769</b>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<b>1,031,769</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 2,591,365</b>

The accompanying notes are an integral part of this schedule.

**WALKER COUNTY, TEXAS**
**SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**
**EXHIBIT D-2**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Expenditures</b>	<b>Pass-Through Amount to Subrecipients</b>
<b>STATE AWARDS</b>				
<b>Passed Through Office of Court Administration:</b>				
<i>Task Force on Indigent Defense</i>		212-15-236	\$ 61,976	\$ -
<b>Passed Through Juvenile Probation Commission:</b>				
<i>State Aid Contract</i>		A-2015-236	338,792	-
<i>Commitment Reduction</i>		C-2015-236	44,764	-
<i>Mental Health Services</i>		N-2015-236	34,955	-
<i>Community Programs</i>		A-2016-236	3,680	-
<b>Total Passed Through Juvenile Probation Commission</b>			<b>422,191</b>	<b>-</b>
<b>Passed Through Office of Governor:</b>				
<i>Prosecution of Prison Crimes - Criminal</i>		SF-11-A10-14918-15	1,402,729	-
<b>Passed Through Office of State Comptroller:</b>				
<i>Judiciary Apportionment - CDA</i>		N/A	22,450	-
<b>Passed Through Texas Department of State Health Services:</b>				
<i>EMS - Local Project (DSHS - Equipment)</i>		2015-047732	25,000	-
<i>AgriLife Extension- Preventative Hospitalization</i>		2014-001129	63,605	-
<b>Total Passed Through Texas Department of State Health Services</b>			<b>88,605</b>	<b>-</b>
<b>Passed Through Office of Attorney General:</b>				
<i>Statewide Victim Information and Notification Everyday System</i>		1555655	16,500	-
<b>Passed Through Southeast Texas Trauma Regional Advisory Council:</b>				
<i>EMS Trauma Care System</i>		N/A	9,428	-
<b>Passed Through Mental Health Services:</b>				
<i>Regional Juvenile Mental Health Services</i>		26067-03	7,715	-
<b>Passed Through Commission on Environmental Quality:</b>				
<i>LEAF-PRO Environmental Program</i>		15-16-G12	21,290	-
<i>Enhance Local Enforcement Program</i>		14-16-G10	19,452	-
<i>Litter Abatement Program Vehicle</i>		15-16-G06	34,051	-
<b>Total Passed Through Commission on Environmental Quality</b>			<b>74,793</b>	<b>-</b>
<b>Passed Through Montgomery County:</b>				
<i>Texas Department of Motor Vehicles</i>		608-16-1700000	2,462	-
<b>Passed Through Office of the Secretary of State:</b>				
<i>Chapter 19 Voter Funds</i>		N/A	150	-
<b>Passed Through Texas Department of Transportation:</b>				
<i>County Transportation Infrastructure Fund Grant Program</i>		N/A	66,430	-
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b>2,175,429</b>	<b>-</b>

The accompanying notes are an integral part of this schedule.

**WALKER COUNTY, TEXAS****EXHIBIT D-2****SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Expenditures</b>	<b>Pass-Through Amount to Subrecipients</b>
<b>STATE ALLOCATIONS</b>				
<i>SPU - State Allocation</i>		08-A10-14918-15	\$ 229,456	\$ -
<i>SPU - Civil</i>		08-A10-14918-15	2,287,272	-
<i>SPU - Longevity Pay - Criminal</i>		08-A10-14918-15	30,715	-
<i>SPU - Juvenile</i>		08-A10-14918-15	721,111	-
<i>SPU - Longevity Pay - Juvenile</i>		08-A10-14918-15	2,705	-
<i>Constitutional Judge Salary Supplement</i>		SB 600	17,421	-
<i>CCL Judge Supplement</i>		SB 600	84,000	-
<i>State Prosecutor Salary Supplement</i>		HB 9	365	-
<i>Juror Pay</i>		SB 1704	14,688	-
<i>State Longevity Pay</i>		SB 844	7,130	-
<i>Road &amp; Bridge - Lateral Road Allocation</i>		Tax Code-Chap 162	101,161	-
<i>Rider 78 and Rider 81 - Supplement for District Clerk</i>		HB 1	13,000	-
<b>TOTAL STATE ALLOCATIONS</b>			<b>3,509,024</b>	<b>-</b>
<b>STATE REIMBURSEMENTS</b>				
<i>State Funds - Capital Murder</i>		N/A	14,854	-
<b>TOTAL STATE REIMBURSEMENTS</b>			<b>14,854</b>	<b>-</b>
<b>TOTAL STATE AWARDS, ALLOCATIONS, AND REIMBURSEMENTS</b>			<b>\$ 5,699,307</b>	<b>\$ -</b>

The accompanying notes are an integral part of this schedule.

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## **WALKER COUNTY, TEXAS**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2015**

#### **Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards includes the federal and 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 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.



