

**WALKER COUNTY, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Prepared by:  
County Auditor Department



# WALKER COUNTY, TEXAS

## TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/Table</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal .....	1	
GFOA Certificate of Achievement.....	6	
Organizational Chart .....	7	
List of Principal Officials .....	8	
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report.....	9	
Management's Discussion and Analysis (Required Supplementary Information).....	11	
<b><u>Basic Financial Statements:</u></b>		
Government-wide Financial Statements:		
Statement of Net Assets.....	23	A-1
Statement of Activities.....	25	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds .....	26	A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	29	A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	30	A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	32	A-6
Statement of Fiduciary Assets and Liabilities - Fiduciary Fund .....	33	A-7
Notes to the Financial Statements .....	34	
<b><u>Required Supplementary Information:</u></b>		
Budgetary Comparison Schedules:		
General Fund .....	55	B-1
Grants and Contracts Fund .....	65	B-2
Road and Bridge Fund .....	68	B-3
EMS Fund.....	70	B-4
Schedule of Funding Progress - Pension Plan and OPEB Plan.....	71	
Notes to Required Supplementary Information.....	72	
<b><u>Combining Statements and Budget Comparisons as Supplementary Information:</u></b>		
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	76	C-1
Combining Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Nonmajor Special Revenue Funds .....	82	C-2
Budgetary Comparison Schedules:		
US Forest Fire Suppression Fund .....	90	C-3
Hot Check Fee Fund .....	91	C-4
Court Reporter Service Fund.....	92	C-5
Law Library Fund .....	93	C-6
Court House Security Fund .....	94	C-7
Justice Courts Security Fund.....	95	C-8
Election Equipment Fund .....	96	C-9
Elections Services Contracts Fund .....	97	C-10
County Clerk Records Fund .....	98	C-11
County Clerk Archive Fund.....	99	C-12
County Records Management Fund .....	100	C-13
County Records II Fund .....	101	C-14
District Clerk Records Fund.....	102	C-15
Sheriff Forfeiture Fund .....	103	C-16

# WALKER COUNTY, TEXAS

## TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit/Table</u>
Criminal District Attorney Forfeiture Fund .....	104	C-17
Juvenile Grant Fund.....	105	C-18
Early Retiree Reinsurance Program Fund .....	106	C-19
Special Inventory Tax Fund.....	107	C-20
District Clerk Rider Prosecution Fund.....	108	C-21
Prof. Prosecutors Supplement Fund.....	109	C-22
Pretrial Intervention Fund .....	110	C-23
County Jury Fund.....	111	C-24
Justice Court Technology Fund .....	112	C-25
County and District Court Technology Fund.....	113	C-26
Inmate Medical Fund.....	114	C-27
 Debt Service Fund:		
Budgetary Comparison Schedule:		
Debt Service Fund .....	116	C-28
 Capital Projects Fund:		
Budgetary Comparison Schedule:		
Jail Project Fund .....	118	C-29
 Fiduciary Funds:		
Agency Funds:		
Combining Statement of Fiduciary Assets and Liabilities .....	120	C-30
Combining Statement of Changes in Assets and Liabilities.....	121	C-31
 <b>OTHER SUPPLEMENTARY INFORMATION</b>		
Capital Assets Used in Governmental Funds:		
Comparative Schedules by Source.....	123	C-32
Schedule by Function and Activity .....	124	C-33
Schedule of Changes by Function and Activity.....	125	C-34
 <b>STATISTICAL SECTION</b>		
Net Assets by Component.....	129	Table E-1
Changes in Net Assets.....	130	Table E-2
Governmental Activities Tax Revenues by Source.....	132	Table E-3
Fund Balances of Governmental Funds.....	133	Table E-4
Changes in Fund Balances of Governmental Funds .....	134	Table E-5
General Governmental Tax Revenues by Source.....	135	Table E-6
Assessed Value and Estimated Actual Value of Taxable Property .....	136	Table E-7
Property Tax Rates - Direct and Overlapping Governments.....	137	Table E-8
Principal Property Taxpayers .....	138	Table E-9
Property Tax Levies and Collections .....	139	Table E-10
Ratios of General Bonded Debt Outstanding .....	140	Table E-11
Direct and Overlapping Governmental Activities Debt.....	141	Table E-12
Legal Debt Margin Information .....	142	Table E-13
Demographic and Economic Statistics.....	143	Table E-14
Principal Employers .....	144	Table E-15
Full-Time Equivalent County Government Employees by Function .....	145	Table E-16
Operating Indicators by Function.....	146	Table E-17
Capital Asset Statistics by Function.....	147	Table E-18



**WALKER COUNTY, TEXAS**  
*TABLE OF CONTENTS*

	<u>Page</u>	<u>Exhibit/Table</u>
<b>COMPLIANCE SECTION</b>		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	149	
Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and Texas Uniform Grant Management Standards .....	151	
Schedule of Findings and Questioned Costs - Federal Programs .....	153	
Summary Schedule of Prior Audit Findings - Federal Programs.....	154	
Schedule of Findings and Questioned Costs - State Programs .....	155	
Summary Schedule of Prior Audit Findings - State Programs .....	156	
Schedule of Expenditures of Federal and State Awards.....	158	
Notes to Schedule of Expenditures of Federal Awards .....	161	
		D-1

**(This page was intentionally left blank)**

WALKER COUNTY AUDITOR

---

1301 Sam Houston Avenue Room 206  
(936) 436-4948

Huntsville, Texas 77320

March 11, 2013

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, 2012, 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, 2012 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 unqualified opinion that Walker County's financial statements for the fiscal year ended September 30, 2012 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 mandated "Single Audit" designed to meet the special needs of federal 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 awards. The Single Audit report is in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including a Schedule of Expenditures of Federal Awards, the independent

auditors' reports on internal controls and compliance with applicable laws and regulations, and a Schedule of Findings are included in this report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Walker County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

Walker County, created in 1846, covers approximately 810 square miles in the rolling hills of the East Texas Pineywoods and according to 2010 census serves a population of approximately 68,087. Walker County is located approximately 60 miles north of metropolitan Houston and 165 miles south of metropolitan Dallas/Fort Worth. Interstate 45 runs through the County.

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

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

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

## **Local Economic Condition and Outlook**

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

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



According to the 2011 census, Walker County's population reached 68,087. 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 2012 was 6.5%, compared with the state unemployment rate of 6.3% and national unemployment rate of 7.6%. This county rate compares to 8.7%, 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 13,529 inmates. Sam Houston State University, also located in Walker County, reported an enrollment of approximately 18,461 students for the fall of 2012 as compared to 17,617 for 2011.

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

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

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

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 received over the last several years funding in the amount of \$3,189,725 from FEMA and ORCA to build a shelter in Walker County. The shelter was completed in early 2009. 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, 2011, as in previous years, one-time costs were funded with funds available in fund balance. There was a tax increase in 2012. No pay increases were included in the FY 2013. The total budget for FY 12/13 that began October 1, 2012 is \$28,390,878 compared to the original budget of \$27,476,880 for the FY 11/12 year covered by this report, an increase of \$913,998.

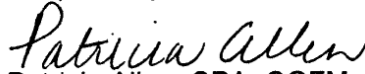
### **Awards and Acknowledgements**

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, 2011. This was the sixteenth 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,

A handwritten signature in cursive script that reads "Patricia Allen".

Patricia Allen, CPA, CGFM  
County Auditor

# 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, 2011

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



*Christopher P. Moirrell*

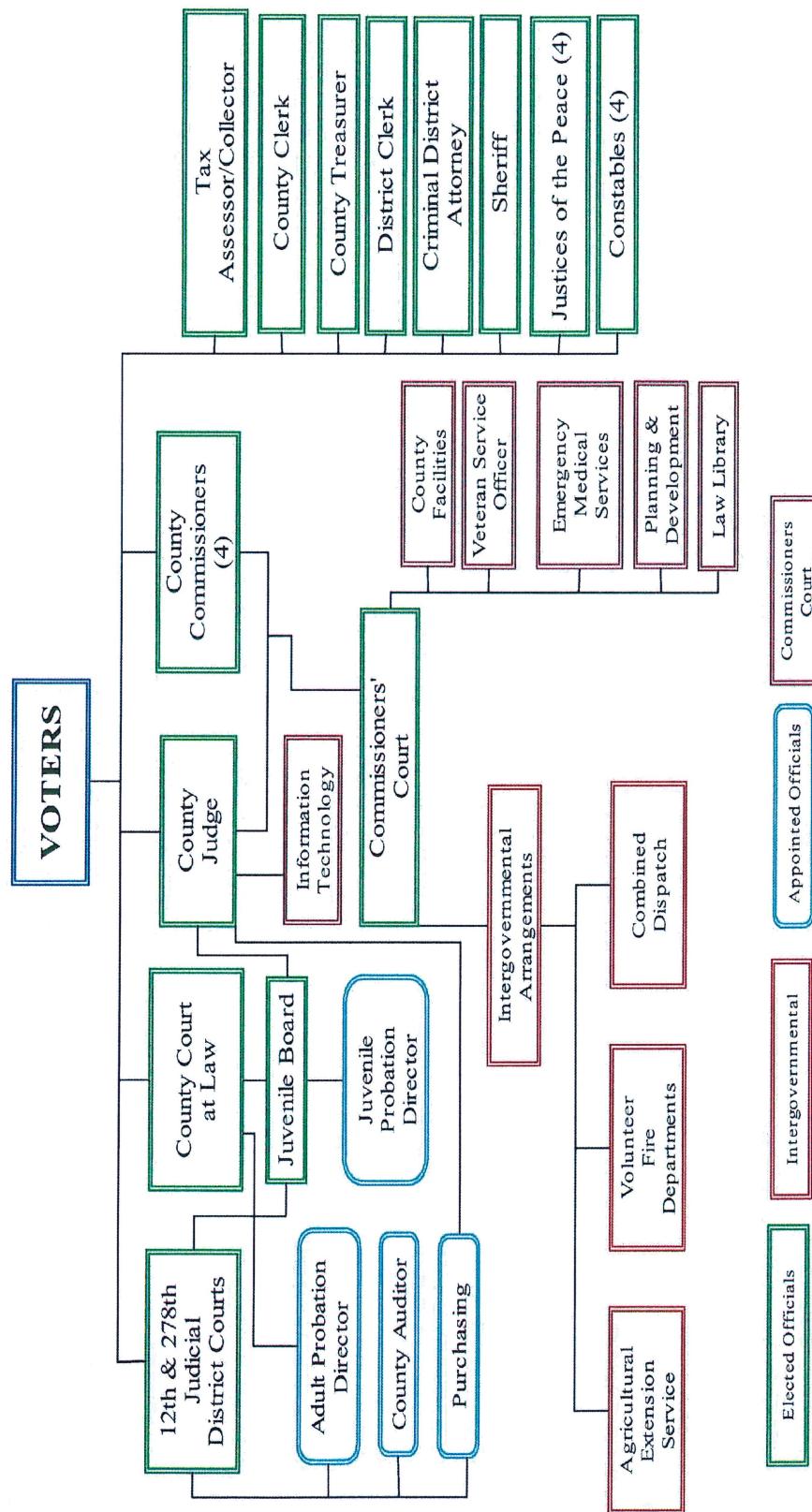
President

*Jeffrey R. Enen*

Executive Director



# Walker County, Texas Organization



**WALKER COUNTY, TEXAS**  
*LIST OF PRINCIPAL OFFICIALS*  
*SEPTEMBER 30, 2012*

Elected Officials

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

Appointed Officials

Patricia Allen.....	County Auditor
Kristin Hunter.....	Director, Adult Probation
Jill Saumell .....	Director, Juvenile Probation
Linda McKenzie .....	County Purchasing Agent



*Hereford, Lynch, Sellars & Kirkham*

Certified Public Accountants • A Professional Corporation

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

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

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

## INDEPENDENT AUDITORS' REPORT

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

Members of the Commissioners' Court:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Walker County, Texas (County), as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2012, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress for the Texas Municipal Retirement System, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining statements and budgetary comparison schedules, schedules of capital assets used in governmental funds, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining statements and budgetary comparison schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section, schedules of capital assets used in governmental funds, 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.

Respectfully submitted,

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

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

**Conroe, Texas**  
**March 11, 2013**

## Management's Discussion Analysis

The following discussion and analysis of Walker County's financial performance provides an overview of the County's financial activities for the year ended September 30, 2012. Please read this discussion and analysis in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section. Walker County has prepared this financial report in compliance with the Governmental Accounting Standards Board (GASB) Statement No. 34 and GASB 54 and amendments thereafter.

### Financial Highlights

- On a government-wide basis, the assets of Walker County exceeded its liabilities at the close of its most recent fiscal year by \$17,709,415 (net assets). Of this amount \$5,270,066 may be used to meet the ongoing obligations to citizens and creditors. The balance is invested in capital assets.
- On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$18,282,989. General revenues of \$15,641,194 (Exhibit A-2) were \$2,641,795 less than expenses net of program revenue. An expenditure of \$1,193,689 for postemployment benefits is included in the expenses. This is the third year the County has recorded this liability resulting in a total of \$3,891,024 recorded as the Net OPEB obligation at the end of the fiscal year. The result is a decrease in net assets from the September 30, 2011 balance of \$20,351,210 to \$17,709,415 at September 30, 2012.
- The General Fund, on a current financial resource basis (fund level), reported expenditures over revenues and other financing sources of \$995,611 as compared to a planned reduction of \$3,106,882 (Exhibits A-5 and B-1), the result primarily of spending funds that were designated for one-time projects.
- As of September 30, 2012, unassigned fund balance in the General Fund was \$3,327,237. In the fiscal year ending September 30, 2011 a recent GASB Statement 54 was implemented that changes the classification of Fund Balance. The total unassigned Fund Balance for the prior year was \$4,040,071.
- Unassigned Fund balance as a percentage of expenditures for the General Fund is 20%, an amount that is in line with the minimum requirement goal set by Commissioners' Court. The adopted budget for FY 2013 included use of fund balance for one-time expenditures. The amount included in the FY 2013 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 J. on page 46 for a discussion of the Fund Balance classifications.

### Overview of the Financial Statements

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

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

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

**Government-wide financial statements.** The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets 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 assets presents information on all of the assets and liabilities of Walker County, with the difference between the two

reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial condition of Walker County is improving or deteriorating. Other non-financial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered to assess the overall health of the County. These statements include all assets and liabilities on the accrual basis of accounting.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (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 a 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 26.

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

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

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

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

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Walker County. The County adopts an annual budget for its General Fund and special revenue funds including its Road and Bridge Fund. Required supplementary information begins on page 55 of this report. Budgetary comparison schedules have been prepared to demonstrate compliance with the budget for the General Fund (Exhibit B-1), the Grants and Contracts Fund (Exhibit B-2), Road and Bridge Fund (Exhibit B-3), and EMS Fund (Exhibit B-4). The County also presents a schedule of funding progress for its pension plan and its OPEB plan as required. Information for the Non-Major Governmental Funds begins on page 76.

### Government-wide Financial Analysis

Below is condensed financial information for the fiscal year 2012 with comparative data for 2011. The following schedule focuses on the net assets 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 ASSETS

	Governmental Activities					
	2012		2011		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Cash, Cash Equivalents, & Investments	\$ 28,312,215	61	\$ 10,567,045	37	\$ 17,745,170	168
Receivables, Prepaids, & Deferred Charges	3,942,744	9	4,113,121	15	(170,377)	(4)
Capital Assets, Net of Depreciation	13,675,687	30	13,661,001	48	14,686	-
<b>Total Assets</b>	<b>45,930,646</b>	<b>100</b>	<b>28,341,167</b>	<b>100</b>	<b>17,589,479</b>	
Current Liabilities	4,890,855	17	4,590,843	57	300,012	7
Noncurrent Liabilities	23,330,376	83	3,399,114	43	19,931,262	586
<b>Total Liabilities</b>	<b>28,221,231</b>	<b>100</b>	<b>7,989,957</b>	<b>100</b>	<b>20,231,274</b>	
<b>Net Assets:</b>						
Invested in Capital Assets, net of Debt	12,439,349	70	13,032,866	64	(593,517)	(5)
Restricted	-	-	83,707	-	(83,707)	(100)
Unrestricted	5,270,066	30	7,234,637	36	(1,964,571)	(27)
<b>Total Net Assets</b>	<b>\$ 17,709,415</b>	<b>100</b>	<b>\$ 20,351,210</b>	<b>100</b>	<b>\$ (2,641,795)</b>	

As mentioned earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by \$17,709,415 at September 30, 2012 as compared to \$20,351,210 at September 30, 2011. Of the County's net assets at the fiscal year end, 70% is investment in capital assets (land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. Walker County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although investments in capital assets is reported net of debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the assets at fiscal year end may represent resources that are subject to restrictions on how they may be used. There are no restricted net assets that are subject to restrictions, constitutional provisions, or enabling legislations regarding how they may be used. Unrestricted assets of \$5,270,066 (30% of total net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

**Government-wide Activities.** Net assets of Walker County on a government-wide view decreased by \$2,641,795 for the current year. Included in the number is \$1,193,689 for postemployment benefits. Key elements of decrease are as follows.

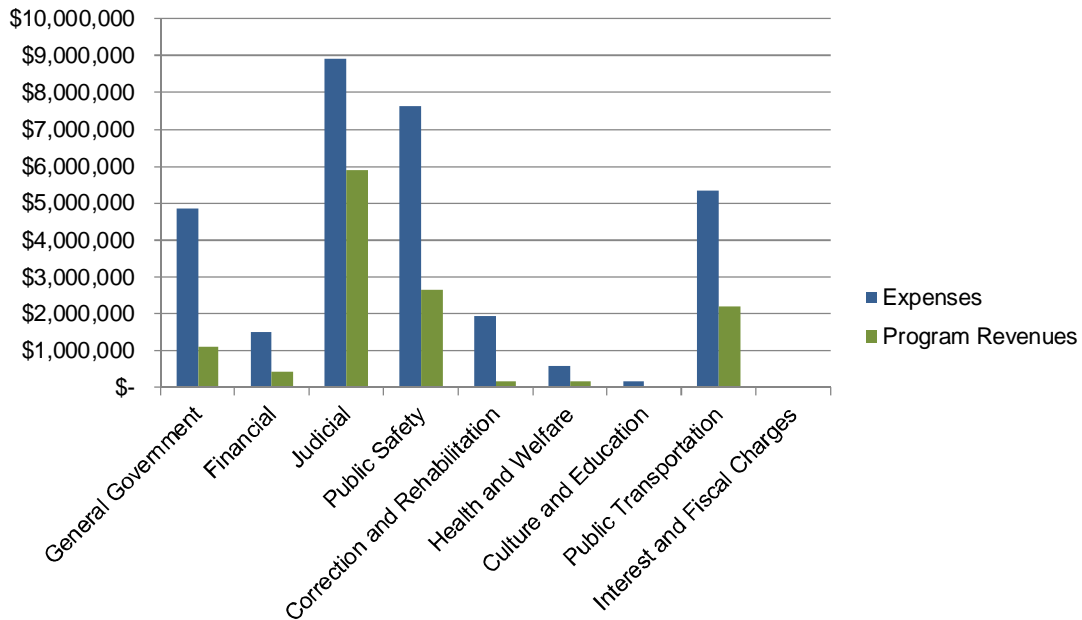
#### WALKER COUNTY, TEXAS' CHANGES IN NET ASSETS

	Governmental Activities					
	2012		2011		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 6,853,089	24	\$ 7,622,994	25	\$ (769,905)	(10)
Operating Grants and Contributions	5,823,400	21	7,690,227	25	(1,866,827)	(24)
General Revenues:						
Property Taxes	13,019,116	46	12,842,095	42	177,021	1
Other Taxes	2,608,382	9	2,605,033	8	3,349	-
Investment Earnings	13,696	-	15,303	-	(1,607)	(11)
<b>Total Revenues</b>	<b>28,317,683</b>	<b>100</b>	<b>30,775,652</b>	<b>100</b>	<b>(2,457,969)</b>	
<b>Expenses:</b>						
General Government	4,863,509	16	3,495,070	11	1,368,439	39
Financial	1,496,460	5	2,344,939	7	(848,479)	(36)
Judicial	8,912,108	29	9,150,956	29	(238,848)	(3)
Public Safety	7,622,032	25	10,244,585	33	(2,622,553)	(26)
Correction and Rehabilitation	1,940,555	6	-	-	1,940,555	-
Health & Welfare	580,721	2	1,151,364	4	(570,643)	(50)
Culture and Education	184,623	-	-	-	184,623	-
Public Transportation	5,347,720	17	5,018,699	16	329,021	7
Interest and Fiscal Charges	11,750	-	38,128	-	(26,378)	(69)
<b>Total Expenses</b>	<b>30,959,478</b>	<b>100</b>	<b>31,443,741</b>	<b>100</b>	<b>(484,263)</b>	
Change in Net Assets	(2,641,795)		(668,089)		(1,973,706)	
Net Assets - Beginning	20,351,210		21,404,717		(1,053,507)	
Reclassification of Prior Year	-		(385,418)		385,418	
<b>Net Assets - Ending</b>	<b>\$ 17,709,415</b>		<b>\$ 20,351,210</b>		<b>\$ (2,641,795)</b>	

Net assets decreased to a large part as a result of the accrual of the OPEB obligation and as a result of spending project funds. The following graphic presentation depicts expenses and program revenues for fiscal year 2012 for governmental activities (government-wide).

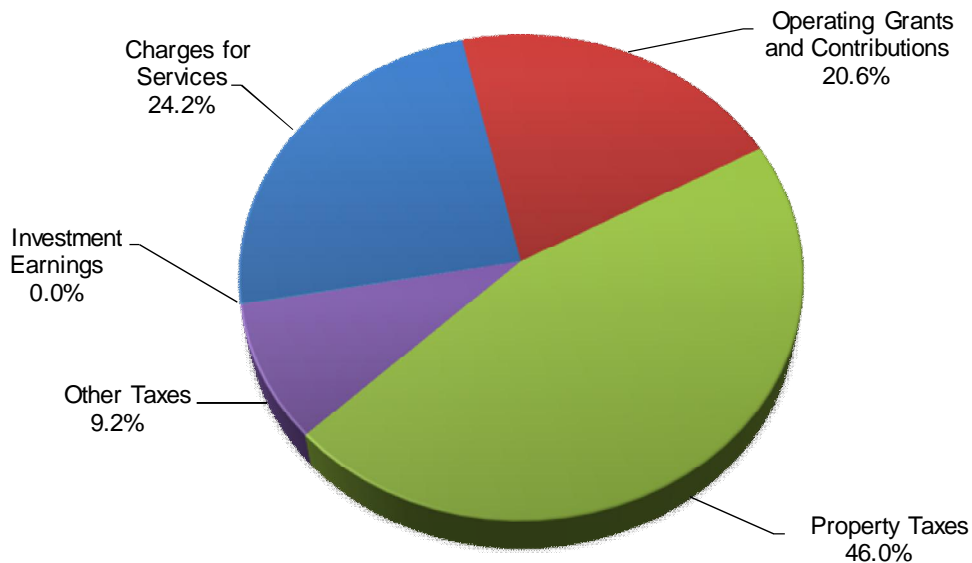


**Walker County, Texas  
Expenses and Program Revenues  
Government-wide Governmental Activities  
For the Year Ending September 30, 2012**



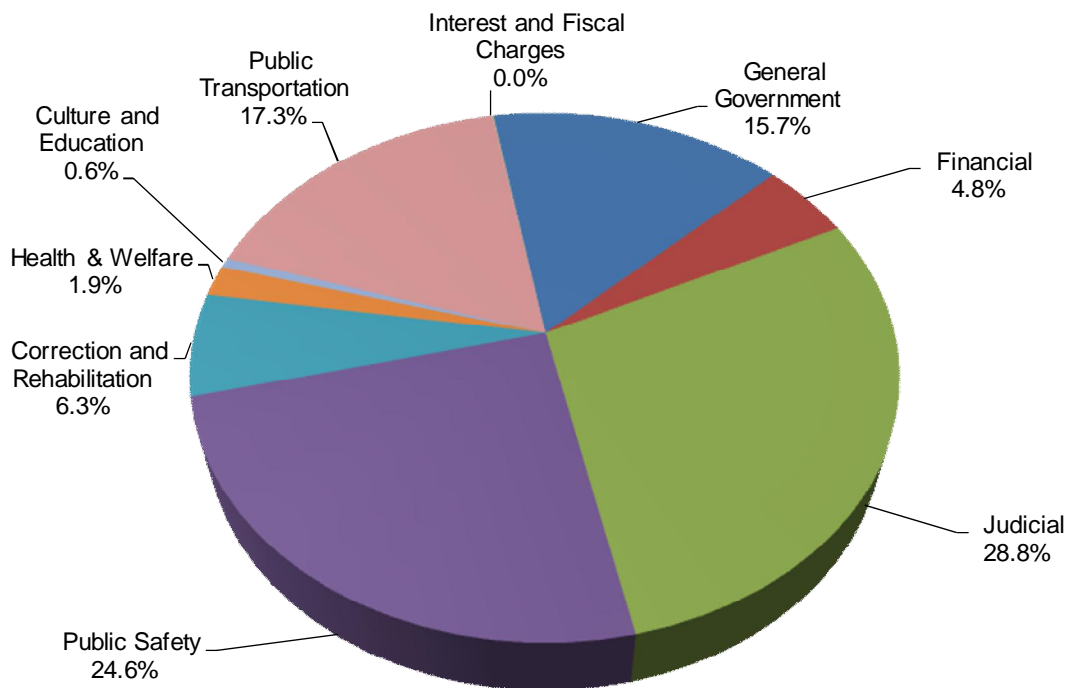
The following graphic presents revenues by source for fiscal year 2012 for governmental activities (government-wide).

**Walker County, Texas  
Revenues by Source-Government-wide  
Governmental Activities  
For the Year Ending September 30, 2012**



The following graphic presentation presents expenditures by function for fiscal year 2012 for governmental activities (government-wide).

**Walker County, Texas  
Expenses by Function-Government-wide  
Governmental Activities  
For the Year Ending September 30, 2012**




---

### 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 \$26,800,056 (Exhibit A-5) compared to \$9,264,596 in the prior year. There was a \$20,000,000 debt issue during the fiscal year for construction of a jail. At fiscal year end, \$18,888,014 of these funds remained unspent. With the implementation of GASB Statement 54 beginning in the fiscal year ending September 30, 2011, fund balance is classified differently than in prior years. Funds that are restricted, committed, or assigned are shown separately from the unassigned fund balance. Unassigned fund balance as of September 30, 2012 is \$3,327,237 compared to \$4,040,071 in the fiscal year ending September 30, 2011. This amount is available for day-to-day operations of the County. The General Fund showed a decrease of \$995,611, primarily due to planned one-time expenditures, Debt Service Fund showed a decrease of \$473,253, due to using fund balance to pay off all remaining debt at September 30, 2011 and the transfer of the residual funds in the Debt Service Fund to the General Fund. The newly issued \$20,000,000 in debt will be paid off over a 20 year period funded with a tax rate increase that will cover the annual difference between the amounts needed in prior years. Road and Bridge Fund showed an increase of \$253,928, Other Government Funds (combined category) showed an increase of \$72,021, EMS showed a decrease of \$234,436.

One measure of liquidity is to compare fund balance to total fund expenditures. The unassigned fund balance in the General Fund is approximately 20% of General Fund expenditures. Tax collections exceeded budget. Interest earnings continue to decline. Vacancies and unfilled positions accounted for expenditures less than budgeted. A \$661,500 transfer to the Road and Bridge Fund for special projects and purchase of capital equipment including vehicles for the Sheriff Department and a Constable were paid from a budgeted reduction of the General Fund balance.

The fund balance of the Road and Bridge Fund, a fund used to account for the costs of providing road maintenance to the County, is \$1,208,584, up from \$954,656 in the prior fiscal year end. Road & Bridge Fund expenditures total \$4,338,731 compared to \$4,682,465 in FY 2011. The unspent funds continue to be committed for road maintenance in future years. Revenues and other financing sources total \$4,724,488 netting a \$253,928 increase in fund balance. There was an increased use of Ad Valorem tax (\$266,457) to fund the Road and Bridge fund costs. Fine revenues showed a decrease of \$217,752 from the prior year, the primary reason for the increased need for Ad Valorem tax revenue in the Fund. Funds in all four precincts are reallocated for road and bridge expenditures in the next budget year.

The EMS Fund Balance shows a decrease of \$234,436. A new crew was added for Emergency Medical Services and the drawdown of fund balance help offset the costs.

The Other Governmental Funds category fund balance increased by \$72,021. This category includes numerous funds. A large part of this increase is from a newly added fund, the County Clerk Archive Fund, a fee that was added in the fiscal year and the receipts of funds from the state in the Early Retiree Reinsurance Program Fund. These funds will be spent in full in the FY 2012-2013 fiscal year. The County adopted a plan for spending of the County Clerk Archive Fund that will spend these funds over a several fiscal years.

### **General Fund Budgetary Highlights**

This is the second year of reporting under the requirements of GASB 54. Funds previously budgeted in Other Governmental Funds and the Projects Fund are now reported in the General Fund. The Projects budget items are adopted by Commissioners' Court as a multi-year budget and the project budget items do not lapse at fiscal year end. The remaining funds from projects approved in prior years that have not completed are reflected as amendments to the original budget for the current year. The decrease in General Fund balance is primarily a result of these project funds being spent. The portion of fund balance that was committed for projects reduced from \$1,362,950 in the prior fiscal year to \$721,980 at the end of the fiscal year ended September 30, 2012.

The Original Budget budgeted decrease was a planned reduction of fund balance for one-time capital expenditures, budgeted projects, contingency line items and a transfer to the Road and Bridge Fund for special projects. It is the policy of the County to maintain the fund balance at 16% to 24% (2 to 3 months) of the operating budget. County policy requires that the fund balance not be drawn down to fund on-going operating costs. The actual difference between revenues and expenditures was a decrease to fund balance in the amount of \$995,611, of which \$640,970 was for committed projects.

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 transfers from other funds. A budgetary comparison for the General Fund can be found in required supplementary information section beginning on page 55. Increases to the revenue budget total \$432,545. The increase includes transfers of \$208,184 and intergovernmental increases of \$201,321. A transfer of \$163,920 was made from the Debt Fund following the payoff of all debt outstanding at September 30, 2011 and a transfer from the Road and Bridge Fund was made to the projects budgeted in the General Fund.

Actual General Fund revenues exceeded the amended budgeted General Fund revenues, departmental expenditures were less than the amended budget and transfers were less than the amended budget during the year ended September 30, 2012. Of the total projects budgeted thru September 30, 2012, there are remaining funds of \$721,980 for expenditure in future years.

## Capital Assets and Debt Administration

**Capital Assets.** Walker County's investment in capital assets on a government-wide basis as of September 30, 2012 is \$13,675,687 (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					
	2012		2011		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land	\$ 680,552	5	\$ 523,052	4	\$ 157,500	30
Buildings, Facilities, and Equipment	8,974,144	66	10,031,795	74	(1,057,651)	(11)
Vehicles	1,055,519	8	1,152,802	8	(97,283)	(8)
Office Furniture and Fixtures	733,692	5	812,552	6	(78,860)	(10)
Machinery and Equipment	1,274,713	9	1,140,800	8	133,913	12
Construction in Progress	957,067	7	-	-	957,067	-
<b>Totals</b>	<b>\$ 13,675,687</b>	<b>100</b>	<b>\$ 13,661,001</b>	<b>100</b>	<b>\$ 14,686</b>	

Additional information on the County's capital assets can be found in the notes on page 42 and in the other supplementary section on pages 123 to 125 of this report.

**Long-term debt.** As of September 30, 2011, the County debt for certificates of obligation totaled \$628,135. Of this amount, \$450,000 was for capital improvements that included renovation on the courthouse and purchase of an additional facility to centralize the location of many of the county offices spread throughout the county. The remainder of the debt was for equipment. The debt was paid off in full in October 2012. In June of 2012, a certificate of obligation in the amount of \$20,000,000 was issued for the construction of a county jail. The debt 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 equipment.

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

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

	Governmental Activities					
	2012		2011		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Certificates of Obligation:						
Capital Projects	\$ 20,000,000	100	\$ 450,000	72	\$ 19,550,000	4,344
Equipment	-	-	178,135	28	(178,135)	(100)
<b>Totals</b>	<b>\$ 20,000,000</b>	<b>100</b>	<b>\$ 628,135</b>	<b>100</b>	<b>\$ 19,371,865</b>	

For the fiscal year ended September 30, 2012, payments on certificates of obligation debt totaled \$628,135.

Additional information on debt can be found in the notes to the financial statements on page 43. In addition to debt for certificates of obligation the County has recorded debt for compensated absences of \$862,279 and a long-term obligation for post-employment benefits of \$3,891,024. This obligation for post-employment benefits is discussed on pages 48 to 50 of this report.

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

- The unemployment rate in the County for 2012 was 6.5%, as compared to the state unemployment rate of 6.3% and national unemployment rate of 7.6%. This rate compares to 8.7% 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 13,529 inmates.
- The new improvement/construction value added to the tax roll for FY 2012 (tax year 2011) totaled \$56,336,670 as compared to \$39,808,610 for the prior year. \$50,000,000+ had been consistent for the last eight years. For FY 2013 (tax year 2012), taxable new growth totaled \$54,133,334.
- Commissioners' Court approved a \$28,390,878 expenditure budget for FY 2013, an increase from the \$27,476,880 budget for the 2012 fiscal year.
- The tax rate adopted for the FY 2013 budget is \$0.6355 per \$100 of valuation, up from the \$0.5536 for FY 2012. The increase in the tax rate was primarily in the debt portion of the rate, due the debt issue for construction of a new jail.
- Walker County revenues for FY 2013 at the date of this report generally continue to be in line with exceptions. Total sales tax receipts are up about 7% to date in FY 2013 as compared to this time in FY 2012. 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 thru 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.

**(This page was intentionally left blank)**

## **BASIC FINANCIAL STATEMENTS**

**(This page was intentionally left blank)**



**WALKER COUNTY, TEXAS**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2012**

**EXHIBIT A-1**

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
<i>Cash and Cash Equivalents</i>	\$ 28,312,215
<i>Taxes Receivable</i>	1,163,525
<i>Accounts Receivable</i>	466,214
<i>Fines and Fees Receivable</i>	654,660
<i>Prepaid Expenses</i>	34,434
<i>Deferred Charges</i>	295,135
<i>Due from Others</i>	408
<i>Due from Other Governments</i>	1,328,368
Capital Assets Not Being Depreciated:	
<i>Land</i>	680,552
<i>Construction in Progress</i>	957,067
<i>Capital Assets, Net of Accumulated Depreciation</i>	<u>12,038,068</u>
Total Assets	<u>45,930,646</u>
<b>LIABILITIES:</b>	
<i>Accounts Payable</i>	764,439
<i>Accrued Interest Payable</i>	34,791
<i>Due to State</i>	195,755
<i>Due to Others</i>	6,161
<i>Accrued Liabilities</i>	1,271,790
<i>Unearned Revenue</i>	1,070,640
Noncurrent Liabilities:	
<i>Due Within One Year</i>	1,547,279
<i>Due in More Than One Year</i>	<u>23,330,376</u>
Total Liabilities	<u>28,221,231</u>
<b>NET ASSETS:</b>	
<i>Invested in Capital Assets, Net of Related Debt</i>	12,439,349
<i>Unrestricted</i>	<u>5,270,066</u>
Total Net Assets	<u>\$ 17,709,415</u>

The accompanying notes are an integral part of this statement.

**(This page was intentionally left blank)**

**WALKER COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT A-2**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$ 4,863,509	\$ 859,145	\$ 240,358	\$ (3,764,006)
Financial	1,496,460	450,135	-	(1,046,325)
Judicial	8,912,108	658,268	5,242,850	(3,010,990)
Public Safety	7,622,032	2,525,266	138,368	(4,958,398)
Correction and Rehabilitation	1,940,555	172,042	-	(1,768,513)
Health and Welfare	580,721	170,754	-	(409,967)
Culture and Education	184,623	8,369	-	(176,254)
Public Transportation	5,347,720	2,009,110	201,824	(3,136,786)
Interest and Fiscal Charges	11,750	-	-	(11,750)
Total Governmental Activities	<u>30,959,478</u>	<u>6,853,089</u>	<u>5,823,400</u>	<u>(18,282,989)</u>
Total Primary Government	<u>\$ 30,959,478</u>	<u>\$ 6,853,089</u>	<u>\$ 5,823,400</u>	<u>(18,282,989)</u>

General Revenues:	
Property Taxes	13,019,116
Sales Taxes	2,488,739
Mixed Beverage and Other Taxes	119,643
Investment Earnings	13,696
Total General Revenues	<u>15,641,194</u>
Change in Net Assets	<u>(2,641,795)</u>
Net Assets - Beginning	20,351,210
Net Assets - Ending	<u>\$ 17,709,415</u>

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	General Fund	Debt Service Fund	Jail Project Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 7,010,096	\$ 32,807	\$ 18,960,552
<i>Taxes Receivable</i>	1,163,525	-	-
<i>Accounts Receivable</i>	129,908	-	-
<i>Prepaid Expenditures</i>	34,434	-	-
<i>Due from Other Governments</i>	529,665	-	-
<i>Due from Other Funds</i>	631,606	-	-
<i>Due from Others</i>	-	-	-
Total Assets	<u>\$ 9,499,234</u>	<u>\$ 32,807</u>	<u>\$ 18,960,552</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
<i>Accounts Payable</i>	\$ 353,069	\$ -	\$ 72,538
<i>Accrued Interest Payable</i>	-	32,798	-
<i>Due to Other Governments</i>	186,011	-	-
<i>Due to Other Funds</i>	-	-	-
<i>Due to Others</i>	53,049	-	-
<i>Accrued Liabilities</i>	1,243,184	-	-
<i>Deferred Revenue</i>	2,146,588	-	-
Total Liabilities	<u>3,981,901</u>	<u>32,798</u>	<u>72,538</u>
<b>FUND BALANCES:</b>			
<i>Nonspendable - Prepaid Expenditures</i>	34,434	-	-
<i>Restricted for Debt Service</i>	-	9	-
<i>Restricted for Special Revenue Funds</i>	-	-	-
<i>Restricted for Capital Projects Fund</i>	-	-	18,888,014
<i>Committed for Projects</i>	721,980	-	-
<i>Committed for Public Transportation</i>	-	-	-
<i>Committed for Public Safety</i>	-	-	-
<i>Assigned-One-Time Allocation</i>	1,433,682	-	-
<i>Unassigned</i>	3,327,237	-	-
Total Fund Balances	<u>5,517,333</u>	<u>9</u>	<u>18,888,014</u>
Total Liabilities and Fund Balances	<u>\$ 9,499,234</u>	<u>\$ 32,807</u>	<u>\$ 18,960,552</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

Grants and Contracts Fund	Road and Bridge Fund	EMS Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,325,205	\$ 99,343	\$ 860,548	\$ 28,288,551
-	-	-	-	1,163,525
-	-	333,463	2,843	466,214
-	-	-	-	34,434
766,941	-	17,342	863	1,314,811
-	-	-	-	631,606
13,683	282	-	-	13,965
<u>\$ 780,624</u>	<u>\$ 1,325,487</u>	<u>\$ 450,148</u>	<u>\$ 864,254</u>	<u>\$ 31,913,106</u>
\$ 124,221	\$ 116,903	\$ 47,555	\$ 50,153	\$ 764,439
-	-	-	-	32,798
-	-	-	9,744	195,755
631,606	-	-	-	631,606
-	-	-	5,429	58,478
-	-	-	4,942	1,248,126
-	-	-	35,260	2,181,848
<u>755,827</u>	<u>116,903</u>	<u>47,555</u>	<u>105,528</u>	<u>5,113,050</u>
-	-	-	-	34,434
-	-	-	-	9
24,797	-	-	758,726	783,523
-	-	-	-	18,888,014
-	-	-	-	721,980
-	1,208,584	-	-	1,208,584
-	-	402,593	-	402,593
-	-	-	-	1,433,682
-	-	-	-	3,327,237
<u>24,797</u>	<u>1,208,584</u>	<u>402,593</u>	<u>758,726</u>	<u>26,800,056</u>
<u>\$ 780,624</u>	<u>\$ 1,325,487</u>	<u>\$ 450,148</u>	<u>\$ 864,254</u>	<u>\$ 31,913,106</u>

**(This page was intentionally left blank)**

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

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2012*

**Total Fund Balances - Governmental Funds (Exhibit A-3)** \$ 26,800,056

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 13,675,687

Certain deferred revenues are not available to pay current period expenditures and, therefore, are deferred in the governmental funds. 1,163,525

Certain court fines receivables are not available to pay current period expenditures and, therefore, are not reported in the funds. 654,660

Issuance cost related to debt is not a financial resource and, therefore, is not reported in the funds. Issuance cost is amortized over the life of the related debt. 295,135

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	\$ (20,000,000)	
Premium on Bond	(124,352)	
Accrued Interest on Debt	(1,993)	
Compensated Absences	(862,279)	
Post-employment Benefits (OPEB)	<u>(3,891,024)</u>	<u>(24,879,648)</u>

**Total Net Assets - Governmental Activities (Exhibit A-1)** \$ 17,709,415

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, 2012**

	General Fund	Debt Service Fund	Jail Project Fund
<b>REVENUES:</b>			
<i>Property Taxes</i>	\$ 10,654,719	\$ 332,669	\$ -
<i>Property Tax Penalty and Interest</i>	201,273	-	-
<i>In Lieu of Tax</i>	26,669	-	-
<i>Sales Tax</i>	2,488,739	-	-
<i>Mixed Beverage</i>	92,974	-	-
<i>Licenses and Permits</i>	105,837	-	-
<i>Intergovernmental</i>	591,899	-	-
<i>Charges for Services</i>	1,747,659	-	-
<i>Fines and Forfeitures</i>	78,190	-	-
<i>Interest Income</i>	11,629	46	9,126
<i>Other</i>	183,089	-	-
Total Revenues	<u>16,182,677</u>	<u>332,715</u>	<u>9,126</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	3,595,155	-	-
<i>Financial</i>	1,508,652	-	-
<i>Judicial</i>	4,037,134	-	-
<i>Public Safety</i>	3,679,094	-	-
<i>Correction and Rehabilitation</i>	2,243,988	-	1,251,952
<i>Health and Welfare</i>	473,314	-	-
<i>Culture and Education</i>	176,254	-	-
<i>Public Transportation</i>	565,774	-	-
<i>Principal Retirement</i>	-	628,135	-
<i>Interest and Fiscal Charges</i>	-	13,913	-
Total Expenditures	<u>16,279,365</u>	<u>642,048</u>	<u>1,251,952</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(96,688)</u>	<u>(309,333)</u>	<u>(1,242,826)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Issuance of Certificates of Obligation</i>	-	-	20,000,000
<i>Premium on Issuance of Certificates of Obligation</i>	-	-	130,840
<i>Transfers In</i>	378,073	-	-
<i>Transfers Out</i>	(1,276,996)	(163,920)	-
Total Other Financing Sources (Uses)	<u>(898,923)</u>	<u>(163,920)</u>	<u>20,130,840</u>
Net Change in Fund Balances	(995,611)	(473,253)	18,888,014
Fund Balances - Beginning	6,512,944	473,262	-
Fund Balances - Ending	<u>\$ 5,517,333</u>	<u>\$ 9</u>	<u>\$ 18,888,014</u>

The accompanying notes are an integral part of this statement.



EXHIBIT A-5

Grants and Contracts Fund	Road and Bridge Fund	EMS Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,706,370	\$ -	\$ -	\$ 12,693,758
-	-	-	-	201,273
-	-	-	-	26,669
-	-	-	-	2,488,739
-	-	-	-	92,974
-	-	-	-	105,837
4,673,240	290,761	27,259	489,263	6,072,422
-	881,619	2,197,415	351,931	5,178,624
-	1,065,525	-	35,158	1,178,873
-	1,260	148	629	22,838
506	15,823	25,428	-	224,846
<u>4,673,746</u>	<u>3,961,358</u>	<u>2,250,250</u>	<u>876,981</u>	<u>28,286,853</u>
31,169	-	-	92,272	3,718,596
-	-	-	1,359	1,510,011
4,495,469	-	-	583,867	9,116,470
76,216	-	2,947,238	59,645	6,762,193
-	-	-	-	3,495,940
74,533	-	-	-	547,847
8,369	-	-	-	184,623
-	4,338,731	-	-	4,904,505
-	-	-	-	628,135
-	-	-	-	13,913
<u>4,685,756</u>	<u>4,338,731</u>	<u>2,947,238</u>	<u>737,143</u>	<u>30,882,233</u>
<u>(12,010)</u>	<u>(377,373)</u>	<u>(696,988)</u>	<u>139,838</u>	<u>(2,595,380)</u>
-	-	-	-	20,000,000
-	-	-	-	130,840
36,807	763,130	462,552	14,507	1,655,069
-	(131,829)	-	(82,324)	(1,655,069)
<u>36,807</u>	<u>631,301</u>	<u>462,552</u>	<u>(67,817)</u>	<u>20,130,840</u>
24,797	253,928	(234,436)	72,021	17,535,460
-	954,656	637,029	686,705	9,264,596
<u>\$ 24,797</u>	<u>\$ 1,208,584</u>	<u>\$ 402,593</u>	<u>\$ 758,726</u>	<u>\$ 26,800,056</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, 2012**

**Total Net Change in Fund Balance - Governmental Funds (Exhibit A-5)** \$ 17,535,460

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. 124,085

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. 12,513

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	\$ 2,185,324	
Depreciation Expense	<u>(2,064,870)</u>	120,454

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net assets. (105,768)

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

Payment of principal	\$ 628,135	
Amortization of bond premium	6,488	
Accrued interest on debt	11,468	
Compensated absences liability increased	54,764	
Payables for post employment benefits which increased	<u>(1,193,689)</u>	(492,834)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Bond Issuance Costs of \$310,528, net of amortization of \$15,393	295,135
---	---------

Issuance of bonds at par of \$20,000,000 plus premiums of \$130,840 provides current financial resources to governmental funds; but issuing debt increases long-term liabilities in the statement of net assets.	<u>(20,130,840)</u>
--	---------------------

**Change in Net Assets of Governmental Activities (Exhibit A-2)** \$ (2,641,795)

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, 2012****ASSETS:**

<i>Cash and Cash Equivalents</i>	\$	3,070,690
<i>Due from Others</i>		107
Total Assets	\$	<u><u>3,070,797</u></u>

**LIABILITIES:**

<i>Accounts Payable</i>	\$	21,555
<i>Due to Other Governments</i>		205,667
<i>Due to Others</i>		2,843,575
Total Liabilities	\$	<u><u>3,070,797</u></u>

The accompanying notes are an integral part of this statement.

# **WALKER COUNTY, TEXAS**

## **NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2012

### **A. Summary of Significant Accounting Policies**

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

#### **1. Reporting Entity**

The County's combined financial statements include the accounts of all its operations. The County evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the County's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," 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, 2012**

#### 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 Assets

The Schedule of Net Assets 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 Schedule of Net Assets and report related depreciation expense, the cost of "using up" capital assets, in the Schedule of Activities. The net assets of a government are broken down into three categories: 1) invested in capital assets, net of related debt; 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 Assets, 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 administration, financial administration, 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 administration, financial administration, 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, 2012

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 assets is not presented. All assets reported in agency funds should be offset by a corresponding liability, resulting in zero net assets.

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

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

The County reports the following major governmental funds:

#### General Fund

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

#### Debt Service

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

#### Jail Project Fund

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

#### Grants & Contracts

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

#### Road & Bridge

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

#### Emergency Medical Service

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

In addition, the County reports the following fund types:

#### Fiduciary Funds

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

## **b. Measurement Focus, Basis of Accounting**

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

## **WALKER COUNTY, TEXAS**

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

**SEPTEMBER 30, 2012**

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.

When both restricted and unrestricted (committed, assigned, or unassigned) resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. The County considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any unrestricted fund balance classification could be used.

### **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. Due to and Due From Other Funds**

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are classified as "due from other funds" or "due to other funds" or "due from component unit/primary government" or "due to component unit/primary government" if the transactions are between the primary government and its component unit.

### **5. Capital Assets**

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

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

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

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

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

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

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

#### 6. Accrued 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.

#### 7. Debt Service

Required amounts for debt service are provided by the debt service portion of the annual tax levy and interest earned in the debt service fund.

#### 8. 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.

### B. 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.



**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

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

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

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

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

**C. 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.

**Cash Deposits**

The County's cash and cash equivalents at September 30, 2012 are summarized as follows:

	<b>Carrying Amount</b>
Cash Deposits	\$ 341,972
Investments considered cash and cash equivalents:	
Texas Local Government Investment Pool	7,478,113
DWS Government Cash Institutional Shares	2,446,745
Cooperative Liquid Assets Securities System Trust (Texas Class)	18,045,385
<b>Total Cash and Cash Equivalents</b>	<b>\$ 28,312,215</b>

**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 entity's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the entity.

## **WALKER COUNTY, TEXAS**

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

**SEPTEMBER 30, 2012**

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

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

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

#### **Analysis of Specific Deposit and Investment Risks**

##### **a. Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. It is the County's policy to focus on safety and liquidity. The current policy is to invest only in investment pools. At year end, the County was not significantly exposed to credit risk. As of September 30, 2012, the government's investment in all money market investment accounts were rated at least AAAM by Standard & Poor's.

##### **b. Custodial Credit Risk**

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

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

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

##### **c. Concentration of Credit Risk**

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

##### **d. Interest Rate Risk**

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

##### **e. Foreign Currency Risk**

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

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**D. Receivables**

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2012 are as follows:

	<u>General</u>	<u>Grants and Contracts</u>	<u>Road and Bridge</u>	<u>EMS</u>	<u>Other Governmental</u>	<u>Total</u>
<b>Receivables:</b>						
Taxes	\$ 1,163,525	\$ -	\$ -	\$ -	\$ -	\$ 1,163,525
Other Receivables	-	13,683	282	-	-	13,965
Other Governments	529,665	766,941	-	17,342	863	1,314,811
Accounts	129,908	-	-	2,229,072	2,843	2,361,823
Less: Allowance for Uncollectibles	-	-	-	(1,895,609)	-	(1,895,609)
<b>Net Total Receivables</b>	<b>\$ 1,823,098</b>	<b>\$ 780,624</b>	<b>\$ 282</b>	<b>\$ 350,805</b>	<b>\$ 3,706</b>	<b>\$ 2,958,515</b>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2012 the various components of deferred revenue reported in the governmental funds are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes (General Fund)	\$ 1,163,525	\$ -
Revenue Received Subject to Lawsuit	-	1,030,578
Grant funds received prior to meeting all eligibility requirements (General Fund)	-	4,802
Grant funds received prior to meeting all eligibility requirements (Special Revenue Funds)	-	35,260
<b>Total Deferred/Unearned Revenue for Governmental Funds</b>	<b>\$ 1,163,525</b>	<b>\$ 1,070,640</b>

**E. Property Taxes**

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

**1. 2011 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 2012 fiscal year (2011 tax year), the County levied property taxes of \$0.5536 per \$100 of assessed valuation. The 2011 rates resulted in total tax levies of approximately \$13.15 million based on a total adjusted valuation of approximately \$2.4 billion. The total tax rate in the 2011 tax year was prorated as follows:

	<u>2011 Rate</u>
Walker County, Texas	
General Fund/Road and Bridge	\$ 0.5391
Debt Service Fund	0.0145
<b>Total Tax Rate</b>	<b>\$ 0.5536</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, including the County, may challenge orders of the WCAD's Appraisal Review Board through various appeals and, if necessary, legal action may be taken.

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. 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. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest imposed.

### 3. Major Tax Payer

Approximately 10% of the Property Tax Revenue is generated by Entergy Texas, Inc.

## F. Interfund Receivables and Payables

At September 30, 2012, 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	\$ 631,606	Short-term Loan

## G. Capital Assets

Capital asset activity for the year ended September 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>Capital Assets, not being Depreciated:</b>				
Land	\$ 523,052	\$ 157,500	\$ -	\$ 680,552
Construction in Progress	-	957,067	-	957,067
<b>Total Capital Assets, not being Depreciated</b>	<b>523,052</b>	<b>1,114,567</b>	<b>-</b>	<b>1,637,619</b>
<b>Capital Assets, being Depreciated:</b>				
Vehicles	4,558,266	414,608	(542,853)	4,430,021
Office Furniture and Fixtures	2,518,803	155,965	(650,721)	2,024,047
Machinery and Equipment	4,355,790	494,732	(120,934)	4,729,588
Buildings, Facilities, and Improvements	21,265,466	5,452	-	21,270,918
<b>Total Capital Assets, being Depreciated</b>	<b>32,698,325</b>	<b>1,070,757</b>	<b>(1,314,508)</b>	<b>32,454,574</b>
<b>Less Accumulated Depreciation for:</b>				
Vehicles	(3,405,464)	(421,299)	452,261	(3,374,502)
Office Furniture and Fixtures	(1,706,251)	(227,664)	643,560	(1,290,355)
Machinery and Equipment	(3,214,990)	(352,804)	112,919	(3,454,875)
Buildings, Facilities, and Improvements	(11,233,671)	(1,063,103)	-	(12,296,774)
<b>Total Accumulated Depreciation</b>	<b>(19,560,376)</b>	<b>(2,064,870)</b>	<b>1,208,740</b>	<b>(20,416,506)</b>
<b>Total Capital Assets, being Depreciated, net</b>	<b>13,137,949</b>	<b>(994,113)</b>	<b>(105,768)</b>	<b>12,038,068</b>
<b>Capital Assets, net</b>	<b>\$ 13,661,001</b>	<b>\$ 120,454</b>	<b>\$ (105,768)</b>	<b>\$ 13,675,687</b>

Depreciation was charged to functions as follows:

General Government	\$ 487,718
Judicial	42,411
Financial	1,775
Public Safety	782,706
Correction and Rehabilitation	313,937
Health and Welfare	117,592
Public Transportation	318,731
<b>Total Depreciation Expense</b>	<b>\$ 2,064,870</b>

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**H. Long-Term Debt**

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Long-term bonded debt and certificates of obligation at September 30, 2012 are listed below:

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

A summary of long-term liability transactions of the County for the year ended September 30, 2012, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Certificates of Obligation	\$ 628,135	\$ 20,000,000	\$ (628,135)	\$ 20,000,000	\$ 685,000
Less Deferred Amounts:					
For Issuance Premiums	-	130,840	(6,488)	124,352	-
<b>Total Certificates of Obligation</b>	<b>628,135</b>	<b>20,130,840</b>	<b>(634,623)</b>	<b>20,124,352</b>	<b>685,000</b>
Compensated Absences	917,043	623,381	(678,145)	862,279	862,279
OPEB Obligations *	2,697,335	1,332,556	(138,867)	3,891,024	-
<b>Total Long-term Liabilities</b>	<b>\$ 4,242,513</b>	<b>\$ 22,086,777</b>	<b>\$ (1,451,635)</b>	<b>\$ 24,877,655</b>	<b>\$ 1,547,279</b>

\* Other Long-term Liabilities

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

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

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

	<u>Certificates of Obligation</u>		
<u>Year Ending September 30,</u>	<u>Principal Value</u>	<u>Interest</u>	<u>Total Requirements</u>
2013	\$ 685,000	\$ 688,762	\$ 1,373,762
2014	800,000	576,668	1,376,668
2015	815,000	560,668	1,375,668
2016	830,000	544,368	1,374,368
2017	845,000	527,768	1,372,768
2018	865,000	510,868	1,375,868
2019	880,000	493,568	1,373,568
2020	910,000	467,168	1,377,168
2021	935,000	439,868	1,374,868
2022	965,000	411,818	1,376,818
2023	990,000	382,868	1,372,868
2024	1,020,000	353,168	1,373,168
2025	1,055,000	322,567	1,377,567
2026	1,085,000	289,598	1,374,598
2027	1,120,000	255,692	1,375,692
2028	1,155,000	219,292	1,374,292
2029	1,195,000	180,310	1,375,310
2030	1,235,000	139,980	1,374,980
2031	1,280,000	96,754	1,376,754
2032	1,335,000	41,162	1,376,162
<b>Totals</b>	<b>\$ 20,000,000</b>	<b>\$ 7,502,915</b>	<b>\$ 27,502,915</b>

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

#### I. Leases

##### Operating Leases

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

##### Walker County Health Center

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

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

Total Cost of Health Center	\$	250,000
Accumulated Depreciation		<u>243,750</u>
Carrying Cost of Health Center	\$	<u>6,250</u>
Current Year Depreciation	\$	12,500

##### Buildings at 115 Highway 75 North

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

Total Cost of COME Center	\$	20,000
Accumulated Depreciation		<u>19,500</u>
Carrying Cost of COME Center	\$	<u>500</u>
Current Year Depreciation	\$	1,000

##### Building at SH 75 North, Suite 100

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

Total Cost of Building	\$	150,000
Accumulated Depreciation		<u>146,250</u>
Carrying Cost of Building	\$	<u>3,750</u>
Current Year Depreciation	\$	7,500

##### 344 Highway 75 North, Suite 200

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

Total Cost of Building	\$	150,000
Accumulated Depreciation		<u>146,250</u>
Carrying Cost of Building	\$	<u>3,750</u>
Current Year Depreciation	\$	7,500

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

#### **340 Highway 75 North, Suite A**

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

Total Cost of Building	\$	250,000
Accumulated Depreciation		243,750
Carrying Cost of Building	\$	<u>6,250</u>
Current Year Depreciation	\$	12,500

#### **Office Space at 1301 Sam Houston Avenue**

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

Total Cost of Courthouse Annex	\$	15,626
Accumulated Depreciation		7,812
Carrying Cost of Courthouse Annex	\$	<u>7,814</u>
Current Year Depreciation	\$	781

#### **Powell Family Home**

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

#### **1313 University Avenue**

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

Total Cost of Building	\$	86,163
Accumulated Depreciation		22,617
Carrying Cost of Building	\$	<u>63,546</u>
Current Year Depreciation	\$	4,308

#### **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		53,083
Carrying Cost of Building	\$	<u>1,361</u>
Current Year Depreciation	\$	2,722

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

#### **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		8,714
Carrying Cost of Building	\$	<u>8,715</u>
Current Year Depreciation	\$	871

#### **J. Fund Equity**

Beginning with fiscal year 2011, the County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that cannot be spent because they: (a) are not in spendable form (e.g., inventories and prepaid items); (b) are not expected to be converted into cash within the current period or at all (e.g., long-term receivables); or (c) are legally or contractually required to be maintained intact.
- Restricted fund balance – amounts subject to usage constraints that have either been: (a) externally imposed by creditors, grantors, contributions, or laws or regulations of other governments; or (b) imposed by the law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that are constrained to use for specific purposes pursuant to formal action of Commissioners' Court prior to the end of the fiscal year. These amounts cannot be used for other purposes unless the Court removes or changes the constraints via the same type of action used to initially commit them. A commitment of fund balance requires formal action as to purpose but not as to amount; the latter may be determined and ratified by the Court at a later date.
- Assigned fund balance – amounts intended by the county for use for a specific purpose but which do not qualify for classification as either restricted or committed. The intent can be expressed by Commissioners' Court or by the County Auditor or other selected official. An assignment of fund balance implies an intent of Commissioners' Court.
- Unassigned fund balance – applies to the residual fund balance of the General Fund and to any deficit fund balances of other governmental funds.

The Commissioner Court established (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the County Auditor or her designee through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

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, 2012**

**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, 2012:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General Fund	Road and Bridge Fund	763,130
General Fund	Walker County EMS Fund	462,552
General Fund	Other Governmental Funds - Nonmajor	14,507
General Fund	Grants and Contracts Fund	36,807
Debt Service	General Fund	163,920
Road and Bridge Fund	General Fund	131,829
Other Governmental Funds - Nonmajor	General Fund	82,324
<b>Total</b>		<b>\$ 1,655,069</b>

**L. Pension Plan**

**1. Plan Description**

The County provides retirement, disability, and death benefits for all of its full time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 618 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, TX 78768-2034.

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

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

**2. Contributions**

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 11.33% for the months of the accounting year in 2012, and 10.92% for the months of the accounting year in 2011. The contribution rate payable by the employee members is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

For the years ended September 30, 2012, 2011 and 2010, the pension cost for the TCDRS plan and the actual contributions made were \$1,689,509, \$1,635,829, and \$1,530,834, respectively. Because all contributions are made as required, no pension obligation existed at September 30, 2012.

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

*Annual Pension Cost.* The required contribution was determined as part of the December 31, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2011 was 20 years.

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the plan was 79.68 percent funded. The actuarial accrued liability for benefits was \$40,875,475, and the actuarial value of assets was \$32,568,612, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,306,863. The covered payroll (annual payroll of active employees covered by the plan) was \$14,652,591, and the ratio of the UAAL to the covered payroll was 56.69 percent.

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

#### **M. Other Postemployment Benefits Plan**

##### **1. Plan Description**

Permanent full-time employees of the County who retire after October 1, 2008 and begin receiving payments from TCDRS and who have 20 consecutive years of service, are eligible to participate in the retiree health care plan, a single employer plan, with the cost to Walker County until the retiree reaches age 65. At age 65, when employees become eligible for Medicare, the County will pay the premium for a Medicare supplement policy. The retiree pays Medicare Part B premiums.

Permanent full-time employees of the County who retire after October 1, 2008, with less than 20 consecutive years of service, are eligible to participate in the Medicare supplement policy for themselves and any eligible dependents at their own expense. Currently, eleven retired employees are covered by the Plan.

##### **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, 2012

### 3. Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2009 as required by GASB. The annual OPEB cost for the fiscal year ending September 30, 2012, is as follows:

	2012	2011	2010
Annual OPEB cost:			
Annual Required Contribution (ARC)	\$ 1,323,643	\$ 1,217,583	\$ 867,125
Interest on Prior Year Net OPEB Obligation	121,380	71,033	35,225
Adjustment to the ARC	(112,467)	(65,811)	(32,635)
Annual OPEB Cost	<u>1,332,556</u>	<u>1,222,805</u>	<u>869,715</u>
Employer Contributions	(138,867)	(103,984)	(73,975)
Total Contributions	<u>(138,867)</u>	<u>(103,984)</u>	<u>(73,975)</u>
Net OPEB Obligation Increase (Decrease)	1,193,689	1,118,821	795,740
Net OPEB Obligation - October 1	<u>2,697,335</u>	<u>1,578,514</u>	<u>782,774</u>
Net OPEB Obligation - September 30	<u>\$ 3,891,024</u>	<u>\$ 2,697,335</u>	<u>\$ 1,578,514</u>
Percentage of Annual OPEB Cost Contributed	10.42%	8.50%	8.51%

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 are as follows:

Fiscal Year Ending	Employer Annual required OPEB Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
September 30, 2012	\$ 1,323,643	10.42%	\$ 3,891,024
September 30, 2011	1,217,583	8.50%	2,697,335
September 30, 2010	867,125	8.51%	1,578,514

### 4. Funded Status and Funding Progress

The funded status of the plan based on an actuarial update using age-adjusted premiums as of December 31, 2011, was as follows:

Actuarial Valuation Date as of December 31	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
2011	\$ -	\$ 9,956,635	\$ 9,956,635	0.00%	\$ 14,652,591	67.95%

Under the reporting parameters, the County's retiree health plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$9,956,635 at December 31, 2011.

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2012**

**5. Actuarial Methods and Assumptions**

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

The following is a summary of the actuarial assumptions:

	<u>12/31/2010</u>	<u>12/31/2011</u>
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%, net of expenses	4.5%, net of expenses
Payroll growth rate	3.00%	3.00%

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.

**N. Commitments and Contingencies**

**1. Construction Commitments**

The County has active construction projects as of September 30, 2012. The projects include the construction and equipment of the Walker County Jail. At year-end, the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Walker County Jail	\$ 1,240,952	\$ 17,398,471
<b>Total</b>	<b>\$ 1,240,952</b>	<b>\$ 17,398,471</b>

**2. Contingencies**

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

**3. Litigation**

The County is currently involved in a lawsuit concerning whether an apartment complex is qualified for tax exempt status and, consequently, not liable for the payment of ad valorem taxes. The County has received \$1,030,578 in ad valorem tax payments under protest. This case is currently under appeal. The County has made the determination that due to the uncertainty of the outcome of this case that the monies received will be recorded as deferred revenues until an appeal ruling is received.

## **WALKER COUNTY, TEXAS**

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

**SEPTEMBER 30, 2012**

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, 2012.

#### **O. Risk Management**

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the fiscal year 2012, the County purchased commercial insurance to cover general liabilities. 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.

The County purchases workers compensation insurance through the TAC (Texas Association of Counties) and has a formal safety program. The Commissioners' Court adopted and distributed a safety manual for use by all employees.

**(This page was intentionally left blank)**

## **REQUIRED SUPPLEMENTARY INFORMATION**

**(This page was intentionally left blank)**



**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT B-1**  
**Page 1 of 9**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Ad Valorem Taxes:				
<i>Current Taxes</i>	\$ 10,460,169	\$ 10,460,169	\$ 10,414,022	\$ (46,147)
<i>Delinquent Taxes</i>	247,000	247,000	240,697	(6,303)
Total Ad Valorem Taxes	10,707,169	10,707,169	10,654,719	(52,450)
<i>Property Tax Penalty and Interest</i>	203,000	203,000	201,273	(1,727)
Other Taxes:				
<i>Sales Tax</i>	2,400,000	2,400,000	2,488,739	88,739
<i>In Lieu of Tax</i>	20,000	20,000	26,669	6,669
<i>Mixed Beverage</i>	90,104	90,104	92,974	2,870
Total Other Taxes	2,510,104	2,510,104	2,608,382	98,278
Licenses and Permits:				
<i>Building and Utility Permits</i>	102,000	102,000	105,837	3,837
Total Licenses and Permits	102,000	102,000	105,837	3,837
Fines and Forfeitures:				
<i>Bond Forfeiture</i>	-	-	9,242	9,242
<i>License and Weight-Operations</i>	108,948	108,948	68,948	(40,000)
Total Fines and Forfeitures	108,948	108,948	78,190	(30,758)
Intergovernmental:				
Federal Funds:				
<i>Local Law Enforcement</i>	9,547	95,912	142,097	46,185
<i>State Criminal Alien Assistance</i>	-	-	8,221	8,221
Total Federal Funds	9,547	95,912	150,318	54,406
State Funds:				
<i>State Grant Funds</i>	-	25,012	22,837	(2,175)
<i>Other State Funds</i>	146,930	211,391	241,236	29,845
Total State Funds	146,930	236,403	264,073	27,670
Other Governmental Funds:				
<i>Appraisal District</i>	7,000	7,000	19,734	12,734
<i>Other</i>	104,882	130,365	157,774	27,409
Total Other Governmental Funds	111,882	137,365	177,508	40,143
Total Intergovernmental	268,359	469,680	591,899	122,219
Charges for Services:				
<i>General Administration</i>	40,000	40,000	48,651	8,651
<i>IT</i>	12,000	12,000	12,000	-
<i>County Clerk</i>	342,500	342,500	443,609	101,109
<i>County Court-at-Law</i>	38,800	38,800	38,882	82
<i>12th and 278th District</i>	40,600	40,600	43,312	2,712
<i>District Clerk</i>	110,500	110,500	97,703	(12,797)
<i>District Attorney</i>	1,200	1,200	1,355	155
<i>Justice of the Peace-Precinct 1</i>	80,000	80,000	104,630	24,630
<i>Justice of the Peace-Precinct 2</i>	68,000	68,000	30,387	(37,613)
<i>Justice of the Peace-Precinct 3</i>	25,000	25,000	19,062	(5,938)
<i>Justice of the Peace-Precinct 4</i>	82,000	82,000	66,258	(15,742)
<i>County Auditor</i>	38,700	38,700	40,899	2,199

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT B-1**  
**Page 2 of 9**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>County Collections</i>	6,300	6,300	8,401	2,101
<i>Vehicle Registration</i>	355,000	355,000	399,757	44,757
<i>Voter Registration</i>	300	300	972	672
<i>County Facilities</i>	17,020	17,020	21,604	4,584
<i>County Jail</i>	123,000	123,000	149,621	26,621
<i>Sheriff's Office</i>	19,900	19,900	9,883	(10,017)
<i>Sheriff's Estray</i>	1,500	1,500	3,002	1,502
<i>Constables Central Service</i>	190,000	190,000	173,310	(16,690)
<i>Constable - Precinct 1</i>	-	-	725	725
<i>Constable - Precinct 2</i>	-	-	130	130
<i>Constable - Precinct 3</i>	-	-	45	45
<i>Constable - Precinct 4</i>	-	-	6,465	6,465
<i>Utility Department</i>	-	-	2,394	2,394
<i>Probation Support</i>	-	5,780	7,153	1,373
<i>Juvenile Probation Support</i>	4,500	4,500	3,374	(1,126)
<i>Emergency Management</i>	15,000	20,965	14,075	(6,890)
<b>Total Charges for Services</b>	<b>1,611,820</b>	<b>1,623,565</b>	<b>1,747,659</b>	<b>124,094</b>
<i>Interest</i>	<b>12,300</b>	<b>12,300</b>	<b>11,629</b>	<b>(671)</b>
Other Income:				
<i>Miscellaneous</i>	101,000	112,295	183,089	70,794
<b>Total Other Income</b>	<b>101,000</b>	<b>112,295</b>	<b>183,089</b>	<b>70,794</b>
<b>Total Revenue</b>	<b>15,624,700</b>	<b>15,849,061</b>	<b>16,182,677</b>	<b>333,616</b>
<b>EXPENDITURES:</b>				
General Government:				
County Judge:				
<i>Salary, Other Pay, and Benefits</i>	174,905	174,905	172,422	2,483
<i>Operations</i>	14,586	14,586	13,353	1,233
<b>Total County Judge</b>	<b>189,491</b>	<b>189,491</b>	<b>185,775</b>	<b>3,716</b>
IT Operations - County Judge:				
<i>Salary, Other Pay, and Benefits</i>	197,853	217,262	180,667	36,595
<i>Operations</i>	9,530	9,530	9,290	240
<b>Total IT Operations - County Judge</b>	<b>207,383</b>	<b>226,792</b>	<b>189,957</b>	<b>36,835</b>
IT Hardware Software - County Judge				
<i>Operations</i>	191,613	172,613	170,432	2,181
<b>Total IT Hardware Software - County Judge</b>	<b>191,613</b>	<b>172,613</b>	<b>170,432</b>	<b>2,181</b>
Commissioner's Court:				
<i>Salary, Other Pay, and Benefits</i>	47,740	47,740	47,727	13
<i>Operations</i>	11,032	11,032	6,560	4,472
<b>Total Commissioner's Court</b>	<b>58,772</b>	<b>58,772</b>	<b>54,287</b>	<b>4,485</b>
County Clerk:				
<i>Salary, Other Pay, and Benefits</i>	438,928	473,855	473,503	352
<i>Operations</i>	116,226	109,226	91,316	17,910
<b>Total County Clerk</b>	<b>555,154</b>	<b>583,081</b>	<b>564,819</b>	<b>18,262</b>

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT B-1**  
**Page 3 of 9**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Voter Registration:				
<i>Salary, Other Pay, and Benefits</i>	39,844	40,244	40,197	47
<i>Operations</i>	18,649	18,697	17,962	735
Total Voter Registration	58,493	58,941	58,159	782
Elections:				
<i>Salary, Other Pay, and Benefits</i>	49,220	69,820	69,573	247
<i>Operations</i>	29,796	44,679	42,282	2,397
Total Elections	79,016	114,499	111,855	2,644
County Facilities:				
<i>Salary, Other Pay, and Benefits</i>	282,100	282,100	265,781	16,319
<i>Operations</i>	262,969	331,232	302,832	28,400
Total County Facilities	545,069	613,332	568,613	44,719
Municipal Allocation:				
<i>Operations</i>	10,983	10,983	7,012	3,971
Total Municipal Allocation	10,983	10,983	7,012	3,971
Centralized Costs:				
<i>Salary, Other Pay, and Benefits</i>	149,405	150,321	134,952	15,369
<i>Operations</i>	523,919	569,089	468,700	100,389
Total Centralized Costs	673,324	719,410	603,652	115,758
Contingency:				
<i>Contingency</i>	941,225	186,601	-	186,601
Total Contingency	941,225	186,601	-	186,601
Governmental/Service Contracts:				
<i>Operations:</i>				
WCPSCC-Combined Dispatch	460,648	460,648	460,648	-
Tri-County MHMR	28,730	28,730	28,730	-
Rita B. Huff Humane Society	12,000	12,000	12,000	-
Spay/Neuter Assistance	18,000	18,000	10,665	7,335
Soil Conservation	500	500	500	-
Senior Center	10,000	10,000	10,000	-
Appraisal District-Appraisals	247,339	247,339	247,339	-
Appraisal District-Collections	89,691	89,691	89,691	-
Boys Girl Organization	15,000	15,000	15,000	-
Contract-YMCA After School	15,000	15,000	15,000	-
Total Governmental/Service Contracts	896,908	896,908	889,573	7,335
HAVA Grant:				
<i>Operations</i>	-	25,012	22,837	2,175
Total HAVA Grant	-	25,012	22,837	2,175
Facilities Grant:				
<i>Contingency</i>	-	106,122	106,122	-
Total Facilities Grant	-	106,122	106,122	-

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT B-1**  
**Page 4 of 9**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
General Governmental Projects:				
<i>Operations</i>	61,227	145,541	55,758	89,783
<i>Capital Expenditures</i>	13,560	336,305	6,304	330,001
Total General Government Projects	74,787	481,846	62,062	419,784
 Total General Government	4,482,218	4,444,403	3,595,155	849,248
 Financial:				
County Auditor:				
<i>Salary, Other Pay, and Benefits</i>	555,715	530,715	496,288	34,427
<i>Operations</i>	63,612	78,141	75,092	3,049
<i>Capital Expenditures</i>	-	10,471	10,471	-
Total County Auditor	619,327	619,327	581,851	37,476
 County Treasurer:				
<i>Salary, Other Pay, and Benefits</i>	290,387	290,387	287,157	3,230
<i>Operations</i>	46,729	48,229	39,295	8,934
Total County Treasurer	337,116	338,616	326,452	12,164
 Collections-County Treasurer:				
<i>Salary, Other Pay, and Benefits</i>	95,337	95,337	86,826	8,511
<i>Operations</i>	19,720	19,720	15,957	3,763
Total Collections-County Treasurer	115,057	115,057	102,783	12,274
 Purchasing:				
<i>Salary, Other Pay, and Benefits</i>	165,111	168,111	167,735	376
<i>Operations</i>	19,991	16,991	16,029	962
Total Purchasing	185,102	185,102	183,764	1,338
 Vehicle Registration:				
<i>Salary, Other Pay, and Benefits</i>	313,535	313,535	301,732	11,803
<i>Operations</i>	9,410	9,410	8,444	966
Total Vehicle Registration	322,945	322,945	310,176	12,769
 Financial Projects:				
<i>Operations</i>	-	47,415	3,626	43,789
Total Financial Projects	-	47,415	3,626	43,789
 Total Financial	1,579,547	1,628,462	1,508,652	119,810
 Judicial:				
Courts-Central Costs:				
<i>Salary, Other Pay, and Benefits</i>	12,160	12,160	10,000	2,160
<i>Operations</i>	326,665	98,182	94,480	3,702
Total Courts-Central Costs	338,825	110,342	104,480	5,862
 County Court-at-Law:				
<i>Salary, Other Pay, and Benefits</i>	369,448	369,448	367,693	1,755
<i>Operations</i>	101,938	211,938	206,100	5,838
Total County Court-at-Law	471,386	581,386	573,793	7,593

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT B-1**  
**Page 5 of 9**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
12th Judicial District Court:				
<i>Salary, Other Pay, and Benefits</i>	172,733	172,733	154,183	18,550
<i>Operations</i>	104,110	264,110	249,486	14,624
Total 12th Judicial District Court	276,843	436,843	403,669	33,174
278th Judicial District Court:				
<i>Salary, Other Pay, and Benefits</i>	185,655	185,655	185,885	(230)
<i>Operations</i>	103,527	180,527	176,829	3,698
Total 278th Judicial District Court	289,182	366,182	362,714	3,468
District Clerk:				
<i>Salary, Other Pay, and Benefits</i>	367,499	367,499	352,572	14,927
<i>Operations</i>	34,559	34,559	28,455	6,104
Total District Clerk	402,058	402,058	381,027	21,031
Criminal District Attorney:				
<i>Salary, Other Pay, and Benefits</i>	1,212,398	1,230,478	1,173,788	56,690
<i>Operations</i>	21,164	23,164	19,681	3,483
Total Criminal District Attorney	1,233,562	1,253,642	1,193,469	60,173
Justice of Peace-Precinct 1:				
<i>Salary, Other Pay, and Benefits</i>	180,056	180,056	170,379	9,677
<i>Operations</i>	13,333	13,333	10,060	3,273
Total Justice of Peace-Precinct 1	193,389	193,389	180,439	12,950
Justice of Peace-Precinct 2:				
<i>Salary, Other Pay, and Benefits</i>	174,873	174,873	173,392	1,481
<i>Operations</i>	10,191	10,191	6,134	4,057
Total Justice of Peace-Precinct 2	185,064	185,064	179,526	5,538
Justice of Peace-Precinct 3:				
<i>Salary, Other Pay, and Benefits</i>	179,016	179,016	176,831	2,185
<i>Operations</i>	9,954	13,954	12,919	1,035
Total Justice of Peace-Precinct 3	188,970	192,970	189,750	3,220
Justice of Peace-Precinct 4:				
<i>Salary, Other Pay, and Benefits</i>	222,287	222,287	212,958	9,329
<i>Operations</i>	17,732	17,732	16,715	1,017
Total Justice of Peace-Precinct 4	240,019	240,019	229,673	10,346
Juvenile Probation Support:				
<i>Operations</i>	124,876	124,876	122,986	1,890
Total Juvenile Probation Support	124,876	124,876	122,986	1,890
Judicial Projects:				
<i>Operations</i>	-	3,825	-	3,825
<i>Capital Expenditures</i>	11,870	130,908	115,608	15,300
Total Judicial Projects	11,870	134,733	115,608	19,125
Total Judicial	3,956,044	4,221,504	4,037,134	184,370

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT B-1**  
**Page 6 of 9**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Safety:				
Sheriff's Office:				
<i>Salary, Other Pay, and Benefits</i>	2,170,285	2,146,735	2,034,001	112,734
<i>Operations</i>	248,754	346,684	307,142	39,542
<i>Capital Expenditures</i>	134,600	135,771	135,771	-
Total Sheriff's Office	2,553,639	2,629,190	2,476,914	152,276
Estray:				
<i>Operations</i>	6,000	6,000	5,982	18
Total Estray	6,000	6,000	5,982	18
Emergency Operations:				
<i>Salary, Other Pay, and Benefits</i>	53,078	53,078	49,713	3,365
<i>Operations</i>	76,566	77,251	64,326	12,925
<i>Capital Expenditures</i>	31,562	37,896	37,896	-
Total Emergency Operations	161,206	168,225	151,935	16,290
Courthouse Security General Fund:				
<i>Salary, Other Pay, and Benefits</i>	63,525	63,525	53,286	10,239
Total Courthouse Security General Fund	63,525	63,525	53,286	10,239
Constables Central:				
<i>Salary, Other Pay, and Benefits</i>	42,123	42,123	40,416	1,707
<i>Operations</i>	9,329	9,329	2,881	6,448
Total Constables Central	51,452	51,452	43,297	8,155
Constable-Precinct 1:				
<i>Salary, Other Pay, and Benefits</i>	66,268	66,268	65,934	334
<i>Operations</i>	5,640	8,736	7,412	1,324
<i>Capital Expenditures</i>	38,441	35,345	33,025	2,320
Total Constable-Precinct 1	110,349	110,349	106,371	3,978
Constable-Precinct 2:				
<i>Salary, Other Pay, and Benefits</i>	66,268	66,268	65,528	740
<i>Operations</i>	6,123	6,123	2,929	3,194
Total Constable-Precinct 2	72,391	72,391	68,457	3,934
Constable-Precinct 3:				
<i>Salary, Other Pay, and Benefits</i>	66,268	66,268	66,029	239
<i>Operations</i>	6,164	8,264	6,333	1,931
Total Constable-Precinct 3	72,432	74,532	72,362	2,170
Constable-Precinct 4:				
<i>Salary, Other Pay, and Benefits</i>	66,268	66,268	66,261	7
<i>Operations</i>	5,894	10,094	10,075	19
Total Constable-Precinct 4	72,162	76,362	76,336	26
Support Personnel-DPS:				
<i>Salary, Other Pay, and Benefits</i>	50,249	50,249	49,397	852
<i>Operations</i>	2,215	2,215	825	1,390
Total Support Personnel-DPS	52,464	52,464	50,222	2,242

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT B-1**  
**Page 7 of 9**

	Budgeted Amounts			Final Budget Positive (Negative)
	Original	Final	Actual	
Weigh Station Utilities Services:				
<i>Operations</i>	25,187	25,187	17,109	8,078
Total Weigh Station Utilities Services	25,187	25,187	17,109	8,078
Weigh Station Site Support:				
<i>Salary, Other Pay, and Benefits</i>	16,440	16,440	13,599	2,841
<i>Operations</i>	10,000	10,000	3,311	6,689
Total Weigh Station Site Support	26,440	26,440	16,910	9,530
Fire Services:				
<i>Operations:</i>				
<i>Software Maintenance</i>	1,615	1,615	-	1,615
<i>City of Huntsville</i>	246,487	246,487	246,487	-
<i>Crabbs Prairie Fire Dept.</i>	7,200	7,200	7,200	-
<i>Riverside Fire Dept.</i>	16,300	16,300	16,300	-
<i>Pine Prairie Fire Dept.</i>	7,200	7,200	7,200	-
<i>New Waverly Fire Dept.</i>	24,900	24,900	24,900	-
<i>Thomas Lake Road Fire Dept.</i>	7,200	7,200	7,200	-
<i>Dodge Volunteer Fire Dept.</i>	7,200	7,200	7,200	-
Total Fire Services	318,102	318,102	316,487	1,615
Public Safety Projects:				
<i>Operations</i>	-	335,026	211,599	123,427
<i>Capital Expenditures</i>	-	17,857	11,827	6,030
Total Public Safety Projects:	-	352,883	223,426	129,457
Total Public Safety	3,585,349	4,027,102	3,679,094	348,008
Correction and Rehabilitation:				
County Jail:				
<i>Salary, Other Pay, and Benefits</i>	1,553,256	1,528,256	1,493,079	35,177
<i>Operations</i>	366,785	435,573	405,913	29,660
<i>Capital Expenditures</i>	34,210	52,081	52,080	1
Total County Jail	1,954,251	2,015,910	1,951,072	64,838
Jail-Inmate Medical Cost Center:				
<i>Salary, Other Pay, and Benefits</i>	130,691	131,291	131,109	182
<i>Operations</i>	94,678	79,078	73,093	5,985
Total Jail-Inmate Medical Cost Center	225,369	210,369	204,202	6,167
Probation Support:				
<i>Operations</i>	55,247	61,027	52,820	8,207
Total Probation Support	55,247	61,027	52,820	8,207
Adult-Community Service:				
<i>Salary, Other Pay, and Benefits</i>	44,941	44,941	35,494	9,447
<i>Operations</i>	850	850	400	450
Total Adult-Community Service	45,791	45,791	35,894	9,897
Total Correction and Rehabilitation	2,280,658	2,333,097	2,243,988	89,109

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT B-1**  
**Page 8 of 9**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare				
Veteran's Service:				
<i>Salary, Other Pay, and Benefits</i>	25,925	25,925	23,767	2,158
<i>Operations</i>	1,549	1,549	1,465	84
Total Veteran's Service	27,474	27,474	25,232	2,242
Social Services:				
<i>Operations</i>	23,800	23,800	6,327	17,473
Total Social Services	23,800	23,800	6,327	17,473
Planning and Development:				
<i>Salary, Other Pay, and Benefits</i>	318,604	318,604	293,487	25,117
<i>Operations</i>	87,466	94,925	72,381	22,544
Total Planning and Development	406,070	413,529	365,868	47,661
Litter Control General Fund:				
<i>Salary, Other Pay, and Benefits</i>	14,430	14,430	13,744	686
<i>Operations</i>	8,626	21,515	15,125	6,390
Total Litter Control General Fund	23,056	35,945	28,869	7,076
Health and Welfare Projects:				
<i>Capital Expenditures</i>	-	50,000	47,018	2,982
Total Health and Welfare Projects	-	50,000	47,018	2,982
Total Health and Welfare	480,400	550,748	473,314	77,434
Culture and Education:				
Historical Commission:				
<i>Operations</i>	7,980	7,980	7,890	90
Total Historical Commission	7,980	7,980	7,890	90
Texas AgriLife Extension Service:				
<i>Salary, Other Pay, and Benefits</i>	148,226	148,226	148,213	13
<i>Operations</i>	24,482	24,482	20,151	4,331
Total Texas AgriLife Extension Service	172,708	172,708	168,364	4,344
Total Culture and Education	180,688	180,688	176,254	4,434
Public Transportation:				
Road and Bridge Projects:				
<i>Operations</i>	-	496,870	390,553	106,317
<i>Capital Expenditures</i>	220,964	175,221	175,221	-
Total Road and Bridge Projects	220,964	672,091	565,774	106,317
Total Public Transportation	220,964	672,091	565,774	106,317
Total Expenditures	16,765,868	18,058,095	16,279,365	1,778,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,141,168)	(2,209,034)	(96,688)	2,112,346



**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT B-1**  
**Page 9 of 9**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	170,964	379,148	378,073	(1,075)
<i>Transfers Out</i>	<u>(1,096,856)</u>	<u>(1,276,996)</u>	<u>(1,276,996)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(925,892)</u>	<u>(897,848)</u>	<u>(898,923)</u>	<u>(1,075)</u>
Net Change in Fund Balances	(2,067,060)	(3,106,882)	(995,611)	2,111,271
Fund Balances at Beginning of Year	<u>6,512,944</u>	<u>6,512,944</u>	<u>6,512,944</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 4,445,884</u>	<u>\$ 3,406,062</u>	<u>\$ 5,517,333</u>	<u>\$ 2,111,271</u>

**(This page was intentionally left blank)**

**WALKER COUNTY, TEXAS**  
**GRANTS AND CONTRACTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal Funds:				
<i>Local Law Enforcement</i>	\$ -	\$ 11,164	\$ 6,431	\$ (4,733)
<i>Homeland Security Grant</i>	-	193,967	69,285	(124,682)
Total Federal Funds	-	205,131	75,716	(129,415)
State Funds:				
<i>Other State Funds</i>	4,747,928	5,085,304	4,597,524	(487,780)
Total State Funds	4,747,928	5,085,304	4,597,524	(487,780)
Total Intergovernmental	4,747,928	5,290,435	4,673,240	(617,195)
Other Income:				
<i>Miscellaneous</i>	-	-	506	506
Total Other Income	-	-	506	506
Total Revenues	4,747,928	5,290,435	4,673,746	(616,689)
<b>EXPENDITURES:</b>				
General Government:				
Polling Place Accessibility 2012:				
<i>Operations</i>	-	19,435	14,931	4,504
Total Polling Place Accessibility 2012	-	19,435	14,931	4,504
Opportunity for Access 2012:				
<i>Operations</i>	-	18,188	16,238	1,950
Total Opportunity for Access 2012	-	18,188	16,238	1,950
Total General Government	-	37,623	31,169	6,454
Judicial:				
Prosecution Prison Crime:				
<i>Salary, Other Pay, and Benefits</i>	1,432,227	1,387,853	1,367,986	19,867
<i>Operations</i>	-	70,494	51,932	18,562
Total Prosecution Prison Crime	1,432,227	1,458,347	1,419,918	38,429
SPU Criminal-State General Allocation:				
<i>Salary, Other Pay, and Benefits</i>	32,680	119,692	(4,445)	124,137
<i>Operations</i>	190,186	-	98,911	(98,911)
Total SPU Criminal-State General Allocation	222,866	119,692	94,466	25,226
SPU/Civil Division:				
<i>Salary, Other Pay, and Benefits</i>	1,357,671	1,278,821	1,210,331	68,490
<i>Operations</i>	958,059	1,160,983	1,039,557	121,426
Total SPU/Civil Division	2,315,730	2,439,804	2,249,888	189,916
SPU-Juvenile Division:				
<i>Salary, Other Pay, and Benefits</i>	668,696	650,096	641,927	8,169
<i>Operations</i>	108,409	108,409	89,270	19,139
Total SPU-Juvenile Division	777,105	758,505	731,197	27,308
Total Judicial	4,747,928	4,776,348	4,495,469	280,879

**WALKER COUNTY, TEXAS**  
**GRANTS AND CONTRACTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Public Safety:				
Jag - Recovery Act:				
<i>Operations</i>	-	4,910	177	4,733
<i>Sub-recipient Operations</i>	-	5,239	5,239	-
Total Jag - Recovery Act	-	10,149	5,416	4,733
Homeland Security Grant 2009:				
<i>Operations</i>	-	14,460	14,461	(1)
<i>Capital Expenditures</i>	-	7,162	7,161	1
Total Homeland Security Grant 2009	-	21,622	21,622	-
Homeland Security Grant 2010:				
<i>Operations</i>	-	46,345	46,217	128
Total Homeland Security Grant 2010	-	46,345	46,217	128
Homeland Security Grant 2011:				
<i>Operations</i>	-	169,200	1,946	167,254
Total Homeland Security Grant 2011	-	169,200	1,946	167,254
Fuels Reduction Grant:				
<i>Operations</i>	-	205	205	-
Total Fuels Reduction Grant	-	205	205	-
Jag Grant 2011:				
<i>Operations</i>	-	810	810	-
Total Jag Grant 2011	-	810	810	-
Total Public Safety	-	248,331	76,216	172,115
Health and Welfare:				
HGAC Environmental Grant:				
<i>Salary, Other Pay, and Benefits</i>	-	79,105	30,023	49,082
<i>Operations</i>	-	15,965	8,147	7,818
<i>Capital Expenditures</i>	-	36,990	36,363	627
Total HGAC Environmental Grant	-	132,060	74,533	57,527
HGAC Grant:				
<i>Operations</i>	-	32,880	-	32,880
Total HGAC Grant	-	32,880	-	32,880
Total Health and Welfare	-	164,940	74,533	90,407
Culture and Education:				
DSHS AgriLife Grant:				
<i>Operations</i>	-	100,000	8,369	91,631
Total DSHS AgriLife Grant	-	100,000	8,369	91,631
Total Culture and Education	-	100,000	8,369	91,631
Total Expenditures	4,747,928	5,327,242	4,685,756	641,486

**WALKER COUNTY, TEXAS**  
**GRANTS AND CONTRACTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	(36,807)	(12,010)	24,797
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	-	36,807	36,807	-
Total Other Financing Sources (Uses)	-	36,807	36,807	-
Net Change in Fund Balances	-	-	24,797	24,797
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ 24,797	\$ 24,797

**WALKER COUNTY, TEXAS**  
**ROAD AND BRIDGE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Ad Valorem Taxes:				
<i>Current Taxes</i>	\$ 1,613,133	\$ 1,613,133	\$ 1,706,370	\$ 93,237
Total Ad Valorem Taxes	<u>1,613,133</u>	<u>1,613,133</u>	<u>1,706,370</u>	<u>93,237</u>
Fine and Forfeitures:				
<i>License and Weight-Operations</i>	320,400	320,400	168,423	(151,977)
<i>Other Fines and Forfeitures</i>	<u>939,620</u>	<u>939,620</u>	<u>897,102</u>	<u>(42,518)</u>
Total Fines and Forfeitures	<u>1,260,020</u>	<u>1,260,020</u>	<u>1,065,525</u>	<u>(194,495)</u>
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	<u>54,000</u>	<u>54,000</u>	<u>60,748</u>	<u>6,748</u>
Total State Funds	<u>54,000</u>	<u>54,000</u>	<u>60,748</u>	<u>6,748</u>
Other Governmental Funds:				
<i>U.S. Forest Service</i>	133,800	133,800	141,076	7,276
<i>Other</i>	<u>-</u>	<u>88,936</u>	<u>88,937</u>	<u>1</u>
Total Other Governmental Funds	<u>133,800</u>	<u>222,736</u>	<u>230,013</u>	<u>7,277</u>
Total Intergovernmental	<u>187,800</u>	<u>276,736</u>	<u>290,761</u>	<u>14,025</u>
Charges for Services:				
<i>Charges for Services</i>	<u>854,000</u>	<u>854,000</u>	<u>881,619</u>	<u>27,619</u>
Total Charges for Services	<u>854,000</u>	<u>854,000</u>	<u>881,619</u>	<u>27,619</u>
<i>Interest</i>	<u>1,100</u>	<u>1,100</u>	<u>1,260</u>	<u>160</u>
Other Income:				
<i>Miscellaneous</i>	<u>-</u>	<u>15,540</u>	<u>15,823</u>	<u>283</u>
Total Other Income	<u>-</u>	<u>15,540</u>	<u>15,823</u>	<u>283</u>
Total Revenues	<u>3,916,053</u>	<u>4,020,529</u>	<u>3,961,358</u>	<u>(59,171)</u>
<b>EXPENDITURES:</b>				
General Government:				
Contingency:				
<i>Contingency</i>	<u>257,459</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Contingency	<u>257,459</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Government	<u>257,459</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public Transportation:				
General - Road and Bridge:				
<i>Operations</i>	<u>70,000</u>	<u>76,448</u>	<u>69,369</u>	<u>7,079</u>
Total General - Road and Bridge	<u>70,000</u>	<u>76,448</u>	<u>69,369</u>	<u>7,079</u>
Precinct 1 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	509,148	509,148	486,140	23,008
<i>Operations</i>	<u>490,957</u>	<u>936,991</u>	<u>532,126</u>	<u>404,865</u>
Total Precinct 1 - Commissioner	<u>1,000,105</u>	<u>1,446,139</u>	<u>1,018,266</u>	<u>427,873</u>

**WALKER COUNTY, TEXAS**  
**ROAD AND BRIDGE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Precinct 2 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	562,629	568,629	548,007	20,622
<i>Operations</i>	545,777	921,947	665,128	256,819
<i>Capital Expenditures</i>	-	8,300	8,250	50
Total Precinct 2 - Commissioner	<u>1,108,406</u>	<u>1,498,876</u>	<u>1,221,385</u>	<u>277,491</u>
Precinct 3 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	602,121	602,121	562,742	39,379
<i>Operations</i>	493,991	578,496	338,306	240,190
Total Precinct 3 - Commissioner	<u>1,096,112</u>	<u>1,180,617</u>	<u>901,048</u>	<u>279,569</u>
Precinct 4 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	557,772	557,772	551,908	5,864
<i>Operations</i>	614,835	658,414	576,130	82,284
Total Precinct 4 - Commissioner	<u>1,172,607</u>	<u>1,216,186</u>	<u>1,128,038</u>	<u>88,148</u>
Capital Project (Weigh Station):				
<i>Capital Expenditures</i>	40,400	128,768	625	128,143
Total Capital Project (Weigh Station)	<u>40,400</u>	<u>128,768</u>	<u>625</u>	<u>128,143</u>
Total Public Transportation	<u>4,487,630</u>	<u>5,547,034</u>	<u>4,338,731</u>	<u>1,208,303</u>
Total Expenditures	<u>4,745,089</u>	<u>5,547,034</u>	<u>4,338,731</u>	<u>1,208,303</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(829,036)</u>	<u>(1,526,505)</u>	<u>(377,373)</u>	<u>1,149,132</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	600,000	763,130	763,130	-
<i>Transfers Out</i>	170,964	(131,830)	(131,829)	1
Total Other Financing Sources (Uses)	<u>770,964</u>	<u>631,300</u>	<u>631,301</u>	<u>1</u>
Net Change in Fund Balances	(58,072)	(895,205)	253,928	1,149,133
Fund Balances at Beginning of Year	954,656	954,656	954,656	-
Fund Balances at End of Year	<u>\$ 896,584</u>	<u>\$ 59,451</u>	<u>\$ 1,208,584</u>	<u>\$ 1,149,133</u>

**WALKER COUNTY, TEXAS**  
**EMS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**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>	\$ 21,070	\$ 21,070	\$ 27,259	\$ 6,189
Total State Funds	21,070	21,070	27,259	6,189
Total Intergovernmental	21,070	21,070	27,259	6,189
Charges for Services:				
<i>Emergency Medical Services</i>	1,625,830	1,625,830	1,728,471	102,641
<i>Emergency Medical Services Transfer</i>	775,840	775,840	468,944	(306,896)
Total Charges for Services	2,401,670	2,401,670	2,197,415	(204,255)
<i>Interest</i>	-	-	148	148
Other Income:				
<i>Miscellaneous</i>	-	21,708	25,428	3,720
Total Other Income	-	21,708	25,428	3,720
Total Revenues	2,422,740	2,444,448	2,250,250	(194,198)
<b>EXPENDITURES:</b>				
Public Safety:				
Walker County EMS:				
<i>Salary, Other Pay, and Benefits</i>	2,082,959	2,051,959	2,003,000	48,959
<i>Operations</i>	444,916	457,686	418,177	39,509
<i>Capital Expenditures</i>	64,718	182,092	182,089	3
Total Walker County EMS	2,592,593	2,691,737	2,603,266	88,471
EMS Transfer:				
<i>Salary, Other Pay, and Benefits</i>	378,654	373,854	312,365	61,489
<i>Operations</i>	42,412	34,839	31,607	3,232
Total EMS Transfer	421,066	408,693	343,972	64,721
Total Public Safety	3,013,659	3,100,430	2,947,238	153,192
Total Expenditures	3,013,659	3,100,430	2,947,238	153,192
Excess (Deficiency) of Revenues Over (Under) Expenditures	(590,919)	(655,982)	(696,988)	(41,006)
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	397,489	462,552	462,552	-
Total Other Financing Sources (Uses)	397,489	462,552	462,552	-
Net Change in Fund Balances	(193,430)	(193,430)	(234,436)	(41,006)
Fund Balances at Beginning of Year	637,029	637,029	637,029	-
Fund Balances at End of Year	\$ 443,599	\$ 443,599	\$ 402,593	\$ (41,006)



**WALKER COUNTY, TEXAS***REQUIRED SUPPLEMENTARY INFORMATION**SCHEDULE OF FUNDING PROGRESS**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**SEPTEMBER 30, 2012**(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>
12/31/2006	\$ 21,164,930	\$ 25,325,388	\$ 4,160,458	83.57%	\$ 10,818,015	38.46%
12/31/2007	23,820,411	28,284,920	4,464,509	84.22%	11,728,338	38.07%
12/31/2008	24,395,551	30,713,356	6,317,805	79.43%	13,284,133	47.56%
12/31/2009	27,942,035	34,321,448	6,379,413	81.41%	13,995,554	45.58%
12/31/2010	29,733,487	36,954,035	7,220,548	80.46%	14,508,895	49.77%
12/31/2011	32,568,612	40,875,475	8,306,863	79.68%	14,652,591	56.69%

*REQUIRED SUPPLEMENTARY INFORMATION**SCHEDULE OF FUNDING PROGRESS**OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)**SEPTEMBER 30, 2012**(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%

## **WALKER COUNTY, TEXAS**

### *NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2012*

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

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

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

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

**(This page was intentionally left blank)**

## **Special Revenue Funds**

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2012**

	US Forest Fire Suppression Fund	Hot Check Fee Fund	Court Reporter Service Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ -	\$ 7,628	\$ -
<i>Accounts Receivable</i>	-	-	-
<i>Due from Other Governments</i>	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 7,628</u>	<u>\$ -</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
<i>Accounts Payable</i>	\$ -	\$ 2,199	\$ -
<i>Due to Other Governments</i>	-	-	-
<i>Due to Others</i>	-	5,429	-
<i>Accrued Liabilities</i>	-	-	-
<i>Deferred Revenue</i>	-	-	-
Total Liabilities	<u>-</u>	<u>7,628</u>	<u>-</u>
<b>FUND BALANCES:</b>			
<i>Restricted for Special Revenue Funds</i>	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 7,628</u>	<u>\$ -</u>

Law Library Fund	Court House Security Fund	Justice Courts Security Fund	Election Equipment Fund	Elections Services Contracts Fund	County Clerk Records Fund
\$ 81,591	\$ 16,674	\$ 43,846	\$ 50,411	\$ 4,116	\$ 52,527
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 81,591</u>	<u>\$ 16,674</u>	<u>\$ 43,846</u>	<u>\$ 50,411</u>	<u>\$ 4,116</u>	<u>\$ 52,527</u>
\$ 2,614	\$ 1	\$ 2,401	\$ -	\$ -	\$ 2,474
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,614</u>	<u>1</u>	<u>2,401</u>	<u>-</u>	<u>-</u>	<u>2,474</u>
<u>78,977</u>	<u>16,673</u>	<u>41,445</u>	<u>50,411</u>	<u>4,116</u>	<u>50,053</u>
<u>78,977</u>	<u>16,673</u>	<u>41,445</u>	<u>50,411</u>	<u>4,116</u>	<u>50,053</u>
<u>\$ 81,591</u>	<u>\$ 16,674</u>	<u>\$ 43,846</u>	<u>\$ 50,411</u>	<u>\$ 4,116</u>	<u>\$ 52,527</u>

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2012**

	County Clerk Archive Fund	County Records Managment Fund	County Records II Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 53,998	\$ 49,178	\$ 30,876
<i>Accounts Receivable</i>	-	-	-
<i>Due from Other Governments</i>	-	-	-
Total Assets	<u>53,998</u>	<u>49,178</u>	<u>\$ 30,876</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
<i>Accounts Payable</i>	\$ -	\$ 23,171	\$ -
<i>Due to Other Governments</i>	-	-	-
<i>Due to Others</i>	-	-	-
<i>Accrued Liabilities</i>	-	-	-
<i>Deferred Revenue</i>	-	-	-
Total Liabilities	<u>-</u>	<u>23,171</u>	<u>-</u>
<b>FUND BALANCES:</b>			
<i>Restricted for Special Revenue Funds</i>	<u>53,998</u>	<u>26,007</u>	<u>30,876</u>
Total Fund Balances	<u>53,998</u>	<u>26,007</u>	<u>30,876</u>
Total Liabilities and Fund Balances	<u>\$ 53,998</u>	<u>\$ 49,178</u>	<u>\$ 30,876</u>



District Clerk Records Fund	Sheriff Forfeiture Fund	Criminal District Attorney Forfeiture Fund	Juvenile Grant Fund	Early Retiree Reinsurance Program Fund	Special Inventory Tax Fund
\$ 12,757	\$ 31,633	\$ 96,781	\$ 161,218	\$ 60,036	\$ 16
-	-	-	2,843	-	-
-	-	-	-	-	-
<u>\$ 12,757</u>	<u>\$ 31,633</u>	<u>\$ 96,781</u>	<u>\$ 164,061</u>	<u>\$ 60,036</u>	<u>\$ 16</u>
\$ -	\$ -	\$ -	\$ 13,292	\$ -	\$ -
-	-	-	9,744	-	-
-	-	-	-	-	-
-	4,942	-	-	-	-
-	-	-	35,260	-	-
<u>-</u>	<u>4,942</u>	<u>-</u>	<u>58,296</u>	<u>-</u>	<u>-</u>
12,757	26,691	96,781	105,765	60,036	16
<u>12,757</u>	<u>26,691</u>	<u>96,781</u>	<u>105,765</u>	<u>60,036</u>	<u>16</u>
<u>\$ 12,757</u>	<u>\$ 31,633</u>	<u>\$ 96,781</u>	<u>\$ 164,061</u>	<u>\$ 60,036</u>	<u>\$ 16</u>

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2012**

	District Clerk Rider Prosecution Fund	Prof. Prosecutors Supplement Fund	Pretrial Intervention Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 1,081	\$ 1,101	\$ 61,261
<i>Accounts Receivable</i>	-	-	-
<i>Due from Other Governments</i>	-	863	-
Total Assets	<u>\$ 1,081</u>	<u>\$ 1,964</u>	<u>\$ 61,261</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
<i>Accounts Payable</i>	\$ -	\$ 1,964	\$ -
<i>Due to Other Governments</i>	-	-	-
<i>Due to Others</i>	-	-	-
<i>Accrued Liabilities</i>	-	-	-
<i>Deferred Revenue</i>	-	-	-
Total Liabilities	<u>-</u>	<u>1,964</u>	<u>-</u>
<b>FUND BALANCES:</b>			
<i>Restricted for Special Revenue Funds</i>	<u>1,081</u>	<u>-</u>	<u>61,261</u>
Total Fund Balances	<u>1,081</u>	<u>-</u>	<u>61,261</u>
Total Liabilities and Fund Balances	<u>\$ 1,081</u>	<u>\$ 1,964</u>	<u>\$ 61,261</u>

County Jury Fund	Justice Court Technology Fund	County and District Clerk Technology Fund	Inmate Medical Fund	Total Nonmajor Special Revenue Fund (See Exhibit A-3)
\$ 2,037	\$ 17,377	\$ 5,528	\$ 18,877	\$ 860,548
-	-	-	-	2,843
-	-	-	-	863
<u>\$ 2,037</u>	<u>\$ 17,377</u>	<u>\$ 5,528</u>	<u>\$ 18,877</u>	<u>\$ 864,254</u>
\$ 2,037	\$ -	\$ -	\$ -	\$ 50,153
-	-	-	-	9,744
-	-	-	-	5,429
-	-	-	-	4,942
-	-	-	-	35,260
<u>2,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,528</u>
-	17,377	5,528	18,877	758,726
<u>-</u>	<u>17,377</u>	<u>5,528</u>	<u>18,877</u>	<u>758,726</u>
<u>\$ 2,037</u>	<u>\$ 17,377</u>	<u>\$ 5,528</u>	<u>\$ 18,877</u>	<u>\$ 864,254</u>

**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	US Forest Fire Suppression Fund	Hot Check Fee Fund	Court Reporter Service Fund
<b>REVENUES:</b>			
<i>Intergovernmental</i>	\$ -	\$ -	\$ -
<i>Charges for Services</i>	-	23,948	16,358
<i>Fines and Forfeitures</i>	-	-	-
<i>Interest</i>	-	-	-
Total Revenues	<u>-</u>	<u>23,948</u>	<u>16,358</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	-	-	-
<i>Financial</i>	-	-	-
<i>Judicial</i>	-	50,039	18,654
<i>Public Safety</i>	-	-	-
Total Expenditures	<u>-</u>	<u>50,039</u>	<u>18,654</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(26,091)</u>	<u>(2,296)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers In</i>	-	-	-
<i>Transfers Out</i>	<u>(76,324)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(76,324)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(76,324)	(26,091)	(2,296)
Fund Balances - Beginning	<u>76,324</u>	<u>26,091</u>	<u>2,296</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Law Library Fund	Court House Security Fund	Justice Courts Security Fund	Election Equipment Fund	Elections Services Contracts Fund	County Clerk Records Fund
\$ -	\$ -	\$ -	\$ 4,886	\$ 5,039	\$ -
38,111	42,464	7,473	-	-	51,585
-	-	-	-	-	-
79	1	47	56	2	50
<u>38,190</u>	<u>42,465</u>	<u>7,520</u>	<u>4,942</u>	<u>5,041</u>	<u>51,635</u>
-	-	-	-	6,916	51,461
-	-	-	-	-	-
29,791	-	4,895	-	-	-
-	56,550	-	-	-	-
<u>29,791</u>	<u>56,550</u>	<u>4,895</u>	<u>-</u>	<u>6,916</u>	<u>51,461</u>
8,399	(14,085)	2,625	4,942	(1,875)	174
-	14,507	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>14,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,399	422	2,625	4,942	(1,875)	174
70,578	16,251	38,820	45,469	5,991	49,879
<u>\$ 78,977</u>	<u>\$ 16,673</u>	<u>\$ 41,445</u>	<u>\$ 50,411</u>	<u>\$ 4,116</u>	<u>\$ 50,053</u>

**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	County Clerk Archive Fund	County Records Managment Fund	County Records II Fund
<b>REVENUES:</b>			
<i>Intergovernmental</i>	\$ -	\$ -	\$ -
<i>Charges for Services</i>	53,984	23,498	11,803
<i>Fines and Forfeitures</i>	-	-	-
<i>Interest</i>	14	40	26
Total Revenues	<u>53,998</u>	<u>23,538</u>	<u>11,829</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	-	33,895	-
<i>Financial</i>	-	-	-
<i>Judicial</i>	-	-	-
<i>Public Safety</i>	-	-	-
Total Expenditures	<u>-</u>	<u>33,895</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>53,998</u>	<u>(10,357)</u>	<u>11,829</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers In</i>	-	-	-
<i>Transfers Out</i>	-	(6,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(6,000)</u>	<u>-</u>
Net Change in Fund Balances	53,998	(16,357)	11,829
Fund Balances - Beginning	-	42,364	19,047
Fund Balances - Ending	<u>\$ 53,998</u>	<u>\$ 26,007</u>	<u>\$ 30,876</u>

District Clerk Records Fund	Sheriff Forfeiture Fund	Criminal District Attorney Forfeiture Fund	Juvenile Grant Fund	Early Retiree Reinsurance Program Fund	Special Inventory Tax Fund
\$ -	\$ -	\$ -	\$ 398,530	\$ 60,014	\$ -
3,377	-	-	-	-	351
-	5,643	29,515	-	-	-
14	30	92	80	22	-
<u>3,391</u>	<u>5,673</u>	<u>29,607</u>	<u>398,610</u>	<u>60,036</u>	<u>351</u>
-	-	-	-	-	-
-	-	-	-	-	1,359
3,286	-	3,669	410,151	-	-
-	3,095	-	-	-	-
<u>3,286</u>	<u>3,095</u>	<u>3,669</u>	<u>410,151</u>	<u>-</u>	<u>1,359</u>
105	2,578	25,938	(11,541)	60,036	(1,008)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
105	2,578	25,938	(11,541)	60,036	(1,008)
12,652	24,113	70,843	117,306	-	1,024
<u>\$ 12,757</u>	<u>\$ 26,691</u>	<u>\$ 96,781</u>	<u>\$ 105,765</u>	<u>\$ 60,036</u>	<u>\$ 16</u>

**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	District Clerk Rider Prosecution Fund	Prof. Prosecutors Supplement Fund	Pretrial Intervention Fund
<b>REVENUES:</b>			
<i>Intergovernmental</i>	\$ -	\$ 20,794	\$ -
<i>Charges for Services</i>	-	-	39,488
<i>Fines and Forfeitures</i>	-	-	-
<i>Interest</i>	-	-	42
Total Revenues	<u>-</u>	<u>20,794</u>	<u>39,530</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	-	-	-
<i>Financial</i>	-	-	-
<i>Judicial</i>	4,771	20,794	-
<i>Public Safety</i>	-	-	-
Total Expenditures	<u>4,771</u>	<u>20,794</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,771)</u>	<u>-</u>	<u>39,530</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers In</i>	-	-	-
<i>Transfers Out</i>	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(4,771)	-	39,530
Fund Balances - Beginning	5,852	-	21,731
Fund Balances - Ending	<u>\$ 1,081</u>	<u>\$ -</u>	<u>\$ 61,261</u>



County Jury Fund	Justice Court Technology Fund	County and District Clerk Technology Fund	Inmate Medical Fund	Total Nonmajor Special Revenue Funds (See Exhibit A-5)
\$ -	\$ -	\$ -	\$ -	\$ 489,263
2,484	30,559	2,943	3,505	351,931
-	-	-	-	35,158
-	15	2	17	629
<u>2,484</u>	<u>30,574</u>	<u>2,945</u>	<u>3,522</u>	<u>876,981</u>
-	-	-	-	92,272
-	-	-	-	1,359
2,484	35,333	-	-	583,867
-	-	-	-	59,645
<u>2,484</u>	<u>35,333</u>	<u>-</u>	<u>-</u>	<u>737,143</u>
-	(4,759)	2,945	3,522	139,838
-	-	-	-	14,507
-	-	-	-	(82,324)
-	-	-	-	(67,817)
-	(4,759)	2,945	3,522	72,021
-	22,136	2,583	15,355	686,705
<u>\$ -</u>	<u>\$ 17,377</u>	<u>\$ 5,528</u>	<u>\$ 18,877</u>	<u>\$ 758,726</u>

**(This page was intentionally left blank)**

## **Budgetary Comparisons Schedules**

**WALKER COUNTY, TEXAS**  
**US FOREST FIRE SUPPRESSION FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-3**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal Funds:				
<i>Legislatively Designated Funds</i>	\$ 32,225	\$ 32,225	\$ -	\$ (32,225)
Total Federal Funds	<u>32,225</u>	<u>32,225</u>	<u>-</u>	<u>(32,225)</u>
Total Intergovernmental	<u>32,225</u>	<u>32,225</u>	<u>-</u>	<u>(32,225)</u>
<i>Interest</i>	<u>20</u>	<u>20</u>	<u>-</u>	<u>(20)</u>
Total Revenues	<u>32,245</u>	<u>32,245</u>	<u>-</u>	<u>(32,245)</u>
<b>EXPENDITURES:</b>				
Public Safety:				
U.S. Forest Service - Fire Suppression:				
<i>Operations</i>	<u>79,716</u>	<u>3,398</u>	<u>-</u>	<u>3,398</u>
Total U.S. Forest Service - Fire Suppression	<u>79,716</u>	<u>3,398</u>	<u>-</u>	<u>3,398</u>
Total Public Safety	<u>79,716</u>	<u>3,398</u>	<u>-</u>	<u>3,398</u>
Total Expenditures	<u>79,716</u>	<u>3,398</u>	<u>-</u>	<u>3,398</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(47,471)</u>	<u>28,847</u>	<u>-</u>	<u>(28,847)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	<u>-</u>	<u>(76,318)</u>	<u>(76,324)</u>	<u>(6)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(76,318)</u>	<u>(76,324)</u>	<u>(6)</u>
Net Change in Fund Balances	(47,471)	(47,471)	(76,324)	(28,853)
Fund Balances at Beginning of Year	<u>76,324</u>	<u>76,324</u>	<u>76,324</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 28,853</u>	<u>\$ 28,853</u>	<u>\$ -</u>	<u>\$ (28,853)</u>

**WALKER COUNTY, TEXAS**  
**HOT CHECK FEE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-4**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Charges for Services</i>	\$ 36,000	\$ 36,000	\$ 23,948	\$ (12,052)
Total Charges for Services	<u>36,000</u>	<u>36,000</u>	<u>23,948</u>	<u>(12,052)</u>
Total Revenue	<u>36,000</u>	<u>36,000</u>	<u>23,948</u>	<u>(12,052)</u>
<b>EXPENDITURES:</b>				
Judicial:				
Hot Checks:				
<i>Salary, Other Pay, and Benefits</i>	24,647	24,647	22,643	2,004
<i>Operations</i>	<u>38,184</u>	<u>38,184</u>	<u>27,396</u>	<u>10,788</u>
Total Hot Check	<u>62,831</u>	<u>62,831</u>	<u>50,039</u>	<u>12,792</u>
Total Judicial	<u>62,831</u>	<u>62,831</u>	<u>50,039</u>	<u>12,792</u>
Total Expenditures	<u>62,831</u>	<u>62,831</u>	<u>50,039</u>	<u>12,792</u>
Net Change in Fund Balances	(26,831)	(26,831)	(26,091)	740
Fund Balances at Beginning of Year	26,091	26,091	26,091	-
Fund Balances at End of Year	<u>\$ (740)</u>	<u>\$ (740)</u>	<u>\$ -</u>	<u>\$ 740</u>

**WALKER COUNTY, TEXAS**  
**COURT REPORTER SERVICE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-5**

	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	\$ 16,358	\$ 1,358
Total Charges for Services	<u>15,000</u>	<u>15,000</u>	<u>16,358</u>	<u>1,358</u>
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>16,358</u>	<u>1,358</u>
<b>EXPENDITURES:</b>				
Judicial:				
Court Reporter Services:				
<i>Operations</i>	15,000	15,000	18,654	(3,654)
Total Court Reporter Services	<u>15,000</u>	<u>15,000</u>	<u>18,654</u>	<u>(3,654)</u>
Total Judicial	<u>15,000</u>	<u>15,000</u>	<u>18,654</u>	<u>(3,654)</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>18,654</u>	<u>(3,654)</u>
Net Change in Fund Balances	-	-	(2,296)	(2,296)
Fund Balances at Beginning of Year	2,296	2,296	2,296	-
Fund Balances at End of Year	<u>\$ 2,296</u>	<u>\$ 2,296</u>	<u>\$ -</u>	<u>\$ (2,296)</u>

**WALKER COUNTY, TEXAS**  
**LAW LIBRARY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-6**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Law Library</i>	\$ 35,000	\$ 35,000	\$ 38,111	\$ 3,111
Total Charges for Services	<u>35,000</u>	<u>35,000</u>	<u>38,111</u>	<u>3,111</u>
<i>Interest</i>	<u>100</u>	<u>100</u>	<u>79</u>	<u>(21)</u>
Total Revenues	<u>35,100</u>	<u>35,100</u>	<u>38,190</u>	<u>3,090</u>
<b>EXPENDITURES:</b>				
Judicial:				
Law Library:				
<i>Salary, Other Pay, and Benefits</i>	5,730	5,730	5,709	21
<i>Operations</i>	<u>51,588</u>	<u>51,588</u>	<u>24,082</u>	<u>27,506</u>
Total Law Library	<u>57,318</u>	<u>57,318</u>	<u>29,791</u>	<u>27,527</u>
Total Judicial	<u>57,318</u>	<u>57,318</u>	<u>29,791</u>	<u>27,527</u>
Total Expenditures	<u>57,318</u>	<u>57,318</u>	<u>29,791</u>	<u>27,527</u>
Net Change in Fund Balances	(22,218)	(22,218)	8,399	30,617
Fund Balances at Beginning of Year	<u>70,578</u>	<u>70,578</u>	<u>70,578</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 48,360</u>	<u>\$ 48,360</u>	<u>\$ 78,977</u>	<u>\$ 30,617</u>

**WALKER COUNTY, TEXAS**  
**COURT HOUSE SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-7**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Court House Security</i>	\$ 44,400	\$ 44,400	\$ 42,464	\$ (1,936)
Total Charges for Services	<u>44,400</u>	<u>44,400</u>	<u>42,464</u>	<u>(1,936)</u>
<i>Interest</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total Revenues	<u>44,400</u>	<u>44,400</u>	<u>42,465</u>	<u>(1,935)</u>
<b>EXPENDITURES:</b>				
Public Safety:				
Courthouse Security:				
<i>Salary, Other Pay, and Benefits</i>	58,492	58,492	56,549	1,943
<i>Operations</i>	<u>415</u>	<u>415</u>	<u>1</u>	<u>414</u>
Total Courthouse Security	<u>58,907</u>	<u>58,907</u>	<u>56,550</u>	<u>2,357</u>
Total Public Safety	<u>58,907</u>	<u>58,907</u>	<u>56,550</u>	<u>2,357</u>
Total Expenditures	<u>58,907</u>	<u>58,907</u>	<u>56,550</u>	<u>2,357</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,507)</u>	<u>(14,507)</u>	<u>(14,085)</u>	<u>422</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	<u>14,507</u>	<u>14,507</u>	<u>14,507</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>14,507</u>	<u>14,507</u>	<u>14,507</u>	<u>-</u>
Net Change in Fund Balances	-	-	422	422
Fund Balances at Beginning of Year	16,251	16,251	16,251	-
Fund Balances at End of Year	<u>\$ 16,251</u>	<u>\$ 16,251</u>	<u>\$ 16,673</u>	<u>\$ 422</u>



**WALKER COUNTY, TEXAS**  
**JUSTICE COURTS SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-8**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Justice Court Security</i>	\$ 8,000	\$ 8,000	\$ 7,473	\$ (527)
Total Charges for Services	<u>8,000</u>	<u>8,000</u>	<u>7,473</u>	<u>(527)</u>
<i>Interest</i>	<u>40</u>	<u>40</u>	<u>47</u>	<u>7</u>
Total Revenues	<u>8,040</u>	<u>8,040</u>	<u>7,520</u>	<u>(520)</u>
<b>EXPENDITURES:</b>				
Judicial:				
Justice Courts Security:				
<i>Operations</i>	<u>20,000</u>	<u>20,000</u>	<u>4,895</u>	<u>15,105</u>
Total Justice Courts Security	<u>20,000</u>	<u>20,000</u>	<u>4,895</u>	<u>15,105</u>
Total Judicial	<u>20,000</u>	<u>20,000</u>	<u>4,895</u>	<u>15,105</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>4,895</u>	<u>15,105</u>
Net Change in Fund Balances	(11,960)	(11,960)	2,625	14,585
Fund Balances at Beginning of Year	<u>38,820</u>	<u>38,820</u>	<u>38,820</u>	<u>-</u>
Fund Balances at End of Year	<u><u>\$ 26,860</u></u>	<u><u>\$ 26,860</u></u>	<u><u>\$ 41,445</u></u>	<u><u>\$ 14,585</u></u>

**WALKER COUNTY, TEXAS**  
**ELECTION EQUIPMENT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-9**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
<i>Other</i>	\$ -	\$ -	\$ 4,886	\$ 4,886
Total Other Governmental Funds	-	-	4,886	4,886
Total Intergovernmental	-	-	4,886	4,886
<i>Interest</i>	-	-	56	56
Total Revenues	-	-	4,942	4,942
<b>EXPENDITURES:</b>				
General Government:				
Elections Equipment:				
<i>Operations</i>	12,723	12,723	-	12,723
Total Elections Equipment	12,723	12,723	-	12,723
Total General Government	12,723	12,723	-	12,723
Total Expenditures	12,723	12,723	-	12,723
Net Change in Fund Balances	(12,723)	(12,723)	4,942	17,665
Fund Balances at Beginning of Year	45,469	45,469	45,469	-
Fund Balances at End of Year	\$ 32,746	\$ 32,746	\$ 50,411	\$ 17,665

**WALKER COUNTY, TEXAS**  
**ELECTIONS SERVICES CONTRACTS FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-10**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
<i>Intergovernmental</i>	\$ -	\$ 10,425	\$ 5,039	\$ (5,386)
Total Intergovernmental	-	10,425	5,039	(5,386)
Charges for Services:	3,500	-	-	-
Total Charges for Services	3,500	-	-	-
<i>Interest</i>	-	-	2	2
Total Revenues	3,500	10,425	5,041	(5,384)
<b>EXPENDITURES:</b>				
General Government:				
Elections Services Contracts:				
<i>Operations</i>	-	6,925	6,916	9
Total Elections Service Contracts	-	6,925	6,916	9
Total General Government	-	6,925	6,916	9
Total Expenditures	-	6,925	6,916	-
Net Change in Fund Balances	3,500	3,500	(1,875)	(5,375)
Fund Balances at Beginning of Year	5,991	5,991	5,991	-
Fund Balances at End of Year	\$ 9,491	\$ 9,491	\$ 4,116	\$ (5,375)

**WALKER COUNTY, TEXAS**  
**COUNTY CLERK RECORDS FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-11**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 47,000	\$ 47,000	\$ 51,585	\$ 4,585
Total Charges for Services	<u>47,000</u>	<u>47,000</u>	<u>51,585</u>	<u>4,585</u>
<i>Interest</i>	<u>100</u>	<u>100</u>	<u>50</u>	<u>(50)</u>
Total Revenues	<u>47,100</u>	<u>47,100</u>	<u>51,635</u>	<u>4,535</u>
<b>EXPENDITURES:</b>				
General Government:				
County Clerk-Records Preservation:				
<i>Salary, Other Pay, and Benefits</i>	50,245	60,245	42,540	17,705
<i>Operations</i>	<u>27,121</u>	<u>36,733</u>	<u>8,921</u>	<u>27,812</u>
Total County Clerk-Records Preservation	<u>77,366</u>	<u>96,978</u>	<u>51,461</u>	<u>45,517</u>
Total General Government	<u>77,366</u>	<u>96,978</u>	<u>51,461</u>	<u>45,517</u>
Total Expenditures	<u>77,366</u>	<u>96,978</u>	<u>51,461</u>	<u>45,517</u>
Net Changes in Fund Balances	(30,266)	(49,878)	174	50,052
Fund Balances at Beginning of Year	<u>49,879</u>	<u>49,879</u>	<u>49,879</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 19,613</u>	<u>\$ 1</u>	<u>\$ 50,053</u>	<u>\$ 50,052</u>

**WALKER COUNTY, TEXAS**  
COUNTY CLERK ARCHIVE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

**EXHIBIT C-12**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Charges for Services</i>	\$ 61,470	\$ 61,470	\$ 53,984	\$ (7,486)
Total Charges for Services	61,470	61,470	53,984	(7,486)
<i>Interest</i>	-	-	14	14
Total Revenues	61,470	61,470	53,998	(7,472)
<b>EXPENDITURES:</b>				
General Government:				
Archive:				
<i>Contingency</i>	61,470	61,470	-	61,470
Total Archive	61,470	61,470	-	61,470
Total General Government	61,470	61,470	-	61,470
Total Expenditures	61,470	61,470	-	61,470
Net Changes in Fund Balances	-	-	53,998	53,998
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ 53,998	\$ 53,998

**WALKER COUNTY, TEXAS**  
**COUNTY RECORDS MANAGEMENT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-13**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 25,000	\$ 25,000	\$ 23,498	\$ (1,502)
Total Charges for Services	<u>25,000</u>	<u>25,000</u>	<u>23,498</u>	<u>(1,502)</u>
<i>Interest</i>	<u>170</u>	<u>170</u>	<u>40</u>	<u>(130)</u>
Total Revenues	<u>25,170</u>	<u>25,170</u>	<u>23,538</u>	<u>(1,632)</u>
<b>EXPENDITURES:</b>				
General Government:				
County Records Management:				
<i>Operations</i>	<u>40,000</u>	<u>34,000</u>	<u>33,895</u>	<u>105</u>
Total County Records Management	<u>40,000</u>	<u>34,000</u>	<u>33,895</u>	<u>105</u>
Total General Government	<u>40,000</u>	<u>34,000</u>	<u>33,895</u>	<u>105</u>
Total Expenditures	<u>40,000</u>	<u>34,000</u>	<u>33,895</u>	<u>105</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,830)</u>	<u>(8,830)</u>	<u>(10,357)</u>	<u>(1,527)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	<u>-</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Net Changes in Fund Balances	(14,830)	(14,830)	(16,357)	(1,527)
Fund Balances at Beginning of Year	42,364	42,364	42,364	-
Fund Balances at End of Year	<u>\$ 27,534</u>	<u>\$ 27,534</u>	<u>\$ 26,007</u>	<u>\$ (1,527)</u>

**WALKER COUNTY, TEXAS**  
COUNTY RECORDS II FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

**EXHIBIT C-14**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 9,600	\$ 9,600	\$ 11,803	\$ 2,203
Total Charges for Services	<u>9,600</u>	<u>9,600</u>	<u>11,803</u>	<u>2,203</u>
<i>Interest</i>	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
Total Revenues	<u>9,600</u>	<u>9,600</u>	<u>11,829</u>	<u>2,229</u>
<b>EXPENDITURES:</b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	9,600	9,600	11,829	2,229
Fund Balances at Beginning of Year	19,047	19,047	19,047	-
Fund Balances at End of Year	<u>\$ 28,647</u>	<u>\$ 28,647</u>	<u>\$ 30,876</u>	<u>\$ 2,229</u>

**WALKER COUNTY, TEXAS**  
**DISTRICT CLERK RECORDS FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-15**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 3,600	\$ 3,600	\$ 3,377	\$ (223)
Total Charges for Services	<u>3,600</u>	<u>3,600</u>	<u>3,377</u>	<u>(223)</u>
<i>Interest</i>	<u>25</u>	<u>25</u>	<u>14</u>	<u>(11)</u>
Total Revenues	<u>3,625</u>	<u>3,625</u>	<u>3,391</u>	<u>(234)</u>
<b>EXPENDITURES:</b>				
Judicial:				
District Clerk Records Preservation:				
<i>Operations</i>	<u>11,140</u>	<u>11,140</u>	<u>3,286</u>	<u>7,854</u>
Total District Clerk Records Preservation	<u>11,140</u>	<u>11,140</u>	<u>3,286</u>	<u>7,854</u>
Total Judicial	<u>11,140</u>	<u>11,140</u>	<u>3,286</u>	<u>7,854</u>
Total Expenditures	<u>11,140</u>	<u>11,140</u>	<u>3,286</u>	<u>7,854</u>
Net Change in Fund Balances	(7,515)	(7,515)	105	7,620
Fund Balances at Beginning of Year	<u>12,652</u>	<u>12,652</u>	<u>12,652</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 5,137</u>	<u>\$ 5,137</u>	<u>\$ 12,757</u>	<u>\$ 7,620</u>



**WALKER COUNTY, TEXAS**  
**SHERIFF FORFEITURE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-16**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 5,643	\$ 5,643
<i>Interest</i>	50	50	30	(20)
Total Revenues	50	50	5,673	5,623
<b>EXPENDITURES:</b>				
Public Safety:				
S.O. Forfeiture:				
<i>Operations</i>	7,273	7,273	3,095	4,178
Total S.O. Forfeiture	7,273	7,273	3,095	4,178
Total Public Safety	7,273	7,273	3,095	4,178
Total Expenditures	7,273	7,273	3,095	4,178
Net Change in Fund Balances	(7,223)	(7,223)	2,578	9,801
Fund Balances at Beginning of Year	24,113	24,113	24,113	-
Fund Balances at End of Year	\$ 16,890	\$ 16,890	\$ 26,691	\$ 9,801

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

*CRIMINAL DISTRICT ATTORNEY FORFEITURE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 29,515	\$ 29,515
<i>Interest</i>	100	100	92	(8)
Total Revenues	100	100	29,607	29,507
<b>EXPENDITURES:</b>				
Judicial:				
District Attorney Forfeitures:				
<i>Operations</i>	55,739	55,739	3,669	52,070
<i>Capital Expenditures</i>	-	-	-	-
Total District Attorney Forfeitures	55,739	55,739	3,669	52,070
Total Judicial	55,739	55,739	3,669	52,070
Total Expenditures	55,739	55,739	3,669	52,070
Net Change in Fund Balances	(55,639)	(55,639)	25,938	81,577
Fund Balances at Beginning of Year	70,843	70,843	70,843	-
Fund Balances at End of Year	\$ 15,204	\$ 15,204	\$ 96,781	\$ 81,577

**WALKER COUNTY, TEXAS**  
**JUVENILE GRANT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-18**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ 413,100	\$ 413,100	\$ 398,530	\$ (14,570)
Total State Funds	<u>413,100</u>	<u>413,100</u>	<u>398,530</u>	<u>(14,570)</u>
Total Intergovernmental	<u>413,100</u>	<u>413,100</u>	<u>398,530</u>	<u>(14,570)</u>
<i>Interest</i>	<u>-</u>	<u>-</u>	<u>80</u>	<u>80</u>
Other Income:				
<i>Miscellaneous</i>	<u>121,539</u>	<u>121,539</u>	<u>-</u>	<u>(121,539)</u>
Total Other Income	<u>121,539</u>	<u>121,539</u>	<u>-</u>	<u>(121,539)</u>
Total Revenues	<u>534,639</u>	<u>534,639</u>	<u>398,610</u>	<u>(136,029)</u>
<b>EXPENDITURES:</b>				
Judicial:				
TJPC-A-94-236				
<i>Salary, Other Pay, and Benefits</i>	325,318	331,666	322,897	8,769
<i>Operations</i>	<u>43,018</u>	<u>36,670</u>	<u>38,420</u>	<u>(1,750)</u>
Total TJPC-A-94-236	<u>368,336</u>	<u>368,336</u>	<u>361,317</u>	<u>7,019</u>
Title IV-E Funds				
<i>Salary, Other Pay, and Benefits</i>	-	3,000	410	2,590
<i>Operations</i>	<u>121,539</u>	<u>118,539</u>	<u>11,195</u>	<u>107,344</u>
Total Title IV-E Funds	<u>121,539</u>	<u>121,539</u>	<u>11,605</u>	<u>109,934</u>
Juvenile Grants				
<i>Operations</i>	<u>44,764</u>	<u>44,764</u>	<u>37,229</u>	<u>7,535</u>
Total Juvenile Grants	<u>44,764</u>	<u>44,764</u>	<u>37,229</u>	<u>7,535</u>
Total Judicial	<u>534,639</u>	<u>534,639</u>	<u>410,151</u>	<u>124,488</u>
Total Expenditures	<u>534,639</u>	<u>534,639</u>	<u>410,151</u>	<u>124,488</u>
Net Change in Fund Balances	-	-	(11,541)	(11,541)
Fund Balances at Beginning of Year	<u>117,306</u>	<u>117,306</u>	<u>117,306</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 117,306</u>	<u>\$ 117,306</u>	<u>\$ 105,765</u>	<u>\$ (11,541)</u>

**WALKER COUNTY, TEXAS**

EARLY RETIREE REINSURANCE PROGRAM FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2012

**EXHIBIT C-19**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ -	\$ -	\$ 60,014	\$ 60,014
Total State Funds	-	-	60,014	60,014
Total Intergovernmental	-	-	60,014	60,014
<i>Interest</i>	-	-	22	22
Total Revenues	-	-	60,036	60,036
<b>EXPENDITURES:</b>				
Total Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	60,036	60,036
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ 60,036	\$ 60,036

**WALKER COUNTY, TEXAS**  
**SPECIAL INVENTORY TAX FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-20**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Charges for Services</i>	\$ -	\$ 350	\$ 351	\$ 1
Total Charges for Services	-	350	351	1
<i>Interest</i>	-	-	-	-
Total Revenues	-	350	351	1
<b>EXPENDITURES:</b>				
Financial:				
Special Inventory Tax:				
<i>Operations</i>	203	1,359	1,359	-
Total Special Inventory Tax	203	1,359	1,359	-
Total Financial	203	1,359	1,359	-
Total Expenditures	203	1,359	1,359	-
Net Change in Fund Balances	(203)	(1,009)	(1,008)	1
Fund Balances at Beginning of Year	1,024	1,024	1,024	-
Fund Balances at End of Year	\$ 821	\$ 15	\$ 16	\$ 1

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

*DISTRICT CLERK RIDER PROSECUTION FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2012*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Judicial:				
Rider Prosecution Fund:				
<i>Salary, Other Pay, and Benefits</i>	4,774	4,774	4,771	3
<i>Operations</i>	466	466	-	466
Total Rider Prosecution Fund	5,240	5,240	4,771	469
Total Judicial	5,240	5,240	4,771	469
Total Expenditures	5,240	5,240	4,771	469
Net Change in Fund Balances	(5,240)	(5,240)	(4,771)	469
Fund Balances at Beginning of Year	5,852	5,852	5,852	-
Fund Balances at End of Year	\$ 612	\$ 612	\$ 1,081	\$ 469

**WALKER COUNTY, TEXAS**  
**PROF. PROSECUTORS SUPPLEMENT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-22**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ 22,450	\$ 22,450	\$ 20,794	\$ (1,656)
Total State Funds	<u>22,450</u>	<u>22,450</u>	<u>20,794</u>	<u>(1,656)</u>
Total Intergovernmental	<u>22,450</u>	<u>22,450</u>	<u>20,794</u>	<u>(1,656)</u>
Total Revenues	<u>22,450</u>	<u>22,450</u>	<u>20,794</u>	<u>(1,656)</u>
<b>EXPENDITURES:</b>				
Judicial:				
CDA Supplement:				
<i>Operations</i>	<u>22,450</u>	<u>22,450</u>	<u>20,794</u>	<u>1,656</u>
Total CDA Supplement	<u>22,450</u>	<u>22,450</u>	<u>20,794</u>	<u>1,656</u>
Total Judicial	<u>22,450</u>	<u>22,450</u>	<u>20,794</u>	<u>1,656</u>
Total Expenditures	<u>22,450</u>	<u>22,450</u>	<u>20,794</u>	<u>1,656</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WALKER COUNTY, TEXAS**  
**PRETRIAL INTERVENTION FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-23**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services				
<i>Pretrial Intervention</i>	\$ 5,000	\$ 5,000	\$ 39,488	\$ 34,488
Total Charges for Services	<u>5,000</u>	<u>5,000</u>	<u>39,488</u>	<u>34,488</u>
<i>Interest</i>	<u>-</u>	<u>-</u>	<u>42</u>	<u>42</u>
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>39,530</u>	<u>34,530</u>
<b>EXPENDITURES:</b>				
Judicial:				
Pretrial Intervention:				
<i>Contingency</i>	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Pretrial Intervention	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Judicial	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Net Change in Fund Balances	(10,000)	(10,000)	39,530	49,530
Fund Balances at Beginning of Year	<u>21,731</u>	<u>21,731</u>	<u>21,731</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 11,731</u>	<u>\$ 11,731</u>	<u>\$ 61,261</u>	<u>\$ 49,530</u>



**WALKER COUNTY, TEXAS**  
**COUNTY JURY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-24**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services				
<i>Charges for Services</i>	\$ 2,800	\$ 2,800	\$ 2,484	\$ (316)
Total Charges for Services	<u>2,800</u>	<u>2,800</u>	<u>2,484</u>	<u>(316)</u>
Total Revenues	<u>2,800</u>	<u>2,800</u>	<u>2,484</u>	<u>(316)</u>
<b>EXPENDITURES:</b>				
Judicial:				
County Jury:				
<i>Operations</i>	2,800	2,800	2,484	316
Total County Jury	<u>2,800</u>	<u>2,800</u>	<u>2,484</u>	<u>316</u>
Total Judicial	<u>2,800</u>	<u>2,800</u>	<u>2,484</u>	<u>316</u>
Total Expenditures	<u>2,800</u>	<u>2,800</u>	<u>2,484</u>	<u>316</u>
Net Change Fund Balances	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WALKER COUNTY, TEXAS**  
**JUSTICE COURT TECHNOLOGY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-25**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services				
<i>Charges for Services</i>	\$ 34,000	\$ 34,000	\$ 30,559	\$ (3,441)
Total Charges for Services	<u>34,000</u>	<u>34,000</u>	<u>30,559</u>	<u>(3,441)</u>
<i>Interest</i>	<u>175</u>	<u>175</u>	<u>15</u>	<u>(160)</u>
Total Revenues	<u>34,175</u>	<u>34,175</u>	<u>30,574</u>	<u>(3,601)</u>
<b>EXPENDITURES:</b>				
Judicial:				
Justice Court Technology:				
<i>Operations</i>	<u>44,379</u>	<u>44,379</u>	<u>35,333</u>	<u>9,046</u>
Total Justice Court Technology	<u>44,379</u>	<u>44,379</u>	<u>35,333</u>	<u>9,046</u>
Total Judicial	<u>44,379</u>	<u>44,379</u>	<u>35,333</u>	<u>9,046</u>
Total Expenditures	<u>44,379</u>	<u>44,379</u>	<u>35,333</u>	<u>9,046</u>
Net Change in Fund Balances	(10,204)	(10,204)	(4,759)	5,445
Fund Balances at Beginning of Year	<u>22,136</u>	<u>22,136</u>	<u>22,136</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 11,932</u>	<u>\$ 11,932</u>	<u>\$ 17,377</u>	<u>\$ 5,445</u>

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

COUNTY AND DISTRICT CLERK TECHNOLOGY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services				
<i>Charges for Services</i>	\$ 1,700	\$ 1,700	\$ 2,943	\$ 1,243
Total Charges for Services	<u>1,700</u>	<u>1,700</u>	<u>2,943</u>	<u>1,243</u>
<i>Interest</i>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Total Revenues	<u>1,700</u>	<u>1,700</u>	<u>2,945</u>	<u>1,245</u>
<b>EXPENDITURES:</b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,700	1,700	2,945	1,245
Fund Balances at Beginning of Year	2,583	2,583	2,583	-
Fund Balances at End of Year	<u>\$ 4,283</u>	<u>\$ 4,283</u>	<u>\$ 5,528</u>	<u>\$ 1,245</u>

**WALKER COUNTY, TEXAS**  
**INMATE MEDICAL FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-27**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services				
<i>Charges for Services</i>	\$ 2,000	\$ 2,000	\$ 3,505	\$ 1,505
Total Charges for Services	<u>2,000</u>	<u>2,000</u>	<u>3,505</u>	<u>1,505</u>
<i>Interest</i>	<u>15</u>	<u>15</u>	<u>17</u>	<u>2</u>
Total Revenues	<u>2,015</u>	<u>2,015</u>	<u>3,522</u>	<u>1,507</u>
<b>EXPENDITURES:</b>				
Correction and Rehabilitation:				
Sheriff Inmate Medical:				
<i>Operations</i>	<u>11,014</u>	<u>11,014</u>	<u>-</u>	<u>11,014</u>
Total Sheriff Inmate Medical	<u>11,014</u>	<u>11,014</u>	<u>-</u>	<u>11,014</u>
Total Correction and Rehabilitation	<u>11,014</u>	<u>11,014</u>	<u>-</u>	<u>11,014</u>
Total Expenditures	<u>11,014</u>	<u>11,014</u>	<u>-</u>	<u>11,014</u>
Net Changes in Fund Balances	(8,999)	(8,999)	3,522	12,521
Fund Balances Beginning of Year	<u>15,355</u>	<u>15,355</u>	<u>15,355</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 6,356</u>	<u>\$ 6,356</u>	<u>\$ 18,877</u>	<u>\$ 12,521</u>

**Debt Service Fund**

**WALKER COUNTY, TEXAS**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-28**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Ad Valorem Taxes:				
<i>Current Taxes</i>	\$ 544,282	\$ 544,282	\$ 332,669	\$ (211,613)
Total Ad Valorem Taxes	<u>544,282</u>	<u>544,282</u>	<u>332,669</u>	<u>(211,613)</u>
<i>Interest</i>	<u>600</u>	<u>600</u>	<u>46</u>	<u>(554)</u>
Total Revenues	<u>544,882</u>	<u>544,882</u>	<u>332,715</u>	<u>(212,167)</u>
<b>EXPENDITURES:</b>				
Debt Service:				
<i>Principal Retirement</i>	628,136	628,136	628,135	1
<i>Interest and Fiscal Charges</i>	13,914	13,914	13,913	1
<i>Contingency</i>	<u>381,825</u>	<u>216,825</u>	<u>-</u>	<u>216,825</u>
Total Debt Service	<u>1,023,875</u>	<u>858,875</u>	<u>642,048</u>	<u>216,827</u>
Total Expenditures	<u>1,023,875</u>	<u>858,875</u>	<u>642,048</u>	<u>216,827</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(478,993)</u>	<u>(313,993)</u>	<u>(309,333)</u>	<u>4,660</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers Out</i>	-	(165,000)	(163,920)	1,080
Total Other Financing Sources (Uses)	<u>-</u>	<u>(165,000)</u>	<u>(163,920)</u>	<u>1,080</u>
Net Change in Fund Balances	(478,993)	(478,993)	(473,253)	5,740
Fund Balances at Beginning of Year	<u>473,262</u>	<u>473,262</u>	<u>473,262</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ (5,731)</u>	<u>\$ (5,731)</u>	<u>\$ 9</u>	<u>\$ 5,740</u>

### **Capital Projects Fund**

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

JAIL PROJECT FUND

CAPITAL PROJECTS FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Interest</i>	\$ -	\$ -	\$ 9,126	\$ 9,126
Total Revenues	-	-	9,126	9,126
<b>EXPENDITURES:</b>				
Correction and Rehabilitation:				
Jail Project:				
<i>Salary, Other Pay, and Benefits</i>	103,522	103,522	8,237	95,285
<i>Capital Expenditures</i>	19,896,478	19,896,478	1,243,715	18,652,763
Total Jail Project	20,000,000	20,000,000	1,251,952	18,748,048
Total Correction and Rehabilitation	20,000,000	20,000,000	1,251,952	18,748,048
Total Expenditures	20,000,000	20,000,000	1,251,952	18,748,048
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,000,000)	(20,000,000)	(1,242,826)	18,757,174
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Premium on Issuance of Certificates of Obligation</i>	-	-	130,840	130,840
<i>Issuance of Certificates of Obligation</i>	20,000,000	20,000,000	20,000,000	-
Total Other Financing Sources and (Uses)	20,000,000	20,000,000	20,130,840	130,840
Net Change in Fund Balances	-	-	18,888,014	18,888,014
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ 18,888,014	\$ 18,888,014



## **Fiduciary Funds**

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

SEPTEMBER 30, 2012

	County Officials Trust & Agency Funds	Walker County Jail Safety Communications Center Fund	Commissary Operations Fund	Adult Probation Fund	LEOSE Training Fund	Total Agency Funds (See Exhibit A-7)
<b>ASSETS:</b>						
<i>Cash and Cash Equivalents</i>	\$ 2,259,628	\$ 212,410	\$ 21,065	\$ 553,923	\$ 23,664	\$ 3,070,690
<i>Accounts Receivable</i>	-	107	-	-	-	107
Total Assets	<u>\$ 2,259,628</u>	<u>\$ 212,517</u>	<u>\$ 21,065</u>	<u>\$ 553,923</u>	<u>\$ 23,664</u>	<u>\$ 3,070,797</u>
<b>LIABILITIES:</b>						
<i>Accounts Payable</i>	\$ -	\$ 6,850	\$ 860	\$ 13,845	\$ -	\$ 21,555
<i>Due to Other Governments</i>	-	205,667	-	-	-	205,667
<i>Due to Others</i>	2,259,628	-	20,205	540,078	23,664	2,843,575
Total Liabilities	<u>\$ 2,259,628</u>	<u>\$ 212,517</u>	<u>\$ 21,065</u>	<u>\$ 553,923</u>	<u>\$ 23,664</u>	<u>\$ 3,070,797</u>

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

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
<b><u>COUNTY OFFICIALS TRUST AND</u></b>				
<b><u>AGENCY FUNDS:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 2,289,910	\$ 13,268,322	\$ 13,298,604	\$ 2,259,628
Total Assets	<u>\$ 2,289,910</u>	<u>\$ 13,268,322</u>	<u>\$ 13,298,604</u>	<u>\$ 2,259,628</u>
<b>Liabilities:</b>				
Due to Others	\$ 2,289,910	\$ 13,268,322	\$ 13,298,604	\$ 2,259,628
Total Liabilities	<u>\$ 2,289,910</u>	<u>\$ 13,268,322</u>	<u>\$ 13,298,604</u>	<u>\$ 2,259,628</u>
<b><u>WALKER COUNTY JAIL SAFETY</u></b>				
<b><u>COMMUNICATIONS CENTER FUND:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 99,133	\$ 1,048,485	\$ 935,208	\$ 212,410
Accounts Receivable	-	3,457	3,350	107
Total Assets	<u>\$ 99,133</u>	<u>\$ 1,051,942</u>	<u>\$ 938,558</u>	<u>\$ 212,517</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 5,542	\$ 101,903	\$ 100,595	\$ 6,850
Due to Other Governments	93,591	112,173	97	205,667
Total Liabilities	<u>\$ 99,133</u>	<u>\$ 214,076</u>	<u>\$ 100,692</u>	<u>\$ 212,517</u>
<b><u>COMMISSARY OPERATIONS FUND:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 14,116	\$ 28,674	\$ 21,725	\$ 21,065
Total Assets	<u>\$ 14,116</u>	<u>\$ 28,674</u>	<u>\$ 21,725</u>	<u>\$ 21,065</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 1,876	\$ 18,269	\$ 19,285	\$ 860
Due to Others	12,240	7,965	-	20,205
Total Liabilities	<u>\$ 14,116</u>	<u>\$ 26,234</u>	<u>\$ 19,285</u>	<u>\$ 21,065</u>
<b><u>ADULT PROBATION FUND:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 603,717	\$ 1,445,870	\$ 1,495,664	\$ 553,923
Accounts Receivable	-	1,915	1,915	-
Total Assets	<u>\$ 603,717</u>	<u>\$ 1,447,785</u>	<u>\$ 1,497,579</u>	<u>\$ 553,923</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 52,816	\$ 236,410	\$ 275,381	\$ 13,845
Due to Others	550,901	1,211,375	1,222,198	540,078
Total Liabilities	<u>\$ 603,717</u>	<u>\$ 1,447,785</u>	<u>\$ 1,497,579</u>	<u>\$ 553,923</u>
<b><u>LEOSE TRAINING FUND</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 26,410	\$ -	\$ 2,746	\$ 23,664
Total Assets	<u>\$ 26,410</u>	<u>\$ -</u>	<u>\$ 2,746</u>	<u>\$ 23,664</u>
<b>Liabilities:</b>				
Due to Others	\$ 26,410	\$ -	\$ 2,746	\$ 23,664
Total Liabilities	<u>\$ 26,410</u>	<u>\$ -</u>	<u>\$ 2,746</u>	<u>\$ 23,664</u>
<b><u>TOTAL AGENCY FUNDS:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 3,033,286	\$ 15,791,351	\$ 15,753,947	\$ 3,070,690
Accounts Receivable	-	5,372	5,265	107
Total Assets	<u>\$ 3,033,286</u>	<u>\$ 15,796,723</u>	<u>\$ 15,759,212</u>	<u>\$ 3,070,797</u>
<b>Liabilities:</b>				
Accounts Payable	\$ 60,234	\$ 356,582	\$ 395,261	\$ 21,555
Due to Other Governments	93,591	112,173	97	205,667
Due to Others	2,879,461	14,487,662	14,523,548	2,843,575
Total Liabilities	<u>\$ 3,033,286</u>	<u>\$ 14,956,417</u>	<u>\$ 14,918,906</u>	<u>\$ 3,070,797</u>

**(This page was intentionally left blank)**

**WALKER COUNTY, TEXAS****COMPARATIVE SCHEDULES BY SOURCE OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012 AND 2011****EXHIBIT C-32**

	<u>2012</u>	<u>2011</u>
Capital Assets:		
Land	\$ 680,552	\$ 523,052
Construction in Progress	957,067	-
Buildings	17,103,115	17,098,288
Improvements	4,167,803	4,167,178
Furniture, Fixtures and Office Equipment	2,024,047	2,518,803
Vehicles	4,430,021	4,558,266
Machinery and Equipment	4,729,588	4,355,790
Total Capital Assets	<u>\$ 34,092,193</u>	<u>\$ 33,221,377</u>
Investment in Capital Assets by Source:		
General Fund	\$ 8,078,183	\$ 7,822,640
Special Revenue Funds	24,045,684	23,430,411
Capital Projects Funds	1,968,326	1,968,326
Total Investment in Capital Assets	<u>\$ 34,092,193</u>	<u>\$ 33,221,377</u>

# WALKER COUNTY, TEXAS

# EXHIBIT C-33

## SCHEDULE BY FUNCTION AND ACTIVITY OF CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS SEPTEMBER 30, 2012

Function and Activity	Land	Buildings	Improvements	Furniture Fixtures & Office Equip	Vehicles	Machinery and Equipment	Construction in Process	Total
<b>General Government:</b>								
IT	\$ -	\$ -	\$ 34,344	\$ 572,645	\$ 13,121	\$ 5,040	\$ -	\$ 625,150
Non-Department/Centralized Cost	-	-	25,385	365,955	13,232	-	-	404,572
Elections	50,373	19,485	-	118,720	-	-	-	188,578
County Facilities	-	1,036,069	2,445,423	-	50,621	329,946	957,067	4,819,126
Courthouse Annex-Sam Houston Ave.	261,595	1,502,488	81,889	-	-	106,122	-	1,952,094
Courthouse Annex II-University Ave.	-	86,163	93,173	-	-	-	-	179,336
Annex 340 Hwy 75 North	-	250,000	8,707	-	-	-	-	258,707
Annex 344 Hwy 75 North	-	354,444	32,450	-	-	-	-	386,894
H.E.A.R.T.S. Complex	-	1,962,624	-	-	-	5,702	-	1,968,326
Commissioners Court	-	-	-	6,952	-	-	-	6,952
Total General Government	311,968	5,211,273	2,721,371	1,064,272	76,974	446,810	957,067	10,789,735
<b>Judicial:</b>								
Criminal District Attorney	-	223,050	15,164	5,244	119,159	-	-	362,617
12th/278th Judicial District	-	-	-	38,474	-	-	-	38,474
Justice of the Peace-Precinct 2	-	104,357	-	-	-	-	-	104,357
Justice of the Peace-Precinct 3	-	62,089	50,928	-	-	-	-	113,017
Justice of the Peace-Precinct 4	-	81,409	-	-	-	-	-	81,409
Total Judicial	-	470,905	66,092	43,718	119,159	-	-	699,874
<b>Financial Administration:</b>								
County Clerk	-	-	-	31,322	-	-	-	31,322
County Auditor	-	-	-	94,693	-	-	-	94,693
Total Financial Administration	-	-	-	126,015	-	-	-	126,015
<b>Public Safety:</b>								
County Jail	200,500	4,442,397	296,575	23,350	202,340	54,480	-	5,219,642
Sheriff's Department	-	2,160,812	-	50,655	772,735	16,869	-	3,001,071
Constable-Precinct 1	-	-	-	-	45,025	-	-	45,025
Constable-Precinct 2	-	-	-	-	23,055	-	-	23,055
Constable-Precinct 3	-	-	-	-	35,969	-	-	35,969
Constable-Precinct 4	-	-	-	-	54,831	-	-	54,831
Department of Public Safety	62,656	-	-	-	-	14,226	-	76,882
Weigh Station	-	114,635	201,686	-	-	21,917	-	338,238
Central 911 Dispatch	-	-	-	637,207	-	13,584	-	650,791
EMS	38,115	94,492	-	18,972	909,999	286,438	-	1,348,016
Probation Support	-	922,008	-	-	-	-	-	922,008
Emergency Shelter/Management	-	3,374,425	-	-	56,397	566,873	-	3,997,695
Total Public Safety	301,271	11,108,769	498,261	730,184	2,100,351	974,387	-	15,713,223
<b>Healthy and Welfare:</b>								
Utility Department	-	-	-	6,106	123,572	10,169	-	139,847
Total Health and Welfare	-	-	-	6,106	123,572	10,169	-	139,847
<b>Road and Bridge:</b>								
General	-	-	-	-	234,917	519,144	-	754,061
Precinct 1	-	50,000	160,556	-	410,571	638,182	-	1,259,309
Precinct 2	26,218	18,650	24,934	-	333,479	729,523	-	1,132,804
Precinct 3	41,095	65,000	212,750	-	355,208	764,845	-	1,438,898
Precinct 4	-	178,518	474,438	-	347,593	639,731	-	1,640,280
Litter Control	-	-	-	-	27,595	-	-	27,595
Total Road and Bridge	67,313	312,168	872,678	-	1,709,363	3,291,425	-	6,252,947
<b>Other:</b>								
Special Prosecution Unit-Criminal	-	-	-	-	113,390	-	-	113,390
Special Prosecution Unit-Civil	-	-	-	7,329	63,565	-	-	70,894
Special Prosecution Unit-Juvenile	-	-	-	-	63,336	-	-	63,336
Adult Probation	-	-	-	40,634	40,181	6,797	-	87,612
Juvenile Probation	-	-	9,401	5,789	-	-	-	15,190
Surplus/Auction Held	-	-	-	-	20,130	-	-	20,130
Total Public Safety	-	-	9,401	53,752	300,602	6,797	-	370,552
<b>Total Capital Assets</b>	<b>\$ 680,552</b>	<b>\$ 17,103,115</b>	<b>\$ 4,167,803</b>	<b>\$ 2,024,047</b>	<b>\$ 4,430,021</b>	<b>\$ 4,729,588</b>	<b>\$ 957,067</b>	<b>\$ 34,092,193</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, 2012**

Function and Activity	Capital Assets October 1, 2011	Additions	Deletions	Capital Assets September 30, 2012
<b>General Government:</b>				
IT	\$ 590,896	\$ 34,254	\$ -	\$ 625,150
Non-Departmental	818,845	115,607	(479,508)	454,944
Elections	138,204	-	-	138,204
County Facilities	4,018,465	1,062,258	-	5,080,723
Courthouse Annex-Sam Houston Ave.	1,584,377	106,122	-	1,690,499
Courthouse Annex II-University Ave.	179,336	-	-	179,336
Annex 340 Hwy 75 North	258,707	-	-	258,707
Annex 344 Hwy 75 North	386,894	-	-	386,894
H.E.A.R.T.S. Complex	1,968,326	-	-	1,968,326
Commissioners Court	-	6,952	-	6,952
Total General Government	9,944,050	1,325,193	(479,508)	10,789,735
<b>Judicial:</b>				
12/278th Judicial District	5,244	-	-	5,244
Criminal District Attorney	395,847	-	-	395,847
Justice of the Peace-Precinct 2	104,358	-	-	104,358
Justice of the Peace-Precinct 3	113,017	-	-	113,017
Justice of the Peace-Precinct 4	81,409	-	-	81,409
Total Judicial	699,875	-	-	699,875
<b>Financial Administration:</b>				
County Clerk	31,322	-	-	31,322
County Auditor	100,940	10,471	(16,718)	94,693
Total Financial Administration	132,262	10,471	(16,718)	126,015
<b>Public Safety:</b>				
County Jail	4,980,167	239,475	-	5,219,642
Sheriff's Department	3,029,729	135,771	(164,429)	3,001,071
Constable -Precinct 1	32,147	33,025	(20,147)	45,025
Constable -Precinct 2	23,055	-	-	23,055
Constable -Precinct 3	35,969	-	-	35,969
Constable -Precinct 4	54,831	-	-	54,831
Department of Public Safety	76,882	-	-	76,882
Weigh Station	338,237	-	-	338,237
Central 911 Dispatch	650,791	-	-	650,791
EMS	1,266,910	182,089	(100,983)	1,348,016
Emergency Shelter/Management	3,946,581	18,988	-	3,965,569
Probation Support	922,008	32,126	-	954,134
Total Public Safety	15,357,307	641,474	(285,559)	15,713,222
<b>Health and Welfare:</b>				
Utility Department	91,887	56,510	(8,550)	139,847
Total Health and Welfare	91,887	56,510	(8,550)	139,847
<b>Road and Bridge:</b>				
General	754,061	-	-	754,061
Precinct 1	1,237,399	21,910	-	1,259,309
Precinct 2	1,039,054	93,750	-	1,132,804
Precinct 3	1,438,898	-	-	1,438,898
Precinct 4	1,556,715	91,214	(7,649)	1,640,280
Litter Control	27,595	-	-	27,595
Total Road and Bridge	6,053,722	206,874	(7,649)	6,252,947
<b>Other:</b>				
Special Prosecution Unit-Criminal	113,390	-	-	113,390
Special Prosecution Unit-Civil	70,894	-	-	70,894
Special Prosecution Unit-Juvenile	79,170	-	(15,834)	63,336
Adult Probation	87,612	-	-	87,612
Juvenile Probation	15,190	-	-	15,190
Surplus/Auction Held	576,018	226,931	(782,819)	20,130
Total Public Safety	942,274	226,931	(798,653)	370,552
<b>Total Capital Assets</b>	<b>\$ 33,221,377</b>	<b>\$ 2,467,453</b>	<b>\$ (1,596,637)</b>	<b>\$ 34,092,193</b>

**(This page is intentionally left blank)**



## STATISTICAL SECTION

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

<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	136
<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	146
<i>These schedules contain information about the County's operations and resources to help reader understand how the County's financial information relates to the services the County provides and the activities it performs.</i>	

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

**(This page was intentionally left blank)**

**WALKER COUNTY, TEXAS**  
**NET ASSETS BY COMPONENT**  
**LAST NINE FISCAL YEARS**  
 (accrual basis of accounting)

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

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

**WALKER COUNTY, TEXAS**

**CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(accrual basis of accounting)**

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

## General Revenues and Other Changes in

## Net Assets

## Governmental activities:

## Taxes

## Property taxes

## Sales taxes

## Other taxes

## Vehicle Registration

## Alcoholic beverage taxes

## Investment earnings

## Transfers

## Other

## Total governmental activities

## Business-type activities:

## Investment earnings

## Transfers

## Total business-type activities

## Total primary government

## Change in Net Assets

## Governmental activities

## Prior Period Adjustment (EMS Receivables)

## Business-type activities

## Total primary government

## 2004

## 2005

## 2006

## 2007

## 2008

## 2009

## 2010

## 2011

## 2012

\$	9,247,367	\$	9,792,822	\$	10,146,889	\$	10,469,685	\$	10,460,117	\$	11,522,727	\$	12,625,076	\$	12,842,095	\$	13,019,116
1,827,236	1,912,387	2,068,095	2,197,937	2,260,752	2,423,490	2,343,620	2,442,426	2,488,739									
13,047	14,586	14,280	14,527	14,326	24,399	21,982	25,190	26,669									
989,014	990,030	979,757	992,143	970,798	-	-	-	-									
65,646	77,361	70,246	77,238	69,668	89,173	92,676	137,417	92,974									
76,720	222,759	461,856	594,969	437,532	152,407	38,938	15,303	13,696									
(602,454)	(313,331)	-	-	-	-	-	-	-									
39,234	-	-	-	-	-	-	-	-									
\$	11,655,810	\$	12,696,614	\$	13,741,123	\$	14,346,499	\$	14,213,193	\$	14,212,196	\$	15,122,292	\$	15,462,431	\$	15,641,194
\$	1,498	\$	1,489	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
1,453,804	313,331	-	-	-	-	-	-	-									
\$	1,455,302	\$	314,820	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	13,111,112	\$	13,011,434	\$	13,741,123	\$	14,346,499	\$	14,213,193	\$	14,212,196	\$	15,122,292	\$	15,462,431	\$	15,641,194
\$	114,135	\$	1,175,879	\$	2,068,259	\$	2,413,563	\$	4,094,942	\$	(898,984)	\$	(636,960)	\$	(668,089)	\$	(2,641,795)
(1,031,747)	(459,919)	(116,092)	126,155	-	-	-	-	-									
1,326,760	151,191	-	-	-	-	-	-	-									
\$	409,148	\$	867,151	\$	1,952,167	\$	2,539,718	\$	4,094,942	\$	(898,984)	\$	(636,960)	\$	(668,089)	\$	(2,641,795)

Note: In FY2003, Walker County implemented GASB 34. Reporting is from that date forward.  
Two functional categories was added in the Fiscal Year Ending September 30, 2012 including separating jail cost from Public Safety.

**WALKER COUNTY, TEXAS**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST NINE FISCAL YEARS**  
 (accrual basis of accounting)

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

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

**WALKER COUNTY, TEXAS**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011 <sup>1]</sup>	2012
General Fund										
Nonspendable - Prepaid Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,383	\$ 34,434
Committed for Projects	-	-	-	-	-	-	-	-	1,362,950	721,980
Assigned - One Time Allocation	-	-	-	-	-	-	-	-	1,076,540	1,433,682
Unassigned	-	-	-	-	-	-	-	-	4,040,071	3,327,237
Unreserved	2,007,578	2,368,602	3,506,504	4,693,770	5,162,815	5,082,124	5,586,097	5,636,281	-	-
Total general fund	\$ 2,007,578	\$ 2,368,602	\$ 3,506,504	\$ 4,693,770	\$ 5,162,815	\$ 5,082,124	\$ 5,586,097	\$ 5,636,281	\$ 6,512,944	\$ 5,517,333
All other governmental funds										
Reserved	\$ 1,441,479	\$ 691,049	\$ 616,220	\$ 644,738	\$ 816,931	\$ 3,348,611	\$ 1,179,475	\$ 1,288,853	\$ -	\$ -
Restricted - Debt Service	-	-	-	-	-	-	-	-	97,168	9
Restricted - Other Governmental Funds	-	-	-	-	-	-	-	-	686,705	783,523
Restricted - Capital Projects	-	-	-	-	-	-	-	-	-	18,888,014
Committed for Public Transportation	-	-	-	-	-	-	-	-	954,656	1,208,584
Committed for Public Safety	-	-	-	-	-	-	-	-	637,029	402,593
Unassigned	-	-	-	-	-	-	-	-	376,094	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	1,796,599	1,786,285	1,944,605	3,665,474	4,871,812	4,133,784	2,371,763	2,631,726	-	-
Total all other governmental funds	\$ 3,238,078	\$ 2,477,334	\$ 2,560,825	\$ 4,310,212	\$ 5,688,743	\$ 7,482,395	\$ 3,551,238	\$ 3,920,579	\$ 2,751,652	\$ 21,282,723

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)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>										
Property Taxes	\$ 12,895,031	\$ 12,759,820	\$ 12,568,933	\$ 11,510,947	\$ 10,700,202	\$ 10,329,957	\$ 10,035,873	\$ 9,715,552	\$ 9,157,938	\$ 8,224,770
Other Taxes	2,608,382	2,605,032	2,458,278	2,537,062	2,344,746	3,281,845	3,132,378	2,994,364	2,894,942	2,748,156
Licenses and permits	105,837	112,025	96,904	84,288	97,664	76,639	71,525	66,650	32,545	34,415
Intergovernmental	6,072,422	7,730,809	7,419,809	7,601,448	10,955,219	4,838,025	4,390,433	3,882,902	4,407,695	4,290,200
Charges for services	5,178,624	5,741,943	5,899,127	5,716,805	5,486,902	4,618,519	4,594,614	2,249,524	2,209,046	1,995,389
Fines	1,178,873	1,451,893	1,315,714	1,413,686	1,510,048	1,856,488	1,635,806	1,459,933	1,482,362	1,370,495
Investment earnings	22,838	15,303	38,938	152,407	437,532	594,969	461,856	222,758	76,720	90,295
Other	224,846	298,440	403,525	452,249	418,255	503,441	374,180	282,670	247,605	442,423
<b>Total revenues</b>	<b>\$ 28,286,853</b>	<b>\$ 30,715,265</b>	<b>\$ 30,201,228</b>	<b>\$ 29,468,892</b>	<b>\$ 31,950,568</b>	<b>\$ 26,099,883</b>	<b>\$ 24,696,665</b>	<b>\$ 20,874,353</b>	<b>\$ 20,508,853</b>	<b>\$ 19,196,143</b>
<b>Expenditures</b>										
General Government	\$ 2,822,719	\$ 1,908,570	\$ 1,874,541	\$ 1,852,065	\$ 1,841,400	\$ 1,407,377	\$ 1,709,624	\$ 1,237,394	\$ 1,096,998	\$ 1,038,040
Financial	1,499,540	2,006,059	1,920,995	1,835,543	1,727,346	1,609,829	1,598,581	1,404,136	1,439,949	1,287,878
Judicial	9,000,862	9,110,130	9,014,958	8,515,885	7,591,874	5,668,645	5,260,421	4,857,656	4,763,051	4,708,799
Public Safety	6,038,477	8,383,465	9,483,904	9,836,567	8,806,703	8,113,094	7,907,717	5,857,333	6,301,619	6,208,227
Corrections and Rehabilitation	2,191,908	-	-	-	-	-	-	-	-	-
Health & Welfare	464,466	948,792	554,724	522,896	511,311	459,356	438,663	361,589	675,832	319,382
Culture and Education	184,623	-	-	-	-	-	-	-	-	-
Public Transportation	4,720,409	4,729,129	4,241,268	3,990,104	4,231,038	3,750,869	3,705,404	3,214,207	2,961,304	3,313,522
Intergovernmental/Contractual	1,206,060	1,174,386	1,134,146	1,069,738	1,034,739	959,487	937,601	913,884	897,254	1,224,065
Capital Outlay	2,111,121	1,676,803	1,072,856	3,073,396	4,331,888	1,573,733	598,335	886,346	967,390	429,655
Debt service										
Principal	628,135	631,672	535,091	619,306	548,379	604,867	842,592	705,051	1,361,592	615,191
Interest	13,913	53,105	73,065	98,972	95,220	129,033	156,799	182,526	203,678	232,688
Other charges										
<b>Total expenditures</b>	<b>\$ 30,882,233</b>	<b>\$ 30,622,111</b>	<b>\$ 29,905,548</b>	<b>\$ 31,414,472</b>	<b>\$ 30,719,898</b>	<b>\$ 24,276,290</b>	<b>\$ 23,155,737</b>	<b>\$ 19,620,122</b>	<b>\$ 20,668,667</b>	<b>\$ 19,377,447</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ (2,595,380)</b>	<b>\$ 93,154</b>	<b>\$ 295,680</b>	<b>\$ (1,945,580)</b>	<b>\$ 1,230,670</b>	<b>\$ 1,823,593</b>	<b>\$ 1,540,928</b>	<b>\$ 1,254,231</b>	<b>\$ (159,814)</b>	<b>\$ (181,304)</b>
<b>Other financing sources (uses)</b>										
Transfers in	\$ 1,655,069	\$ 1,334,051	\$ 1,644,023	\$ 1,420,689	\$ 1,537,639	\$ 1,635,416	\$ 2,241,215	\$ 284,560	\$ 244,637	\$ 548,973
Transfers out	(1,655,069)	(1,334,051)	(1,644,023)	(1,420,689)	(1,537,639)	(1,635,416)	(880,713)	(597,890)	(847,092)	(548,974)
Issuance of Certificate of Obligation	20,000,000	-	123,843	-	482,311	23,985	35,226	280,491	362,547	228,461
Premium of Issue of Debt	130,840	-	-	-	-	-	-	-	-	-
<b>sources (uses)</b>	<b>\$ 20,130,840</b>	<b>\$ -</b>	<b>\$ 123,843</b>	<b>\$ -</b>	<b>\$ 482,311</b>	<b>\$ 23,985</b>	<b>\$ 1,395,728</b>	<b>\$ (32,839)</b>	<b>\$ (239,908)</b>	<b>\$ 228,460</b>
<b>Net change in fund balances</b>	<b>\$ 17,535,460</b>	<b>\$ 93,154</b>	<b>\$ 419,523</b>	<b>\$ (1,945,580)</b>	<b>\$ 1,712,981</b>	<b>\$ 1,847,578</b>	<b>\$ 2,936,656</b>	<b>\$ 1,221,392</b>	<b>\$ (399,722)</b>	<b>\$ 47,156</b>
<b>Decrease in fund balances EMS</b>							(1,481,603)			
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.29%</b>	<b>2.42%</b>	<b>2.15%</b>	<b>2.60%</b>	<b>2.50%</b>	<b>3.34%</b>	<b>4.64%</b>	<b>4.97%</b>	<b>8.63%</b>	<b>4.68%</b>

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



**WALKER COUNTY, TEXAS**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

Fiscal Year	Property Tax(1)	Sales Tax	Other Taxes	Alcoholic Beverage		Total Other Taxes	Total Taxes
				Tax	Tax		
2003	\$ 8,224,770	\$ 1,672,772	\$ 15,682	\$ 51,517	\$ 1,739,971	\$ 9,964,741	
2004	9,157,938	1,827,236	13,047	65,646	1,905,929	11,063,867	
2005	9,715,552	1,912,387	14,586	77,361	2,004,334	11,719,886	
2006	10,035,873	2,068,095	14,280	70,246	2,152,621	12,188,494	
2007	10,329,957	2,197,937	14,527	77,238	2,289,702	12,619,659	
2008	10,700,202	2,260,752	14,326	69,668	2,344,746	13,044,948	
2009	11,510,947	2,423,490	24,399	89,173	2,537,062	14,048,009	
2010	12,568,933	2,343,620	21,982	92,676	2,458,278	15,027,211	
2011	12,759,820	2,442,426	25,190	137,416	2,605,032	15,364,852	
2012	12,895,031	2,488,739	26,669	92,974	2,608,382	15,503,413	

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

**WALKER COUNTY, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY(1)**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended Sept. 30	Real Property Residential Property	(2)		Personal Property Total	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Direct Tax Rate	Total Value as a Percentage of Actual Value
		Commercial Property	Agricultural & Open Acreage					
2003	\$ 661,223,442	\$ 290,366,350	\$ 406,852,930	\$ 1,358,442,722	\$ 320,659,813	\$ 1,296,628,622	\$ 0.6250	80.17%
2004	769,892,720	339,644,630	437,062,943	1,546,600,293	277,771,360	1,436,941,689	0.6250	78.76%
2005	808,790,080	372,293,180	445,167,436	1,626,250,696	300,254,898	1,541,766,786	0.6250	19.97%
2006	899,413,974	404,446,520	528,747,595	1,832,608,089	312,268,070	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	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	1,983,945,023	0.5450	72.54%
2009	1,156,006,988	534,606,069	939,348,329	2,629,961,386	362,013,554	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	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	2,264,589,364	0.5793	72.04%
2012	1,330,376,385	585,938,223	1,056,767,654	2,973,082,262	421,298,210	2,439,189,402	0.5536	71.86%

**WALKER COUNTY, TEXAS**  
**TAXABLE ASSESSED VALUE BY GROUPING**  
**LAST SEVEN FISCAL YEARS**

StateCode	Description	Grouping	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
A	Single Family Residence	residential	\$ 1,096,500,415	\$ 1,019,194,065	\$ 1,001,871,339	\$ 977,153,378	\$ 930,774,965	\$ 867,490,994	\$ 796,096,214
B	Multi-Family Residence	residential	233,875,970	212,421,879	211,171,040	178,853,610	152,900,200	130,909,590	103,317,760
C	Vacant Lot	land	93,750,505	90,377,875	89,540,840	90,455,940	82,584,011	75,908,609	62,379,372
D1	Qualified Ag Land	land	874,865,866	800,701,069	798,546,287	791,261,545	696,031,268	523,181,703	434,563,242
D2	Non Qualified Land	land	88,151,283	51,886,549	52,847,729	57,630,844	49,088,459	36,991,240	31,804,981
E	Farm or Ranch Improv.	commercial	304,499,853	299,170,151	292,208,361	280,598,771	260,976,171	232,571,710	202,135,550
F1	Commercial Real	commercial	263,245,850	258,115,930	252,701,530	240,566,988	217,270,660	206,279,660	191,690,700
F2	Industrial Real Property	commercial	18,192,520	18,764,790	15,585,940	13,440,310	12,751,870	12,135,710	10,620,270
G1	Oil and Gas	minerals	6,033,800	7,186,881	9,409,435	10,823,964	11,974,918	12,782,580	10,703,390
G3	Minerals-Non Producing	minerals	280,680	280,680	284,060	284,060	284,060	284,060	285,800
J1	Water Systems	personal	4,000	4,000	4,000	4,000	4,000	4,000	868,070
J2	Gas Distribution System	personal	1,483,120	1,424,250	1,434,920	1,402,330	1,444,820	1,519,980	1,608,910
J3	Electric Company	personal	53,697,160	33,991,630	32,425,920	31,723,310	30,385,990	27,129,750	28,333,040
J4	Telephone Company	personal	16,647,590	16,696,730	18,138,180	19,376,840	22,366,010	22,336,320	23,609,460
J5	RailRoad	personal	13,876,060	12,053,960	11,209,160	10,442,880	7,763,270	7,426,640	7,425,290
J6	Pipelane Company	personal	25,696,480	19,739,420	15,325,720	15,902,070	16,922,720	14,369,010	14,027,980
J7	Cable Television Co.	personal	3,049,230	3,108,650	2,969,980	2,885,300	2,613,730	2,597,850	2,733,670
J8	Other type of Utility	personal	31,800	31,800	31,800	31,800	31,800	212,000	7,244,320
L1	Commercial Personal	personal	113,485,550	193,157,700	232,557,780	118,728,270	123,302,530	110,307,460	138,912,120
L2	Industrial Personal	personal	126,233,030	44,107,500	11,132,160	82,799,150	47,077,150	62,152,450	14,354,210
M1	Tangible Other	personal	49,752,480	52,040,250	52,533,620	52,884,250	53,670,390	56,412,470	46,562,030
N	Intangible Property	personal	9,710	9,710		10,000	1,869,020	1,888,050	1,938,770
O	Residential Inventory	personal	2,261,020	2,153,860	2,467,100	4,061,980	3,362,500	4,909,920	4,648,190
S	Special Inventory Tax	personal	8,766,500	6,935,660	9,400,840	10,653,350	9,607,690	9,446,380	9,012,820
			<b>\$ 3,394,380,472</b>	<b>\$ 3,143,554,989</b>	<b>\$ 3,113,797,111</b>	<b>\$ 2,991,974,940</b>	<b>\$ 2,735,008,742</b>	<b>\$ 2,419,248,676</b>	<b>\$ 2,144,876,159</b>

Less:

Productivity Loss (Ag and Timber Use)	(829,788,729)	(753,891,998)	(775,445,300)	(744,534,217)	(649,250,466)	(476,533,360)	(378,513,271)
Homestead Cap (10% cap on residential homesteads)	(11,987,776)	(7,534,476)	(15,567,539)	(26,567,273)	(37,861,456)	(42,416,412)	(33,647,571)
Tax Ceiling and Over 65 and disabled exemption	(56,299,468)	(54,192,145)	(46,170,943)	(45,423,831)	(45,555,372)	(44,214,462)	(42,321,907)
Other Exemptions /Deductions	(57,135,097)	(63,347,006)	(66,137,508)	(36,227,555)	(18,396,425)	(26,623,128)	(20,279,526)
Total Exemptions	<b>\$ (955,191,070)</b>	<b>\$ (878,965,625)</b>	<b>\$ (903,321,290)</b>	<b>\$ (852,752,876)</b>	<b>\$ (751,063,719)</b>	<b>\$ (589,787,362)</b>	<b>\$ (474,762,275)</b>

Taxable Assessed Value

	<b>\$ 2,439,189,402</b>	<b>\$ 2,264,589,364</b>	<b>\$ 2,210,475,821</b>	<b>\$ 2,139,222,064</b>	<b>\$ 1,983,945,023</b>	<b>\$ 1,829,461,314</b>	<b>\$ 1,670,113,884</b>
--	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------	-------------------------

Total Direct Tax Rate

	<b>\$0.5536</b>	<b>\$0.5793</b>	<b>\$0.5770</b>	<b>\$0.5450</b>	<b>\$0.5450</b>	<b>\$0.5667</b>	<b>\$0.5997</b>
--	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------	-----------------

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

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
County:										
Operating	0.5391	0.5485	0.5485	0.5132	0.5136	0.5284	0.5456	0.5709	0.5726	0.5790
Debt Service	<u>0.0145</u>	<u>0.0308</u>	<u>0.0285</u>	<u>0.0318</u>	<u>0.0314</u>	<u>0.0383</u>	<u>0.0541</u>	<u>0.0541</u>	<u>0.0524</u>	<u>0.0460</u>
Total	0.5536	0.5793	0.5770	0.5450	0.5450	0.5667	0.5997	0.6250	0.6250	0.6250
Huntsville ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.3567	1.4850	1.4850	1.4700	1.4700
Debt Service	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1750</u>	<u>0.1750</u>	<u>0.1900</u>	<u>0.1900</u>
Total	1.2100	1.2100	1.2100	1.2100	1.2100	1.5267	1.6600	1.6600	1.6600	1.6600
Richards ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.3700	1.5000	1.5000	1.5000	1.4629
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	1.0400	1.0400	1.0400	1.0400	1.0400	1.3700	1.5000	1.5000	1.5000	1.4629
New Waverly ISD										
Operating	1.0400	1.0400	1.0400	1.0234	0.9734	1.2414	1.4000	1.3500	1.3500	1.3500
Debt Service	<u>0.2205</u>	<u>0.2300</u>	<u>0.2300</u>	<u>0.2300</u>	<u>0.2300</u>	<u>0.2008</u>	<u>0.2008</u>	<u>0.2310</u>	<u>0.2368</u>	<u>0.4500</u>
Total	1.2605	1.2700	1.2700	1.2534	1.2034	1.4422	1.6008	1.5810	1.5868	1.8000
City of Huntsville										
Operating	0.2381	0.2134	0.2249	0.2108	0.2436	0.2381	0.2391	0.2447	0.2322	0.2840
Debt Service	<u>0.1534</u>	<u>0.1873</u>	<u>0.1758</u>	<u>0.1899</u>	<u>0.1699</u>	<u>0.1811</u>	<u>0.1928</u>	<u>0.1928</u>	<u>0.1928</u>	<u>0.1660</u>
Total	0.3915	0.4007	0.4007	0.4007	0.4135	0.4192	0.4319	0.4375	0.4250	0.4500
City of New Waverly										
Operating	0.0000	0.0000	0.0000	0.0000	0.2088	0.2300	0.2409	0.2371	0.2442	0.2500
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.0000	0.0000	0.0000	0.0000	0.2088	0.2300	0.2409	0.2371	0.2442	0.2500
City of Riverside										
Operating	0.0818	0.0551	0.1101	0.0803	0.0836	0.0617	0.0584	0.0580	0.0569	0.0600
Debt Service	<u>0.1270</u>	<u>0.1585</u>	<u>0.0963</u>	<u>0.1537</u>	<u>0.1644</u>	<u>0.1983</u>	<u>0.2245</u>	<u>0.2460</u>	<u>0.2585</u>	<u>0.2902</u>
Total	0.2088	0.2136	0.2064	0.2340	0.2480	0.2600	0.2829	0.3040	0.3154	0.3502
Hospital District										
Operating	0.1568	0.1530	0.1534	0.1537	0.1600	0.1720	0.1825	0.1922	0.1850	0.1600
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.1568	0.1530	0.1534	0.1537	0.1600	0.1720	0.1825	0.1922	0.1850	0.1600
Fire District #1										
Operating	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0300	0.0300	0.0300	0.0300
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0300	0.0300	0.0300	0.0300
Fire District #2										
Operating	0.1000	0.1000	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.1000	0.1000	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
<b>Totals</b>										
Operating Total	4.2958	4.2500	4.2469	4.1514	4.3530	5.2883	5.7115	5.6979	5.6709	5.6759
Debt Service Total	<u>0.6854</u>	<u>0.7766</u>	<u>0.7006</u>	<u>0.7754</u>	<u>0.7657</u>	<u>0.7885</u>	<u>0.8472</u>	<u>0.8989</u>	<u>0.9305</u>	<u>1.1422</u>
Total	4.9812	5.0266	4.9475	4.9268	5.1187	6.0768	6.5587	6.5968	6.6014	6.8181

**WALKER COUNTY, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS  
SEPTEMBER 30, 2012**

For the Fiscal Year Ending 09/30/12			For the Fiscal Year Ending 09/30/03		
<u>Taxpayer</u>	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	
Entergy Texas Inc	\$ 45,193,020	2.11%	\$ 21,605,430	1.90%	
University House Huntsville LLC	21,790,250	1.02%	20,500,150	1.60%	
Fairfield Huntsville Exchange LP	21,660,500	1.01%	19,263,180	1.50%	
Weatherford US LP	30,098,836	1.41%	15,588,260	1.50%	
Wal-Mart Stores Texas LLC 0285-1-14206	15,987,700	0.75%	12,589,570	0.80%	
Southwestern Bell Telephone LP	13,673,840	0.64%	12,161,920	0.70%	
Hyponex Corporation	13,345,134	0.62%	10,809,600	0.60%	
Huntsville Aberdeen Place LP	13,100,000	0.61%	8,093,800	0.60%	
Huntsville Place LP	13,054,450	0.61%	8,153,210	0.60%	
Campus Crest at Huntsville LP	12,943,800	0.61%	7,903,746	0.50%	
					GSU - Entergy Services, Inc
					Southwestern Bell Telephone
					RIL Timberlands 3 LLC
					Wal-Mart
					Sam Dominey
					Weatherford Completion & Oilfield
					Louisiana Pacific
					Arbors of Huntsville
					Union Pacific
					Universal Forest Products

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			Amount	Percentage of Levy
		Amount	Percentage of Levy			
2003	\$ 8,107,329	\$ 7,860,970	97.0%	\$ 223,480	\$ 8,084,450	99.7%
2004	8,980,402	8,707,905	97.0%	262,885	8,970,790	99.9%
2005	9,639,424	9,225,511	95.7%	312,783	9,538,294	99.0%
2006	9,946,615	9,552,183	96.0%	273,104	9,825,287	98.8%
2007	10,263,776	9,870,789	96.2%	266,400	10,137,189	98.8%
2008	10,685,761	10,242,043	95.9%	265,161	10,507,204	98.3%
2009	11,463,445	11,025,712	96.2%	292,119	11,317,831	98.7%
2010	12,424,610	12,058,566	97.1%	282,431	12,340,997	99.3%
2011	12,780,350	12,258,890	95.9%	244,893	12,503,783	97.8%
2012	13,150,958	12,453,061	94.7%	240,697	12,693,758	96.5%

(1) Original Tax Levy

**WALKER COUNTY**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Fiscal Year	General Obligations Bonds	Capital Leases	Less: Amounts Available in Debt Service Fund		Total	Percentage of Estimated Actual Taxable Value of Property		Per Capita	Percentage Personal Income
			Total	Total		Property	Value of		
2003	\$ 4,301,586	\$ 107,281	\$ 4,408,867	\$ 406,199	\$ 4,002,668	0.31%		\$ 62.66	0.45%
2004	4,077,506	82,317	4,159,823	392,702	3,767,121	0.29%		59.89	0.49%
2005	3,679,107	56,154	3,735,261	386,683	3,348,578	0.23%		53.20	0.57%
2006	2,899,161	28,736	2,927,897	367,383	2,560,514	0.17%		39.71	0.80%
2007	2,347,016	-	2,347,016	407,840	1,939,176	0.12%		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	20,000,000	-	20,000,000	32,807	19,967,193	0.88%		293.26	n/a

**WALKER COUNTY**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2012**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Huntsville I.S.D.	\$ 40,547,551	100%	\$ 40,547,551
New Waverly I.S.D.	7,565,390	100%	7,565,390
City of Huntsville	53,371,000	100%	53,371,000
City of New Waverly	455,000	100%	455,000
City of Riverside	119,000	100%	119,000
Subtotal Overlapping Debt			<u>\$ 102,057,941</u>
Walker County direct debt			\$ 20,000,000
Total direct and overlapping debt			<u><u>\$ 122,057,941</u></u>

Source. Entities as listed

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit (Taxable Property)	\$ 129,662,862	\$ 143,694,169	\$ 154,176,679	\$ 167,011,388	\$ 182,946,131	\$ 198,394,502	\$ 213,922,206	\$ 221,047,582	\$ 226,458,936	\$ 243,918,940
Total net debt applicable to limit	4,002,668	3,767,121	3,348,578	2,560,514	1,939,176	1,888,883	1,269,546	832,331	154,873	19,967,193
Legal debt margin	\$ 125,660,194	\$ 139,927,048	\$ 150,828,101	\$ 164,450,874	\$ 181,006,955	\$ 196,505,619	\$ 212,652,660	\$ 220,215,251	\$ 226,304,063	\$ 223,951,747
Total net debt applicable to the limit as a percentage of debt limit	3.09%	2.62%	2.17%	1.53%	1.06%	0.95%	0.59%	0.38%	0.07%	8.19%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 2,439,189,402
Add back: exempt real property	955,191,070
Total assessed value	<u>\$ 3,394,380,472</u>
Debt limit (10% of total assessed value)	\$ 339,438,047
Debt applicable to limit:	
General obligation debt	\$ 20,000,000
Less: Amount set aside for repayment of general obligation debt	<u>32,807</u>
Total net debt applicable to limit	<u>19,967,193</u>
Legal debt margin	<u><u>\$ 319,470,854</u></u>



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

<u>Fiscal Year</u>	(1) <u>Population</u>	(2) Income (amounts expressed in thousands)	(2) Per Capita Personal Income	(3) Median Age	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2003	63,882	\$ 1,111,911	\$ 17,837	n/a	7,523	3.9%
2004	62,904	1,159,211	18,470	n/a	7,653	2.5%
2005	62,945	1,217,000	19,223	n/a	7,520	5.1%
2006	64,480	1,304,000	20,374	n/a	7,116	4.9%
2007	64,245	1,367,000	21,385	n/a	7,014	5.0%
2008	64,239	1,547,453	23,130	n/a	6,572	5.8%
2009	64,739	1,569,000	23,503	n/a	7,186	7.8%
2010	67,861	1,671,000	24,547	n/a	7,191	7.2%
2011	67,861	1,737,000	25,508	n/a	7,127	8.7%
2012	68,087	n/a	n/a	n/a	7,270	6.5%

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  
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 TEN YEARS AGO**

	2012			2001		
	<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	6,163	1	22.69%			
Sam Houston State University	3,575	2	13.16%			
Huntsville Independent School District	875	3	3.22%			
Huntsville Memorial Hospital	589	4	2.17%			
Wal-Mart	475	5	1.75%			information not available
Walker County	400	7	1.47%			
Region VI Education Service Center	315	6	1.16%			
City of Huntsville	275	8	1.01%			
Weatherford Completion Center	285	9	1.05%			
Gulf Coast Trade Center	210	10	0.77%			

Note. Total employees in Walker County in September 2012 was 26,244.

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**

Function	Full-time Equivalent Employees as of September 30									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	
Operating										
General Administration										
Elected	1	1	1	1	1	1	1	1	1	
Employees	15.5	15.5	15.5	13.5	13.5	13.5	12	12.5	11.5	
Judicial										
Elected	9	9	9	9	9	9	9	9	9	
Employees	42	42	41	40	40	40	40	39	39	
Financial Administration										
Elected	3	3	3	3	3	3	3	3	3	
Appointed	2	2	2	2	2	2	2	2	2	
Employees	29.5	30	31	31	31	28	27.5	24.5	25.5	
Public Safety										
Elected	5	5	5	5	5	5	5	5	5	
Employees-Certified	35.5	35.5	35.5	35.5	35.5	35.5	34.5	-	-	
Employees-Non-Certified	34.5	34.5	34.5	34.5	34.5	34.5	32	-	-	
Employee-Certified/Noncertified								65	63	
Employees - EMS	39	33	33	32	32	32	30.5	25	25	
Health and Welfare										
Employees	10.5	10.5	10.5	10	10	10	9	6	6	
Road and Bridge										
Elected	4	4	4	4	4	4	4	4	4	
Employees	33.5	32.5	32.5	31	31	31	30.5	30.5	30.5	
Legislatively Designated										
Judicial	1	1	1	1.5	1.5	1.5	1.5	1.5	1.5	
Public Safety	3.5	3	2	2	2	1	1	1	1	
Financial Administration	2	2	2	3	3	2	1.5	1.5	1.5	
Grants/State Funding										
Public Safety	6	6	6	6	6	6	6	6	6	
Juvenile Probation	29	29	29	32	32	31	32	32	32	
Adult Probation	45	45	48	51.4	43	32	29	29	29	
SPU Criminal/Civil/Juvenile										
Total	350.5	343.5	345.5	347.4	339	322	311	297.5	295.5	

Notes: In FY 2004, the County added an Emergency Ambulance service that was previously shared funding with the City and Hospital District.  
 In FY2006, the County added a transfer function in the Emergency Ambulance service.

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

**WALKER COUNTY, TEXAS  
OPERATING INDICATORS BY FUNCTION**

<b>Function</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>	<b><u>2006</u></b>
Sheriff Office/Constables							
Papers Served	1712	1773	2003	1,933	2,034	2,236	2,363
Jail							
Bookings at Jail	4238	4456	4089	4,086	4,035	4,227	4,871
Average Daily Jail Population	151	151	143	136	143	145	152
Highest Daily Jail Population	173	175	176	153	173	177	199
Health and Welfare							
Permits Issued	897	899	860	250	273	269	292
Judicial/Courts							
Number of indigent cases	1330	1239	1361	1,462	1,142	1,064	892
Number of cases heard-District Courts-Criminal	2804	2037	1968	2,537	1,812	2,250	1,963
Number of cases heard-District Courts-Civil	290	521	469	623	346	475	446
Cases filed District Courts-Civil	513	593	551	598	572	343	323
Cases disposed -County Court at Law	1508	1696	1833	2,073	1,918	2,315	2,246
Cases filed in Court at Law-Criminal	1583	1555	1605	1,864	1,745	2,353	2,085
Cases filed County Court at Law-Civil	487	478	547	601	706	654	488
Cases filed in JP Courts-Traffic/Non Traffic Misdemeanors	9,099	12,682	11,732	11,786	11,678	14,933	15,499
Cases filed in JP Courts - Civil	718	587	677	657	659	405	366
Cases Disposed of - JP Courts	8794	12805	13060	12,603	13,110	14,387	13,504
County Clerk							
Documents recorded	9503	9036	8400	8,441	8,984	10,430	10,705
Adult Probation							
Offenders Supervised	3415	3388	3395	2,409	2,465	2,749	2,829
Juvenile Probation							
Juveniles Supervised	90	109	109	111	130	95	91

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

Notes. Cases heard include indigent cases

Notes. 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**

<b>Function</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>	<b><u>2006</u></b>
Public Safety							
Sheriff Office							
Stations	1	1	1	1	1	1	1
Patrol Units	35	35	34	33	33	33	29
Jail	1	1	1	1	1	1	1
Number of beds	162	162	162	162	162	162	162
Road & Bridge							
Miles of roads	537	537	551.74	530.7	530	530	530
Courts							
District Courts	2	2	2	2	2	2	2
County Court at Law	1	1	1	1	1	1	1
JP Courts	4	4	4	4	4	4	4

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

**(This page is intentionally left blank)**



*Hereford, Lynch, Sellars & Kirkham*

Certified Public Accountants • A Professional Corporation

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

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

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

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

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

Members of the Commissioners' Court:

We have audited 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, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 11, 2013. 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.

Internal Control over Financial Reporting

Management of Walker County, Texas, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

This report is intended solely for the information and use of management, Commissioners' Court, others within the entity, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

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

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

**Conroe, Texas**  
**March 11, 2013**





*Hereford, Lynch, Sellars & Kirkham*

Certified Public Accountants • A Professional Corporation

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

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

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

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

Members of the Commissioners' Court:

Compliance

We have audited Walker County, Texas' (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and *Texas Uniform Grant Management Standards* that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2012. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and *Texas Uniform Grant Management Standards*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2012.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and *Texas Uniform Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 and 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 federal and state program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Commissioners' Court, others within the entity, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

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

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

**Conroe, Texas**  
**March 11, 2013**

**WALKER COUNTY, TEXAS****SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<b>SECTION I – SUMMARY OF AUDITORS’ RESULTS</b>	
<b>FINANCIAL STATEMENTS</b>	
1. Type of auditors’ report issued	Unqualified
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 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	Unqualified
6. Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section 510(a) of OMB Circular A-133	No
7. Identifications of Major Programs	97.036 Disaster Relief 97.046 Disaster Relief (FMAG) 13.2011 Emergency Management Assistance
8. Dollar Threshold used to Distinguish Between Type A and Type B Federal Programs	\$300,000
9. Auditee Qualified as a Low-Risk Auditee?	Yes
<b>SECTION II – FINANCIAL STATEMENT FINDINGS</b>	
None reported	
<b>SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</b>	
None reported	

**WALKER COUNTY, TEXAS**

*SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL PROGRAMS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012*

**PRIOR YEAR FINDINGS**

None reported

**WALKER COUNTY, TEXAS****SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROGRAMS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<b>SECTION I – SUMMARY OF AUDITORS’ RESULTS</b>	
<b>FINANCIAL STATEMENTS</b>	
1. Type of auditors’ report issued	Unqualified
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>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	Unqualified
6. Any Audit Findings Disclosed that are Required to be Reported in Accordance with Texas Uniform Grant Management Standards?	No
7. Identifications of Major Programs	Prosecution of Prison Crimes - Criminal
8. Dollar Threshold used to Distinguish Between Type A and Type B State Programs	\$300,000
9. Auditee Qualified as a Low-Risk Auditee?	Yes
<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, 2012*

**PRIOR YEAR FINDINGS**

None reported

**Schedule of Expenditures of Federal and State Awards**

**WALKER COUNTY, TEXAS****SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012****EXHIBIT D-1****Page 1 of 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><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<b>Passed Through City of Huntsville:</b>				
2009 Justice Assistance Grant Program (JAG)	16.738	2009-DJ-BX-0833	\$ 177	\$ -
2011 Justice Assistance Grant Program (JAG)	16.738	2011-DJ-BX-2912	810	-
<b>Total Passed Through the City of Huntsville</b>			<b>987</b>	<b>-</b>
<b>Passed Through Bureau of Justice Assistance:</b>				
Recovery Act JAG	16.738	2009-SB-B9-3085	-	5,239
State Criminal Alien Assistance Program (SCAAP)	16.606	2012-H3913-TX-AP	8,221	-
<b>Total Passed Through Bureau of Justice Assistance</b>			<b>8,221</b>	<b>5,239</b>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>9,208</b>	<b>5,239</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>				
<b>Passed Through Texas Division of Emergency Management:</b>				
Homeland Security Grant (2009 CCP)	97.053	2009-SS-T9-0064	17,529	-
Homeland Security Grant (2009 SHSP)	97.073	2009-SS-T9-0064	4,093	-
Homeland Security Grant (2010 CCP)	97.053	2010-SS-T0-0008	23,284	-
Homeland Security Grant (2010 SHSP)	97.073	2010-SS-T0-0008	22,933	-
Homeland Security Grant (2011 SHSP)	97.067	EMW-2011-SS-0019	1,946	-
Emergency Management Assistance (EMPG)	97.042	12TX-EMPG-0483	15,306	-
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<b>85,091</b>	<b>-</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<b>Direct Program:</b>				
U.S. Forest Service - Title 1	10.666	-	107,299	-
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>				
<b>Passed Through Comptroller of Public Accounts:</b>				
ARRA - Energy Efficiency and Conservation Block Grant	81.128	DE-EE0000893	86,365	-
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<b>Passed Through Texas Juvenile Probation Commission:</b>				
Title IV-E Federal Foster Care	93.658	-	13,316	-
<b><u>U.S. GENERAL SERVICES ADMINISTRATION</u></b>				
<b>Passed Through Federal Surplus Property Program:</b>				
Donation of Federal Surplus Personal Property	39.003	-	24,319	-
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u></b>				
<b>Passed Through Texas Department of Public Safety's Division of Emergency Management:</b>				
Disaster Relief	97.036	FEMA - 4029-DR-TX	126,111	88,597
Disaster Relief	97.036	FEMA - 1999-DR-TX	252	54,509
Disaster Relief (FMAG)	97.046	FEMA - 2929-DR-TX	21,856	77,793
Emergency Management Assistance	13.2011	DR-1791-197	205	-
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<b>148,424</b>	<b>220,900</b>
<b><u>ELECTION ASSISTANCE COMMISSION</u></b>				
<b>Passed Through Secretary of State:</b>				
General HAVA Compliance	90.401	78711	22,837	-
Polling Place Accessibility 2012	93.617		14,931	-
Opportunity for Access 2012	93.617		16,238	-
<b>TOTAL ELECTION ASSISTANCE COMMISSION</b>			<b>54,006</b>	<b>-</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 528,029</b>	<b>\$ 226,139</b>



**WALKER COUNTY, TEXAS****SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012****EXHIBIT D-1****Page 2 of 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>		212-12-236	\$ 59,799	\$ -
<b>Passed Through Office of Governor:</b>				
<i>Prosecution of Prison Crimes - Criminal</i>		SF-11-A10-14918-13	1,404,776	-
<i>State Criminal Justice Planning (421) Fund</i>		SF 2624501	9,122	-
<b>Total Passed Through Office of Governor</b>			<b>1,413,898</b>	<b>-</b>
<b>Passed Through Office of State Comptroller:</b>				
<i>Judiciary Appointment - CDA</i>		-	22,450	-
<b>Passed Through Texas Department of State Health Services:</b>				
<i>EMS - Local Project (DSHS - Equipment)</i>		2012-040089	17,342	-
<i>AgriLife Extension- Preventative Hospitalization</i>		2012-040354	8,369	-
<b>Total Passed Through Texas Department of State Health Services</b>			<b>25,711</b>	<b>-</b>
<b>Passed Through Office of Attorney General:</b>				
<i>Statewide Victim Information and Notification Everyday System</i>		1225325	18,283	-
<b>Passed Through Southeast Texas Trauma Regional Advisory Council:</b>				
<i>EMS Trauma Care System</i>		2011-34911	9,917	-
<b>Passed Through Commission on Environmental Quality:</b>				
<i>Walker County Environmental Investigator</i>		12-16-G06	62,523	-
<b>Passed Through Office of the Secretary of State:</b>				
<i>Chapter 19 Voter Funds</i>		-	1,285	-
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b>1,613,866</b>	<b>-</b>
<b>STATE ALLOCATIONS</b>				
<i>SPU - State Allocation</i>		08-A10-14918-12	106,626	-
<i>SPU - Civil</i>		08-A10-14918-12	2,379,735	-
<i>SPU - Longevity Pay - Criminal</i>		08-A10-14918-12	26,120	-
<i>SPU - Juvenile</i>		08-A10-14918-12	733,863	-
<i>SPU - Longevity Pay - Juvenile</i>		08-A10-14918-12	2,300	-
<i>Constitutional Judge Salary Supplement</i>		SB 600	15,133	-
<i>CCL Judge Supplement</i>		SB 600	75,000	-
<i>Juror Pay</i>		SB 1704	21,112	-
<i>State Longevity Pay</i>		SB 844	4,980	-
<i>Road &amp; Bridge - Lateral Road Allocation</i>		Tax Code-Chap 162	60,748	-
<i>Rider 78 and Rider 81 - Supplement for District Clerk</i>		HB 1	-	-
<b>TOTAL STATE ALLOCATIONS</b>			<b>3,425,618</b>	<b>-</b>
<b>STATE REIMBURSEMENTS</b>				
<i>State Funds - Capital Murder</i>		-	53,691	-
<b>TOTAL STATE AWARDS, ALLOCATIONS, AND REIMBURSEMENTS</b>			<b>\$ 5,093,175</b>	<b>\$ -</b>

The accompanying notes are an integral part of this schedule.

**(This page was intentionally left blank)**

## **WALKER COUNTY, TEXAS**

### ***NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2012***

#### **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, Audits of States, Local Governments, and Non-Profit Organizations and Texas Uniform Grant Management Standards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **Insurance**

Walker County is currently insured through the purchase of insurance for Workers Compensation, Health Insurance and other insurances through the Texas Association of Counties. The coverage is through several policies including Workers Compensation, Health, Property, Inland Marine, General Liability, Public Officials and Employee Related Practices Liability, Boiler and Machinery, Automobile Liability, Automobile Comprehensive, and Law Enforcement Legal Liability. Property coverage varies related to property type and type of occurrence, with the total of the listed properties at an aggregate value of approximately \$35,749,000. 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.