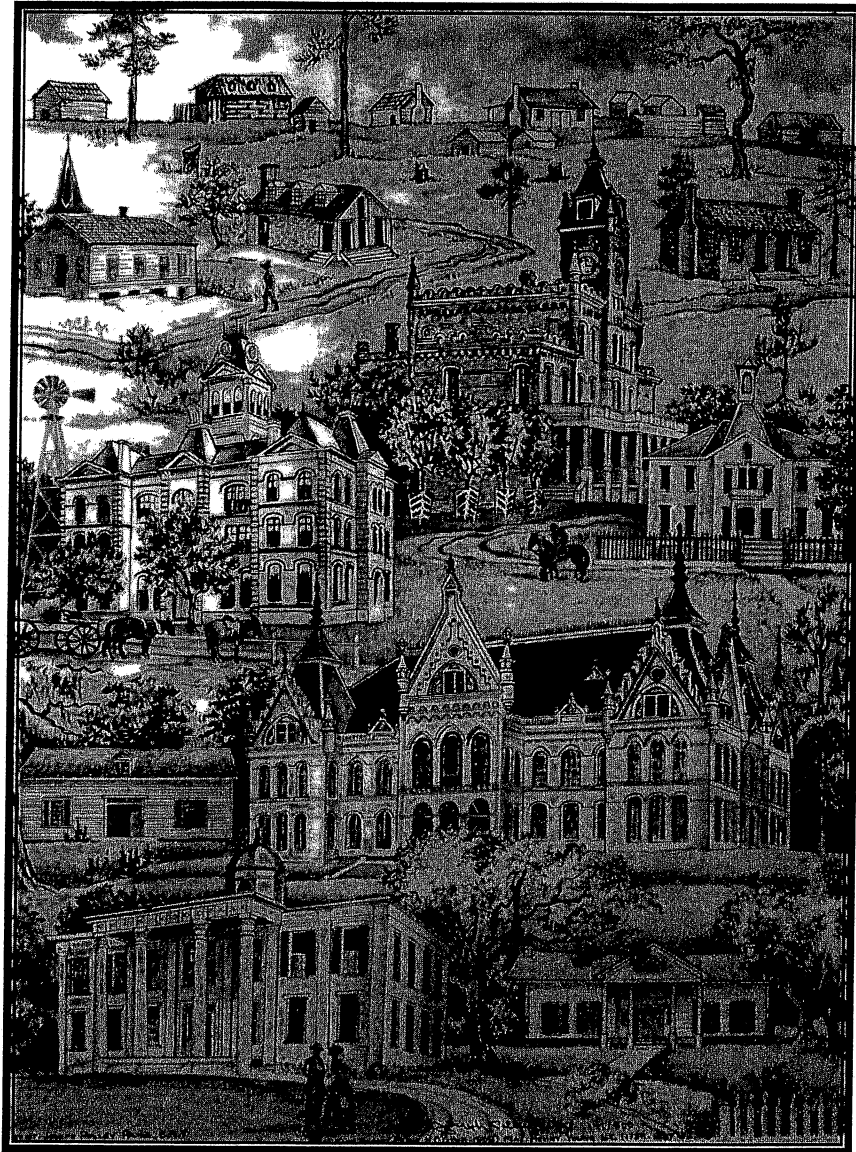




# Walker County, Texas



*Comprehensive Annual Financial Report  
For the Year Ended September 30, 2007*

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

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

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

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

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

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

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

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

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

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

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

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

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

WALKER COUNTY, TEXAS

*COMPREHENSIVE ANNUAL FINANCIAL REPORT*

*FOR THE YEAR ENDED SEPTEMBER 30, 2007*

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Walker County, Texas  
Comprehensive Annual Financial Report  
For The Year Ended September 30, 2007

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# INTRODUCTORY SECTION

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WALKER COUNTY AUDITOR

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

Huntsville, Texas 77320

March 1, 2008

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, 2007, 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 Kenneth C. Davis & Company, P.C., a local CPA firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of Walker County for the year ended September 30, 2007 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, 2007 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 of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. Information related to this single audit, including a Schedule of Federal Financial Assistance, 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 serves a population of approximately 64,245. 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 2000 census, Walker County's population reached 61,758. 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 2007 was 5.0%, compared with the state unemployment rate of 4.3% and national unemployment rate of 4.7%. This county rate compares to 4.6% 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 13,980 inmates. Sam Houston State University, also located in Walker County, reported an enrollment of approximately 16,445 students for the fall of 2007.

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.

In FY 2008 Walker County received a \$2,000,000 allocation from the State of Texas to construct Veteran's Museum of Texas facility. The HEARTS Veteran's Museum, a local 501c(3) organization has built a museum collection over the last 15 years to commemorate and honor U.S. military veteran's from all branches of service. In order to provide a facility to house the collection, the State Legislature authorized the allocation to Walker County through the General Land Office. The proposed 12,500 sq. ft. facility will be sited adjacent to the County Storm Shelter project currently under construction on a five acre site located at 445 SH 75 S, in Huntsville, TX.

**Long-term financial planning.** At present there are no immediate plans to issue long-term debt. However, Walker County is in the early stages of discussing the need for additional jail facilities. Early estimates indicate that the facility could range in the \$6 to \$20 million dollar range with a portion of the capital costs to be borne by "renting" out excess capacity. Initial estimates by the planners are that 200 beds would be used by Walker County. Discussion has also taken place concerning issue of \$2,000,000 in debt for road improvements and participation with the City of Huntsville for extending Bowers Boulevard. 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 in the County, decreased labor-intensive maintenance, and increased property values in these areas. Included in the FY 2007 and FY 2008 budgets is \$600,000 to supplement the road maintenance funds. Bridge and water crossings are a priority for Commissioner's Court.

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.

Walker County continued implementation of a 911 program focused on assigning a physical address to every residence in the County. Recently completed is the updating of the database and coordinating with other government entities to produce a county-wide standardized addressing GIS map that will serve to improve mapped automatic call identification programs at central

dispatch. Walker County is currently awaiting regional standardization and improvements in GIS aided dispatch by the Houston-Galveston Area Council's dispatch contractor.

**Emergency planning and public safety.** A focus of Walker County in the last several years is enhanced service related to public safety and a greater level of preparedness for emergencies. An emergency notification system (Code Red) was purchased in FY 2006 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 County added a full time Deputy Emergency Manager in the FY 2008 budget to assist the County Judge. The communications area of the EOC is at its highest level of interoperability. 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 2005, the County received a Homeland Security grant to get fiber communication between the law enforcement facilities/agencies. The City of Huntsville is participating with the County in this endeavor as is Sam Houston State University. Monies for additional fiber was budgeted by each of three participating agencies in the FY 2007 budget year.

Walker County received grant funding in the amount of \$3,189,725 from FEMA and ORCA to build a shelter in Walker County. The shelter is planned for completion in late 2008. 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.

**Cash Management Policies and Practices.** The County's investment policies are governed by the laws of the State of Texas. The policies identify authorized investments, collateral requirements, and safekeeping requirements for collateral. Demand deposits are covered by pledged collateral maintained in joint safekeeping accounts at the Federal Reserve Bank or by a third party.

Idle funds not required for day-to-day operations are invested in TEXPOOL, a program initiated by the state and bid out by the state for investment service for public funds, or alternate investment pools, DWS Government Cash Inst Shares and MBIA Asset Management. The maturities of the investments generally range from 30 days to 180 days.

**Risk Management.** The County controls loss through purchased insurance policies. The County purchases workers compensation insurance through the TAC, (Texas Association of Counties) and purchases liability insurance to cover potential losses. The County has a formal safety program. The Commissioners' Court adopted and distributed a safety manual for use by all employees.

**Pension and other post employment benefits.** Walker County participates in a retirement program for its employees through a statewide Texas County and District Retirement System (TCDRS). The County provides retirement, disability, and death benefits for all full time employees though a nontraditional defined benefit pension. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. Because all contributions are made as required, no pension obligation existed at September 30, 2007.

An employee, that retires with 20 consecutive years of service or eight years of consecutive service and has obtained the age of 60, is provided the County's medical insurance, paid by the County until they reach age 65. At that time, the County will provide the employee with coverage that coordinates with Medicare with Walker County paying the premium. There are currently nine retired employees covered by the County's medical plan. Costs are included in the annual budget to fund this cost.

Additional information can be found in the notes to the financial statements.

### **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, 2006. This was the twelfth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Patricia Allen, CPA, CGFM  
County Auditor

# 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, 2006

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.



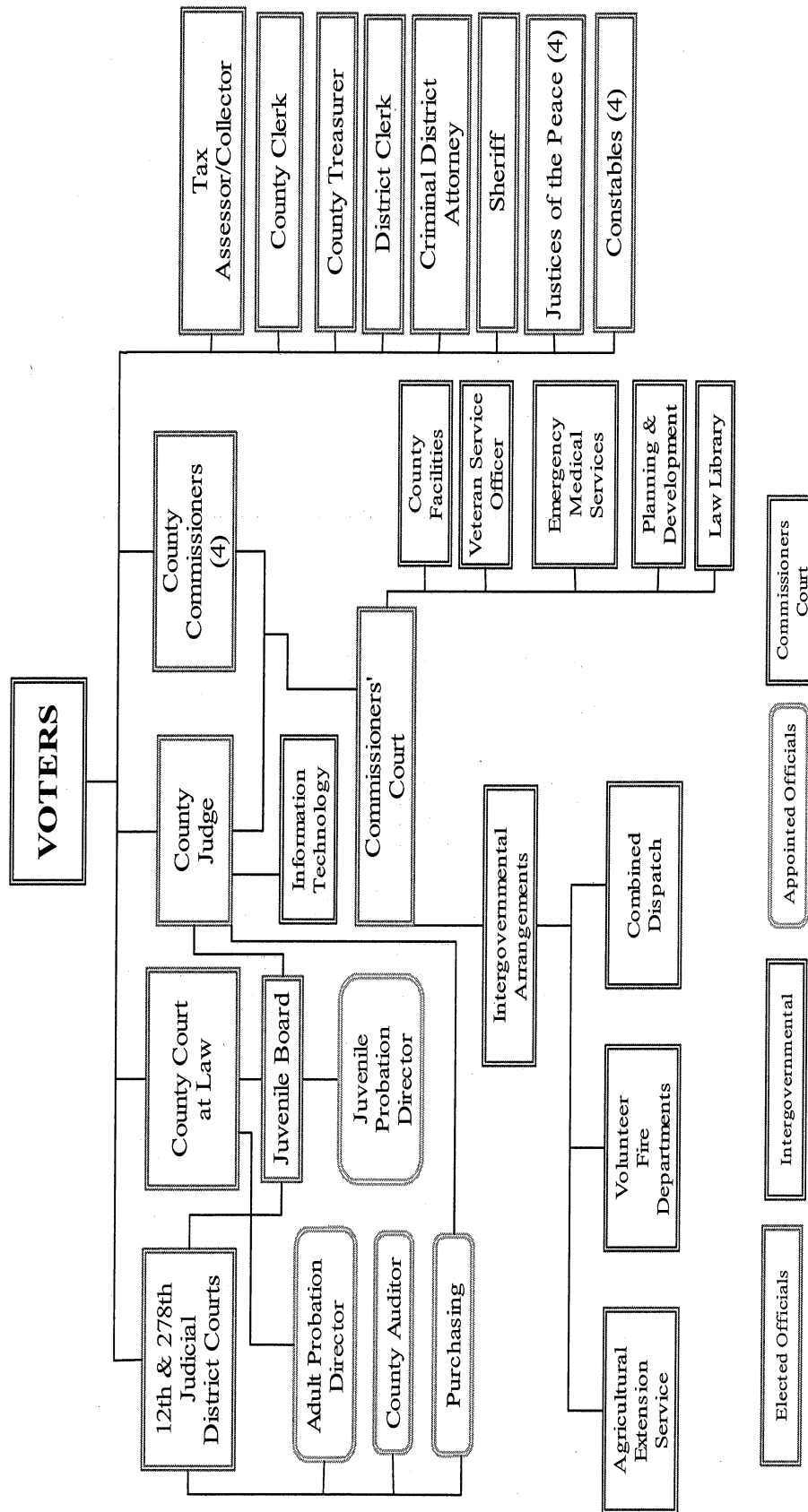
*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# Walker County, Texas Organization



# WALKER COUNTY, TEXAS

## LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2007

### Elected Officials

---

<u>Name</u>	<u>Office</u>
William McAdams	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	Commissioner, Precinct 1
Robert E. Autery	Commissioner, Precinct 2
James (Buddy) Reynolds	Commissioner, Precinct 3
Tim Paulsel	Commissioner, Precinct 4
Tom Cauthen	Tax Assessor/Collector
Sharon Duke	County Treasurer
Robyn Flowers	District Clerk
James Patton	County Clerk
Clint McRae	Sheriff
David P. Weeks	Criminal District Attorney
Janie Farris	Justice of the Peace, Precinct 1
Richard Duncan	Justice of the Peace, Precinct 2
Lloyd Roark	Justice of the Peace, Precinct 3
James 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

---

<u>Name</u>	<u>Position</u>
Patricia Allen	County Auditor
David Baker	Director, Adult Probation
Jill Saumell	Director, Juvenile Probation
Linda McKenzie	County Purchasing Agent



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# **Kenneth C. Davis & Company**

**A Professional Corporation**

***Certified Public Accountants***

**1300 11TH STREET, SUITE 400**

**P.O. BOX 6308**

**HUNTSVILLE, TEXAS 77342**

**PHONE (936) 291-3020**

**FAX (936) 291-9607**

## **Independent Auditor's Report on Financial Statements**

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 Walker County, Texas as of and for the year ended September 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Walker County, Texas'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 Walker County, Texas as of September 30, 2007, and the respective changes in financial position 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 January 14, 2008, on our consideration of Walker County, Texas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

The Management's Discussion and Analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the Walker County, Texas's basic financial statements. The accompanying schedule of expenditures of federal awards required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the combining and individual fund financial statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kenneth C. Davis', is written over the printed name.

Kenneth C. Davis & Company, P.C.

January 14, 2008

## **Management's Discussion and Analysis**

The following discussion and analysis of Walker County's financial performance provides an overview of the County's financial activities for the year ended September 30, 2007. 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 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 \$20,327,318 (net assets). Of this amount \$11,036,454 may be used to meet the ongoing obligations to citizens and creditors. The balance is reserved for special purposes or is invested in capital assets.
- On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$11,932,936. General revenues of \$14,346,499 (Exhibit A-2) were \$2,413,563 more than expenses net of program revenue. This resulted in an increase in net assets to the September 30, 2006 balance of \$17,913,755 to \$20,327,318.
- The General Fund, on a current financial resource basis (fund level), reported revenues over expenditures and other financing sources and uses of \$469,045, as compared to a planned reduction of \$2,043,751 (Exhibits A-5 and B-1).
- As of September 30, 2007, unreserved fund balance in the General Fund was \$5,162,815 as compared to \$4,693,770 in the prior year. Fund balance as a percentage of expenditures remained unchanged from the prior fiscal year. In FY 2007 and FY 2006, the unreserved fund balance is approximately 38% of the expenditures for each fiscal year.

### **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 three components - management's discussion and analysis (this narrative), the basic financial statements, and required 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 answers 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, public safety, roads and bridges maintenance, health and welfare, cooperative service, EMS services, public safety, and the courts system. 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 seventeen 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 balance for the general fund, debt service fund, capital projects fund, road and bridge fund, grants and contracts fund, and the EMS fund which are considered to be major funds. Data from eleven 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 74.

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 23.

***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. 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 net assets (Exhibit A-7).

**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 48 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. Budgetary comparison schedules have been prepared to demonstrate compliance with the budget for the General Fund (Exhibit B-1), Road and Bridge Fund (Exhibit B-2), the Grants and Contracts Fund (Exhibit B-3), and EMS Fund (Exhibit B-4). Required supplementary information begins on page 68 of this report. Included here you will find budgetary information for the Debt Service Fund (Exhibit C-14), and for the Capital Projects Fund (Exhibit C-15), as well as information on the nonmajor funds.

## **Government-wide Financial Analysis**

Below is condensed financial information for the fiscal year 2007 with comparative data for 2006. 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 Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Cash, Cash Equivalents, & Investments	\$ 9,830,550	\$ 8,655,272	-	-	\$ 9,830,550	\$ 8,655,272
Receivables/ Prepaid Expenses	5,452,250	4,025,000	-	-	5,452,250	4,025,000
Capital Assets Net of Depreciation	10,765,981	10,905,876	-	-	10,765,981	10,905,876
<b>Total Assets</b>	<b>\$ 26,048,781</b>	<b>\$ 23,586,148</b>	<b>-</b>	<b>-</b>	<b>\$ 26,048,781</b>	<b>\$ 23,586,148</b>
					-	-
Current Liabilities	\$ 2,728,177	\$ 2,126,205	-	-	\$ 2,728,177	\$ 2,126,205
Non-Current Liabilities	2,993,286	3,546,186	-	-	2,993,286	3,546,186
<b>Total Liabilities</b>	<b>\$ 5,721,463</b>	<b>\$ 5,672,391</b>	<b>-</b>	<b>-</b>	<b>\$ 5,721,463</b>	<b>\$ 5,672,391</b>
					-	-
<b>Net Assets</b>					<b>-</b>	<b>-</b>
Invested in Capital Assets Net of Debt	\$ 7,716,525	\$ 7,290,739	-	-	\$ 7,716,525	\$ 7,290,739
Restricted	1,574,339	733,801	-	-	1,574,339	733,801
Unrestricted	11,036,453	9,889,217	-	-	11,036,453	9,889,217
<b>Total Net Assets</b>	<b>\$ 20,327,318</b>	<b>\$ 17,913,757</b>	<b>-</b>	<b>-</b>	<b>\$ 20,327,318</b>	<b>\$ 17,913,757</b>

As mentioned earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by \$20,327,318 at September 30, 2007 as compared to \$17,913,757 at September 30, 2006. Of the County's net assets at the fiscal year end, 38% 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 (12%) represents resources that are subject to restrictions on how they may be used. Restricted net assets in the amount of \$1,574,339 represent County resources that are subject to restrictions, constitutional provisions, or enabling legislations regarding how they may be used. The remaining balance of unrestricted assets (\$11,036,454) may be used to meet the government's ongoing obligations to citizens and creditors.



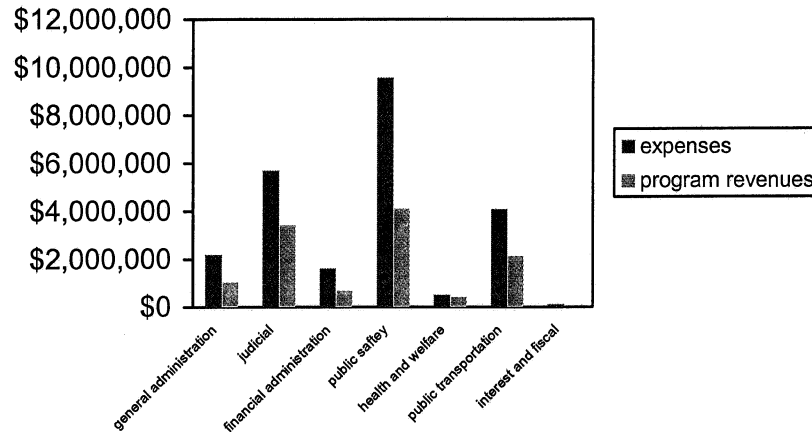
**Government-wide Activities.** Net assets of Walker County on a government-wide view increased by \$2,413,563. Key elements of the \$2,413,563 increase are as follows.

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program Revenues						
Charges for Service	\$ 7,076,184	\$ 6,796,511	-	-	\$ 7,076,184	\$ 6,796,511
Operating grants/contributions	4,797,661	4,134,299	-	-	4,797,661	4,134,299
General Revenues						
Property Taxes	10,469,685	10,146,889	-	-	10,469,685	10,146,889
Other Taxes	3,281,845	3,132,378	-	-	3,281,845	3,132,378
Investment Earnings	594,969	461,856	-	-	594,969	461,856
Other	-	227,734	-	-	-	227,734
Total Revenues	\$ 26,220,344	\$ 24,899,667	-	-	\$ 26,220,344	\$ 24,899,667
Net Assets					-	-
Expenses:						
General Administration	\$ 2,196,767	\$ 2,338,585	-	-	\$ 2,196,767	\$ 2,338,585
Judicial	5,698,418	5,317,466	-	-	5,698,418	5,317,466
Financial Administration	1,612,653	1,614,681	-	-	1,612,653	1,614,681
Public Safety	9,569,292	9,086,967	-	-	9,569,292	9,086,967
Health & Welfare	515,571	514,364	-	-	515,571	514,364
Public Transportation	4,097,826	3,814,065	-	-	4,097,826	3,814,065
Interest and fiscal charges	116,254	145,280	-	-	116,254	145,280
Total Expenses	\$ 23,806,781	\$ 22,831,408	-	-	\$ 23,806,781	\$ 2,338,585
Excess (deficiency) before transfer	\$ 2,413,563	\$ 2,068,259	-	-	\$ 2,413,563	\$ 2,068,259
Transfers	-	1,360,501	-	(1,360,501)	-	-
Changes in Net Assets	\$ 2,413,563	\$ 3,428,760	-	-	\$ 2,413,563	\$ 2,068,259
Net Assets at beginning of year	\$ 17,913,755	\$ 14,484,998	-	1,360,501	\$ 17,913,755	\$ 15,845,499
Adjustment to Capital Assets*	-	-	-	-	-	-
Net Assets at the end of the year	\$ 20,327,318	\$ 17,913,757	-	-	\$ 20,327,318	\$ 17,913,757

\* In FY 2006, EMS was changed from enterprise fund to governmental fund and assets were transferred

The following graphic presentation depicts expenses and program revenues for fiscal year 2007 for governmental activities (government-wide).

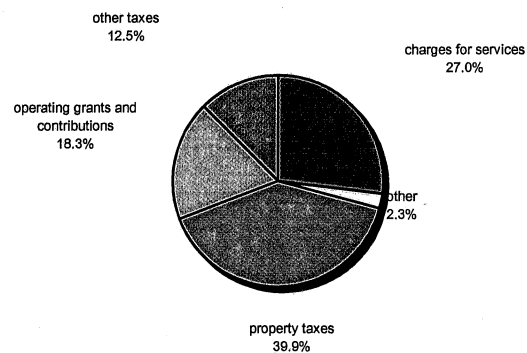
**Walker County, Texas  
Expenses and Program Revenues  
Governmental Activities  
For the Year Ending September 30, 2007**



The following graphic presents revenues by source for fiscal year 2007 for governmental activities (government-wide).

**Walker County, Texas  
Revenues by Source-Government-wide  
Governmental Activities  
For the Year Ending September 30, 2007**

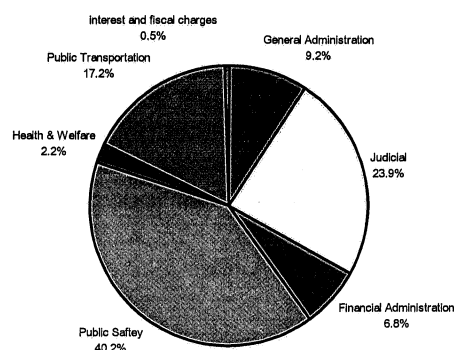
**Revenues by Source-Governmental Activities**



The following graphic presentation presents expenditures by function for fiscal year 2007 for governmental activities (government-wide).

**Walker County, Texas  
Expenses by Function-Government-wide  
Governmental Activities  
For the Year Ending September 30, 2007**

**Expenses by Function-Governmental Funds**



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**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, unreserved 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 \$10,851,558 (Exhibit A-3). Of this total, \$10,034,627 is classified as unreserved fund balance, which is available for spending at the County's discretion. This amount is available for day-to-day operations of the County, while approximately \$816,931 is reserved to indicate that it is not available for new spending because it has already been committed. The County has committed \$409,091 of these funds for capital projects, and \$407,840 is reserved for debt service.

There was an increase of \$1,847,578 in the combined fund balance over the prior year. The General Fund is the chief operating fund of Walker County. The Road and Bridge Fund is a second major fund of the County and is used to account for the costs of providing road maintenance to the County. Monies available in the Road and Bridge Fund at the end of the year are reallocated for maintenance in the next year.

As of September 30, 2007, the unreserved fund balance of the General Funds was \$5,162,815 as compared to \$4,693,770 for the prior year. One measure of liquidity is to compare fund balance to total fund expenditures. Fund balance as a percentage of expenditures remained unchanged from the prior fiscal year. In FY 2007 and FY 2006, the unreserved fund balance is approximately 38% of the expenditures for each fiscal year. A significant component of the \$469,045 increase in fund balance in the General Fund is a decrease in the subsidy for EMS operations that was not required due to revenue increases in the EMS operation charges for service. There were also unspent salary and benefit monies due to vacancies. Increased interest earnings account for a portion of the increase in fund balance as does an increase in revenues from charges for service.

Road & Bridge Fund expenditures and transfers out total \$4,086,443 while revenues and other financing sources total \$4,684,102 netting a \$597,659 increase in fund balance. The totals include \$23,985 in debt issue that was used to purchase equipment. This increase, along with a beginning fund balance of \$930,672, leaves the Road and Bridge Fund with a \$1,528,331 fund balance as of September 30, 2007. Increases in fine revenue are a significant component of the increase in fund balance. Expenditures less than budget also account for the increase in fund balance. Road and Bridge Precinct 3 expenditures are less than budget due receipt of intergovernmental funds to repair road damage incurred in a storm. Funds in all four precincts are reallocated for road and bridge expenditures in the next budget year.

### **General Fund Budgetary Highlights**

The amended budget included an expected decrease to fund balance in the amount of \$2,043,751. The budgeted decrease was a planned reduction of fund balance for one-time capital expenditures and transfers to capital projects funds. It is the policy of the County to maintain the fund balance at 16% to 24% (2 to 3 months) of the operating budget. This *planned* use of fund balance stayed within the policy. County policy requires that the fund balance not be drawn down to fund on-going operating costs. The actual difference between revenues and expenditures was an *increase* to fund balance in the amount of \$469,045. The planned reduction did not occur, with the actual difference between planned and actual \$2,512,796. Differences between the original expenditure budget and final amended expenditure budget totaled \$86,986, less than a 1.0% *increase*. The largest portion of the adjustment was due to increases for grants and state monies received that were not included in the original budget. A budgetary comparison for the General Fund can be found in required supplementary information section beginning on page 34.

Actual General Fund revenues exceeded the amended budgeted General Fund revenues by \$1,269,214 during the year ended September 30, 2007. Increases in property tax collections, sales tax collections, interest earnings, charges for service, and increases in license and permit revenues make up the bulk of the increase. In addition, General Fund departmental expenditures were \$841,889 less than the amended budget (approximately \$440,000 in the Salaries and Benefits category) and other financing uses were \$401,693 less than the amended budget (mostly a result of less funds needed for the transfer to the EMS Fund).

### **Capital Assets and Debt Administration**

**Capital Assets.** Walker County's investment in capital assets on a government-wide basis as of September 30, 2007 is \$10,765,981 (net of accumulated depreciation). Included in this total is \$483,180 in land and \$486,529 in Construction in Progress. Other net capital assets of the governmental activities is \$9,796,272. Investment in capital assets includes land, buildings,

improvements, machinery and equipment, and bridges. As required by GASB 34, depreciation is included for all depreciable assets on the government-wide statements.

**Walker County Capital Assets Net of Depreciation**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 483,180	\$ 442,085	-	-	\$ 483,180	\$ 442,085
Buildings	7,752,742	8,395,259	-	-	7,752,742	8,395,259
Vehicles	961,804	878,635	-	-	961,804	878,635
Furniture, Fixtures, Office Equipment	429,325	521,138	-	-	429,325	521,138
Machinery & Equipment	652,401	668,760	-	-	652,401	668,760
Construction in Progress	486,529	-	-	-	486,529	-
Total Capital Assets	\$ 10,765,981	\$ 10,905,877	-	-	\$ 10,765,981	\$ 10,905,877

Additional information on the County's capital assets can be found in the notes on pages 42 and 43 and in the other supplementary section on pages 95 to 98 of this report.

**Long-term debt.** As of September 30, 2007 the County debt totals \$2,347,016. Of this amount, \$2,070,000 is 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 is for equipment. During the fiscal year, the county issued debt of \$23,985 for a three year period for a piece of road and bridge equipment. The policy requires that the length of debt 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. All current outstanding debt will be paid off by September 2012.

**Walker County's Outstanding Debt**

	FY Ending 09/30/07	FY Ending 09/30/06
Certificates of Obligation		
Capital Projects	\$2,070,000	\$2,430,000
Equipment	277,016	469,161
Total Certificates of Obligation	2,347,016	2,899,161
Capital Lease	-	28,736
Total	\$2,347,016	\$2,927,897

Payments on debt totaled \$604,866. The addition of debt of \$23,985 net of the payments resulted in a \$580,881 total debt reduction.

Additional information on debt can be found in the notes to the financial statements (pages 43 and 44) and in the Other Supplementary Information Section, pages 99 and 100.

#### **Economic Factors and Budget and Rate information for FY beginning October 1, 2007**

- The unemployment rate in the County for 2007 was 5.0%, as compared to the state unemployment rate of 4.3% and national unemployment rate of 4.7%. This rate compares to 4.9% 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 13,980 inmates.
- The improvement/construction value for FY 2007 totaled \$50,569,708 as compared to \$42,227,080 for the prior year. This level has been stable for the last five years following a reduction of \$8,845,354 between 2001 and 2002.
- Commissioners Court approved a \$23,898,345 expenditure budget for FY 2008, up from \$21,932,092 budget for the 2007 fiscal year.
- The tax rate adopted for the FY 2008 budget is \$0.5450 per \$100 of valuation down from \$0.5667 per \$100 of valuation in FY 2006. The County adopted the effective tax rate. The rate decreased as the result of increased property assessed valuations.

#### **Request for Information**

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

## Basic Financial Statements

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**WALKER COUNTY, TEXAS**

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2007

	Governmental Activities
<b>ASSETS:</b>	
<i>Cash and Cash Equivalents</i>	\$ 9,830,550
<i>Taxes Receivable</i>	1,129,325
<i>Accounts Receivable</i>	1,826,729
<i>Fines and Fees Receivable</i>	629,913
<i>Prepaid Expenses</i>	43,347
<i>Due from Other Governments</i>	1,822,937
<i>Land</i>	483,180
<i>Other Capital Assets, Net</i>	10,282,801
<b>Total Assets</b>	<b>26,048,781</b>
<b>LIABILITIES:</b>	
<i>Accounts Payable</i>	951,211
<i>Due to State</i>	22,644
<i>Due to Others</i>	69,950
<i>Accrued Interest</i>	56,170
<i>Accrued Liabilities</i>	1,503,543
<i>Unearned Revenue</i>	124,659
<b>Noncurrent Liabilities:</b>	
<i>Due Within One Year</i>	1,185,235
<i>Due in More Than One Year</i>	1,808,051
<b>Total Liabilities</b>	<b>5,721,463</b>
<b>NET ASSETS</b>	
<i>Invested in Capital Assets, Net of Related Debt</i>	7,716,525
<b>Restricted For:</b>	
<i>Debt Service</i>	1,013,216
<i>Capital Projects</i>	561,123
<i>Unrestricted</i>	11,036,454
<b>Total Net Assets</b>	<b>\$ 20,327,318</b>

The accompanying notes are an integral part of this statement.

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**WALKER COUNTY, TEXAS**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Government Activities:				
General Administration	\$ 2,196,767	\$ 494,850	\$ 560,854	\$ (1,141,063)
Judicial	5,698,418	801,510	2,627,552	(2,269,356)
Financial Administration	1,612,653	667,264	38,914	(906,475)
Public Safety	9,569,292	3,195,179	922,458	(5,451,655)
Health and Welfare	515,571	139,150	288,959	(87,462)
Public Transportation	4,097,826	1,778,231	358,924	(1,960,671)
Interest and Fiscal Charges	116,254	--	--	(116,254)
Total Governmental Activities	23,806,781	7,076,184	4,797,661	(11,932,936)
Total Primary Government	\$ 23,806,781	\$ 7,076,184	\$ 4,797,661	(11,932,936)
General Revenues:				
Property Taxes				10,469,685
Other Taxes				3,281,845
Investment Earnings				594,969
Total General Revenues				14,346,499
Change in Net Assets				2,413,563
Net Assets - Beginning				17,913,755
Net Assets - Ending				\$ 20,327,318

The accompanying notes are an integral part of this statement.

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

SEPTEMBER 30, 2007

	General Fund	Debt Service Fund	Capital Projects Fund
<b>ASSETS</b>			
Assets:			
Cash and Cash Equivalents	\$ 5,677,973	\$ 407,840	\$ 407,846
Taxes Receivable	963,314	76,794	--
Accounts Receivable	167,033	--	--
Prepaid Expenses	43,347	--	--
Due from Other Funds	814,989	--	45,455
Due from Other Governments	517,711	--	477,569
Total Assets	<u>\$ 8,184,367</u>	<u>\$ 484,634</u>	<u>\$ 930,870</u>
<b>LIABILITIES AND EQUITY</b>			
Liabilities:			
Accounts Payable	\$ 281,272	\$ --	\$ 236,230
Due to State	22,644	--	--
Due to Other Funds	285,111	--	285,549
Due to Others	2,108	--	--
Accrued Liabilities	1,467,103	--	--
Deferred Revenue	963,314	76,794	--
Total Liabilities	<u>3,021,552</u>	<u>76,794</u>	<u>521,779</u>
Equity:			
Fund balances:			
Reserved for Capital Projects	--	--	409,091
Reserved for Debt Service	--	407,840	--
Unreserved, undesignated			
General Fund	5,162,815	--	--
Special Revenue Funds	--	--	--
Total Equity	<u>5,162,815</u>	<u>407,840</u>	<u>409,091</u>
Total Liabilities & Equity	<u>\$ 8,184,367</u>	<u>\$ 484,634</u>	<u>\$ 930,870</u>

The accompanying notes are an integral part of this statement.

Road and Bridge Fund	Grants and Contracts	EMS Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,551,136	\$ 45,210	\$ 31,171	\$ 1,709,375	\$ 9,830,551
89,217	--	--	--	1,129,325
990	7,078	1,613,268	38,360	1,826,729
--	--	--	--	43,347
--	--	--	276,467	1,136,911
162,250	611,815	--	53,592	1,822,937
<u>\$ 1,803,593</u>	<u>\$ 664,103</u>	<u>\$ 1,644,439</u>	<u>\$ 2,077,794</u>	<u>\$ 15,789,800</u>
\$ 186,045	\$ 64,940	\$ 36,681	\$ 146,042	\$ 951,210
--	--	--	--	22,644
--	528,788	--	37,463	1,136,911
--	--	--	67,842	69,950
--	25,375	--	11,065	1,503,543
89,217	--	--	124,659	1,253,984
<u>275,262</u>	<u>619,103</u>	<u>36,681</u>	<u>387,071</u>	<u>4,938,242</u>
--	--	--	--	409,091
--	--	--	--	407,840
--	--	--	--	5,162,815
1,528,331	45,000	1,607,758	1,690,723	4,871,812
<u>1,528,331</u>	<u>45,000</u>	<u>1,607,758</u>	<u>1,690,723</u>	<u>10,851,558</u>
<u>\$ 1,803,593</u>	<u>\$ 664,103</u>	<u>\$ 1,644,439</u>	<u>\$ 2,077,794</u>	<u>\$ 15,789,800</u>

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**WALKER COUNTY, TEXAS**

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2007*

Total fund balances - governmental funds balance sheet \$ 10,851,558

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

Capital assets used in governmental activities are not reported in the funds.	10,765,981
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,129,325
Payables for bond interest which are not due in the current period are not reported in the funds.	(56,170)
Payables for notes which are not due in the current period are not reported in the funds.	(2,347,015)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(646,271)
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	629,912
Rounding difference	(2)

Net assets of governmental activities - statement of net assets \$ 20,327,318

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, 2007

	General Fund	Debt Service Fund	Capital Projects Fund
Revenue:			
Property Taxes	\$ 8,824,065	\$ 704,852	\$ --
Other Taxes	2,289,702	--	--
Licenses and Permits	76,639	--	--
Intergovernmental	456,537	--	486,529
Charges for Services	1,593,087	--	--
Fines and Forfeitures	68,957	--	139,135
Interest Income	453,916	19,210	10,805
Other	208,254	--	40,000
Total Revenues	13,971,157	724,062	676,469
Expenditures:			
Current:			
General Administration	1,452,261	--	115,760
Judicial	3,183,355	--	--
Financial Administration	1,617,972	--	--
Public Safety	4,216,986	--	529,926
Health and Welfare	486,931	--	--
Public Transportation	--	--	77,990
Intergovernmental Expenditures	959,487	--	--
Debt service:			
Principal Retirement	--	604,867	--
Interest and Fiscal Charges	--	129,033	--
Total Expenditures	11,916,992	733,900	723,676
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,054,165	(9,838)	(47,207)
Other Financing Sources (Uses):			
Transfers In	--	50,296	178,943
Transfers Out	(1,585,120)	--	--
Certificates of Obligation	--	--	--
Total Other Financing Sources (Uses)	(1,585,120)	50,296	178,943
Net Change in Fund Balances	469,045	40,458	131,736
Fund Balance at Beginning of Year	4,693,770	367,382	277,355
Fund Balance at End of Year	\$ 5,162,815	\$ 407,840	\$ 409,091

The accompanying notes are an integral part of this statement.



Road and Bridge Fund	Grants and Contracts	EMS Fund	Other Governmental Funds	Total Governmental Funds
\$ 801,040	\$ --	\$ --	\$ --	\$ 10,329,957
992,143	--	--	--	3,281,845
--	--	--	--	76,639
358,924	2,475,927	13,176	1,046,932	4,838,025
--	--	1,750,896	1,274,536	4,618,519
1,648,396	--	--	--	1,856,488
58,767	--	--	52,271	594,969
178,847	45,000	10,720	20,620	503,441
<u>4,038,117</u>	<u>2,520,927</u>	<u>1,774,792</u>	<u>2,394,359</u>	<u>26,099,883</u>
--	--	--	35,811	1,603,832
--	2,310,927	--	179,739	5,674,021
--	--	--	918	1,618,890
--	198,712	2,003,808	2,135,660	9,085,092
--	--	--	--	486,931
4,036,147	--	--	--	4,114,137
--	--	--	--	959,487
--	--	--	--	604,867
--	--	--	--	129,033
<u>4,036,147</u>	<u>2,509,639</u>	<u>2,003,808</u>	<u>2,352,128</u>	<u>24,276,290</u>
1,970	11,288	(229,016)	42,231	1,823,593
622,000	33,599	345,107	405,471	1,635,416
(50,296)	--	--	--	(1,635,416)
23,985	--	--	--	23,985
<u>595,689</u>	<u>33,599</u>	<u>345,107</u>	<u>405,471</u>	<u>23,985</u>
597,659	44,887	116,091	447,702	1,847,578
930,672	113	1,491,667	1,243,021	9,003,980
<u>\$ 1,528,331</u>	<u>\$ 45,000</u>	<u>\$ 1,607,758</u>	<u>\$ 1,690,723</u>	<u>\$ 10,851,558</u>

**WALKER COUNTY, TEXAS**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

Net change in fund balances - total governmental funds \$ 1,847,578

Amounts reported for governmental activities in the statement of activities  
("SOA") are different because:

Capital outlays are not reported as expenses in the SOA.	1,573,733
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,638,809)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(74,819)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	139,731
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	28,736
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	576,130
(Increase) decrease in accrued interest from beginning of period to end of period	12,781
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(27,981)
Revenues in the SOA for court fines not providing current financial resources are not reported in the funds.	470
Proceeds of long-term debt is recognized as other financial resources in the funds but not revenue in the SOA.	(23,985)
Rounding difference	(2)

Change in net assets of governmental activities - statement of activities \$ 2,413,563

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2007**

	Agency Funds
<b>ASSETS</b>	
Assets:	
<i>Cash and Cash Equivalents</i>	\$ 1,475,276
<i>Restricted Cash and Cash Equivalents</i>	845,760
<i>Due from Other Governments</i>	133,856
<b>Total Assets</b>	<b>\$ 2,454,892</b>
<b>LIABILITIES</b>	
Liabilities:	
<i>Accounts Payable</i>	\$ 33,280
<i>Due to Other Governments</i>	939,867
<i>Due to Others</i>	1,481,745
<b>Total Liabilities</b>	<b>\$ 2,454,892</b>

The accompanying notes are an integral part of this statement.

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2007

### 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 Rural Fire Prevention District No. 1 & No. 2:

The fire prevention 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 Commissioner's 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 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

#### 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 new 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. An important change, however is a requirement to add the government's original budget to the current comparison of the final budget and actual results.

#### 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 both governmental type activities and business type activities within the basic financial statements. In the government-wide Statement of Net Assets, governmental and business 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.).

## **WALKER COUNTY, TEXAS**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2007**

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource 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.

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. Following is a description of the various funds:

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 not being financed by proprietary or nonexpendable trust funds.

#### Capital Projects

The Capital Projects fund is used to account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

#### 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.

#### Grants & Contracts

This governmental fund accounts for contracts and grants the County enters into with the State of Texas regarding law enforcement matters.

#### 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.

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2007

In addition, the County reports the following fund types:

#### Fiduciary Funds

County Officials Trusts and Agency fund accounts for monies held by local elected officials in trust for the beneficiary.

Walker County Public Safety Community Center fund accounts for the transactions of the combined 911 dispatch for Walker County and the City of Huntsville, Texas.

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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accounts of the Governmental Fund Types (the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects) and certain Component Units 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 collectable 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 expenditure when due.

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

3. 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.

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

#### 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.

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	10 - 30
Building Improvements	10 - 30
Vehicles	5 - 7
Furniture and Fixtures	5 - 7
Machinery and Equipment	7 - 15

#### 6. Accrued Compensated Absences

It is the County's policy to permit 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 and when accrued for the proprietary fund.

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 and as long-term debt in the fund statements for proprietary 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 (i.e., 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.



## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

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

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

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

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the County Jury Special Revenue Fund. 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.

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2007

#### Cash Deposits:

The County's cash and cash equivalents at September 30, 2007 are summarized as follows:

	Carrying Amount
Cash Deposits	\$ 1,602,281
Investments considered cash and cash equivalents	
Investors Cash Trust - Unrestricted	1,532,120
Investors Cash Trust - Restricted	845,760
Texas Local Government Investment Pool	8,183,400
Total Cash and Cash Equivalents	\$ 12,163,561

#### 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.

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 general purpose 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 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, 2007, the government's investment in the TexPool investment pool was rated 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.

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2007

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.

## D. Receivables

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2007 are as follows:

	General	Other Governmental	Debt Service	EMS	Total
Receivables					
Taxes, net	\$ 963,314	\$ 89,217	\$ 76,794	\$ --	\$ 1,129,325
Grants	517,711	1,305,226	--	--	1,822,937
Fees and fines	629,912	--	--	--	629,912
Accounts	167,032	46,428	--	1,613,268	1,826,728
Total	<u>\$ 2,277,969</u>	<u>\$ 1,440,871</u>	<u>\$ 76,794</u>	<u>\$ 1,613,268</u>	<u>\$ 5,408,902</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2007 the various components of deferred revenue reported in the governmental funds are as follows:

	Unavailable	Unearned
Delinquent property taxes (general fund)	\$ 963,314	\$ --
Delinquent property taxes (road and bridge fund)	89,217	--
Delinquent property taxes (debt service funds)	76,794	--
Grant funds received prior to meeting all eligibility requirements	124,659	--
Total deferred revenue for governmental funds	<u>\$ 1,253,984</u>	<u>\$ --</u>

## 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.

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2007

### 1. 2006 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 2007 fiscal year (2006 tax year), the County levied property taxes of \$0.5667 per \$100 of assessed valuation. The 2006 rates resulted in total tax levies of approximately \$10.26 million based on a total adjusted valuation of approximately \$1.83 billion. The total tax rate in the 2006 tax year was prorated as follows:

	2006 Rate
Walker County, Texas	
General Fund	\$ 0.4844
Road and Bridge Fund	0.0440
Debt Service Fund	0.0383
Total Tax Rate	\$ 0.5667

### 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.

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.

### F. Capital Assets

Capital asset activity for the year ended September 30, 2007, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b><u>Governmental activities:</u></b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 442,085	\$ 41,095	\$ --	\$ 483,180
Construction in progress	--	486,529	--	486,529
Total capital assets not being depreciated	442,085	527,624	--	969,709
<i>Capital assets being depreciated:</i>				
Vehicles	3,030,494	432,112	300,835	3,161,771
Office furniture and fixtures	1,441,354	113,555	21,284	1,533,625
Machinery and Equipment	3,172,256	255,205	455,158	2,972,303
Buildings, facilities and improvements	14,964,553	250,236	10,000	15,204,789
Total capital assets being depreciated	22,608,657	1,051,108	787,277	22,872,488
Less accumulated depreciation for:				
Vehicles	2,151,859	327,506	279,398	2,199,967
Office furniture and fixtures	920,216	191,316	7,232	1,104,300
Machinery and Equipment	2,503,496	220,694	404,288	2,319,902
Buildings, facilities and improvements	6,569,294	890,003	7,250	7,452,047
Total accumulated depreciation	12,144,865	1,629,519	698,168	13,076,216
Total capital assets being depreciated, net	10,463,792	(578,411)	89,109	9,796,272
Governmental activities capital assets, net	\$ 10,905,877	\$ (50,787)	\$ 89,109	\$ 10,765,981

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2007

Depreciation was charged to functions as follows:

Governmental activities:

General Administrative	\$	540,317
Judicial		21,858
Financial Administration		3,356
Public Safety		984,798
Health and Welfare		3,255
Road and Bridge		346,957
Other		28,978
	\$	<u>1,929,519</u>

G. 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, 2007 are listed below:

Description	Interest Rate %	Date of Issue	Matures	Debt Outstanding	Original Issue
Certificates of Obligation:					
03-01 Precinct 4 Dump Truck	3.20	03/25/2003	04/01/2008	15,684	73,550
03-02 Precinct 4 Equipment	3.49	09/08/2003	09/08/2008	5,116	23,911
04-01 Precinct 2 Tank Truck	2.94	11/10/2003	11/06/2006	--	24,500
04-02 Precinct 1 Roller	2.79	04/12/2004	04/12/2007	--	49,957
04-03 Road and Bridge Reclaimer	2.94	05/14/2004	05/14/2009	85,772	205,345
04-05 Precinct 1 Dump Truck	3.07	08/30/2004	08/30/2007	--	82,745
05-01 Precinct 3 Crawler Dozer	3.23	11/01/2004	11/01/2007	22,610	65,732
05-02 Precinct 3 Dump Truck	3.23	01/24/2005	01/24/2008	13,498	39,241
05-03 Precinct 2 Holland Tractor	3.23	11/08/2004	11/08/2007	--	57,141
05-04 Precinct 2 Chevy Pickup	3.23	11/08/2004	11/08/2007	6,321	18,376
05-05 Precinct 4 Motorgrader	3.49	03/28/2005	03/28/2009	80,000	100,000
06-02 Precinct 1 Ford Flatbed	4.80	08/02/2006	08/02/2009	24,030	35,226
07-01 Precinct 2 Holland Tractor	4.25	6/22/2007	9/22/2007	23,985	23,985
Series 2002 Capital Projects	4.60	02/11/2002	03/15/2012	<u>2,070,000</u>	<u>3,100,000</u>
Total Certificates of Obligation				\$ <u>2,347,016</u>	\$ <u>3,899,709</u>

A summary of long-term liability transactions of the County for the year ended September 30, 2007, follows:

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Certificates of Obligations	2,899,161	23,985	576,130	2,347,016	538,965
Capital leases	28,736	--	28,736	--	--
Compensated absences *	618,290	27,980	--	646,270	646,270
Total governmental activities	<u>\$ 3,546,187</u>	<u>\$ 51,965</u>	<u>\$ 604,866</u>	<u>\$ 2,993,286</u>	<u>\$ 1,185,235</u>

\* Other long-term liabilities

Liability	Activity Type	Fund
Compensated absences	Governmental	General Fund and Special Revenue Funds

Annual debt service requirements (excluding accrued compensated absences and leases) to maturity are summarized as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2008	\$ 538,965	\$ 104,766	\$ 643,731
2009	508,051	81,871	589,922
2010	420,000	59,800	479,800
2011	430,000	40,480	470,480
2012	450,000	20,700	470,700
Totals	<u>\$ 2,347,016</u>	<u>\$ 307,617</u>	<u>\$ 2,654,633</u>

### H. 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 Heath Center

The County has leased approximately 6400 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 leases in 12-month terms approximately 2,800 square feet of office space located in the Health Center facility to the Special Prosecution Unit (SPU) - Criminal for \$15,120 annually. An agency funded by state grant money, the SPU budget pays for janitorial services, insurance, and utilities in addition to the lease. The County is responsible for repairs to the facility.

Total Cost of Health Center	\$ 250,000
Accumulated Depreciation	<u>168,750</u>
Carrying Cost of Health Center	<u>\$ 81,250</u>
Current Year Depreciation	\$ 12,500

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2007

#### 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		13,500
Carrying Cost of COME Center	\$	<u>6,500</u>
Current Year Depreciation	\$	1,000

#### Building at SH 75 North

The County has leased approximately 3,000 square feet to the Special Prosecution Unit (SPU) - Civil for \$14,040 annually. An agency funded by state grant money, the SPU budget pays for janitorial services, insurance, and utilities in addition to the lease. The County is responsible for repairs to the facility.

Total Cost of Building	\$	150,000
Accumulated Depreciation		101,250
Carrying Cost of Building	\$	<u>48,750</u>
Current Year Depreciation	\$	7,500

#### Office Space at 1301 Sam Houston Avenue

The County has leased approximately 216 square feet of the 10,000 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 (216 of 10,000 square feet)	\$	32,454
Accumulated Depreciation		4,869
Carrying Cost of Courthouse Annex	\$	<u>27,585</u>
Current Year Depreciation	\$	1,623

#### 344 Highway 75 North, Suite 200

The County leases office space to the Department of Public Safety (DPS) at no charge. However, DPS is responsible for all charges for all utilities, maintenance, repairs and other similar charges for services rendered to the premise. The contract period is for ten years beginning September 1, 2004 and terminating on August 31, 2014.

Total Cost of Building	\$	150,000
Accumulated Depreciation		101,250
Carrying Cost of Building	\$	<u>48,750</u>
Current Year Depreciation	\$	7,500

#### 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.

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2007

#### I. Reserved Fund Balances

The County records fund balance reserves on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures. The following is a list of fund balance reserves recognized by the County.

	Capital Projects Fund	Other Governmental Funds
Capital Projects	\$ 409,091	\$ --
Debt Service	--	407,840
Totals	<u>\$ 409,091</u>	<u>\$ 407,840</u>

#### J. Interfund Transactions

A summary of interfund transactions for the year ended September 30, 2007 is as follows:

Transfers From	Transfers to	Amount	Reason
		\$	
General Fund	EMS Fund	345,107	Supplement other funds sources
Road and Bridge Fund	Debt Service Fund	50,296	resources for debt repayment
General Fund	Capital Projects Fund	178,943	Reimburse expenditures
General fund	Special Revenue Funds	1,061,068	Supplement other funds sources
		<u>\$ 1,635,414</u>	

#### K. Post Employment Benefits

An employee that that retires with 20 consecutive years of service is provided the County's medical insurance until they reach the age of 65. At age 65 the County will provide the employee with coverage that coordinates with medicare. If an employee accepts employment where insurance is provided by the employer, coverage under the County's policy is discontinued. Currently nine retired employees are covered by the County's medical plan. Costs are included in the annual budget to fund this cost.

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



# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2007

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 8.98% for the months of the accounting year in 2006, and 9.63% for the months of the accounting year in 2007. 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 year ended September 30, 2007, the pension cost for the TCDRS plan and the actual contributions made were \$1,877,744. Because all contributions are made as required, no pension obligation existed at September 30, 2007.

The following is a summary of the actuarial assumptions:

Actuarial valuation date	12/31/03	12/31/04	12/31/05	12/31/06
Actuarial cost method	entry age	entry age	entry age	entry age
Amortization method	level	level	level	level
	percentage	percentage	percentage	percentage
	of payroll, open	of payroll, open	of payroll, open	of payroll, open
Amortization period in years	20	20	20	15
Asset valuation method	long-term	long-term	long-term	SAF: 10-yr
	appreciation	appreciation	appreciation	smoothed value
	with adjustment	with adjustment	with adjustment	ESF: Fund value
Assumptions:				
Investment return (1)	8.00%	8.00%	8.00%	8.00%
Projected salary increases (1)	5.50%	5.50%	5.30%	5.30%
Inflation	3.50%	3.50%	3.50%	3.50%
Cost of living adjustments	--	--	--	--

(1) included inflation at the stated rate

### M. Commitments and Contingencies

#### 1. 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 collectibility 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.

## **WALKER COUNTY, TEXAS**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2007**

#### **2. Litigation**

The County is contingently liable with respect to lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would not materially affect the financial position of the County as of September 30, 2007.

#### **3. Construction Contract Commitments**

The County had several capital improvement commitments at September 30, 2007. A contract between two parties does not result immediately in the recognition of a liability. Instead, a liability is incurred when performance has occurred under the contract. Until such time as performance takes place, these contracts represent a commitment rather than a liability.

#### **N. 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 fiscal year 2006, 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.

## Required Supplementary Information

**WALKER COUNTY, TEXAS****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT B-1**

Page 1 of 7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE</b>				
<b>AD VALOREM TAXES</b>				
Current Taxes	\$ 8,284,677	\$ 8,284,677	\$ 8,436,535	\$ 151,858
Delinquent Taxes	200,000	200,000	223,856	23,856
Penalty and Interest	100,000	100,000	163,674	63,674
Total Ad Valorem Taxes	8,584,677	8,584,677	8,824,065	239,388
<b>OTHER TAXES</b>				
Sales Taxes	1,912,386	1,912,386	2,197,937	285,551
In Lieu of Tax	10,800	10,800	14,527	3,727
Mixed Beverage Tax	68,400	68,400	77,238	8,838
Total Other Taxes	1,991,586	1,991,586	2,289,702	298,116
<b>LICENSES AND PERMITS</b>				
Building and Utility Permits	82,000	82,000	76,639	(5,361)
Total Licenses and Permits	82,000	82,000	76,639	(5,361)
<b>FINES AND FORFEITURES</b>				
Bond Forfeiture	--	--	11,425	11,425
License and Weight	51,750	57,532	57,532	--
Total Fines and Forfeitures	51,750	57,532	68,957	11,425
<b>INTERGOVERNMENTAL</b>				
Federal Funds				
Local Law Enforcement	14,000	14,001	15,485	1,484
State Criminal Alien Assistance	--	--	5,176	5,176
Total Federal Funds	14,000	14,001	20,661	6,660
State Funds				
Community Development Grant Funds	--	2,363	2,361	(2)
State Grant Funds	40,208	102,623	102,623	--
Other State Funds	135,818	152,244	152,245	1
Total State Funds	176,026	257,230	257,229	(1)
Other Governmental Funds				
Appraisal District	--	--	11,692	11,692
Department of Public Safety	2,400	2,400	3,177	777
Other	127,279	127,279	163,778	36,499
Total Other Governmental Funds	129,679	129,679	178,647	48,968
Total Intergovernmental	319,705	400,910	456,537	55,627
<b>CHARGES FOR SERVICES</b>				
General Administrative	38,000	38,000	53,328	15,328
County Clerk	312,000	312,000	430,059	118,059
County Court-at-Law	30,000	30,000	47,884	17,884
Courts - Central Costs	--	--	2,000	2,000
District Court	25,440	25,440	41,458	16,018
District Clerk	100,000	100,000	130,192	30,192
District Attorney	1,200	1,200	2,075	875
Justice of the Peace - Precinct 1	120,000	120,000	131,927	11,927
Justice of the Peace - Precinct 2	60,000	60,000	52,077	(7,923)

**WALKER COUNTY, TEXAS****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT B-1**

Page 2 of 7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice of the Peace - Precinct 3	50,000	50,000	44,923	(5,077)
Justice of the Peace - Precinct 4	65,000	65,000	79,264	14,264
Elections	--	6,000	9,002	3,002
County Auditor	--	--	4,689	4,689
County Collections	3,945	3,945	5,074	1,129
Vehicle Registration	168,000	168,000	216,607	48,607
Voter Registration	--	500	469	(31)
County Facilities	36,180	36,180	37,810	1,630
County Jail	42,473	42,473	47,902	5,429
Sheriff's Office	15,000	18,000	25,515	7,515
Sheriff's Estray	--	1,500	1,020	(480)
Constables Central Service	160,000	160,000	223,168	63,168
Constable - Precinct 1	10,000	10,000	3,414	(6,586)
Constable - Precinct 2	7,500	7,500	965	(6,535)
Constable - Precinct 3	7,000	7,000	2,230	(4,770)
Constable - Precinct 4	9,000	9,000	--	(9,000)
Utility Department	--	--	35	35
Total Charges for Services	1,260,738	1,271,738	1,593,087	321,349
<b>INTEREST</b>	<b>253,500</b>	<b>253,500</b>	<b>453,916</b>	<b>200,416</b>
<b>OTHER INCOME</b>				
Coin Phones	60,000	60,000	66,506	6,506
Sale of Fixed Assets	--	--	56,583	56,583
Miscellaneous	11,000	--	85,165	85,165
Total Other	71,000	60,000	208,254	148,254
<b>TOTAL REVENUES</b>	<b>12,614,956</b>	<b>12,701,943</b>	<b>13,971,157</b>	<b>1,269,214</b>
<b>EXPENDITURES</b>				
<b>GENERAL ADMINISTRATION</b>				
County Judge				
Salary, Other Pay, and Benefits	137,988	139,938	137,244	2,694
Operations	14,910	14,910	14,342	568
Total County Judge	152,898	154,848	151,586	3,262
<b>IT</b>				
Salary, Other Pay, and Benefits	102,389	102,389	71,256	31,133
Operations	66,482	61,982	59,281	2,701
Total IT	168,871	164,371	130,537	33,834
<b>Commissioners' Court</b>				
Salary, Other Pay, and Benefits	45,281	43,331	38,723	4,608
Operations	8,583	8,583	7,979	604
Total Commissioners' Court	53,864	51,914	46,702	5,212
<b>Non-Departmental</b>				
Salary, Other Pay, and Benefits	40,962	41,363	41,358	5
Operations	1,254,711	545,549	415,498	130,051
Capital Expenditures	--	105,482	104,558	924
Total Non-Departmental	1,295,673	692,394	561,414	130,980

**WALKER COUNTY, TEXAS****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT B-1**

Page 3 of 7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Elections				
Salary, Other Pay, and Benefits	40,256	44,372	44,369	3
Operations	29,796	25,680	19,517	6,163
Total Elections	70,052	70,052	63,886	6,166
HAVA Grant				
Operations	--	6,541	6,541	--
Capital Expenditures	--	19,485	19,484	1
Total HAVA Grant	--	26,026	26,025	1
Voter Registration				
Salary, Other Pay, and Benefits	14,920	17,072	17,071	1
Operations	15,859	13,707	3,944	9,763
Total Voter Registration	30,779	30,779	21,015	9,764
County Facilities				
Salary, Other Pay, and Benefits	192,653	192,653	184,224	8,429
Operations	253,170	276,462	258,165	18,297
Capital Expenditures	--	8,807	8,707	100
Total County Facilities	445,823	477,922	451,096	26,826
<b>TOTAL GENERAL ADMINISTRATION</b>	<b>2,217,960</b>	<b>1,668,306</b>	<b>1,452,261</b>	<b>216,045</b>
<b>JUDICIAL</b>				
County Court-at-Law				
Salary, Other Pay, and Benefits	234,794	234,794	233,591	1,203
Operations	130,959	214,959	212,277	2,682
Total County Court-at-Law	365,753	449,753	445,868	3,885
Courts - Central Costs				
Operations	61,265	61,265	25,336	35,929
Total District Court	61,265	61,265	25,336	35,929
12th District Court				
Salary, Other Pay, and Benefits	138,335	138,335	135,639	2,696
Operations	113,249	267,839	267,154	685
Total District Court	251,584	406,174	402,793	3,381
278th District Court				
Salary, Other Pay, and Benefits	137,202	137,202	136,243	959
Operations	113,063	184,473	163,062	21,411
Total District Court	250,265	321,675	299,305	22,370
District Clerk				
Salary, Other Pay, and Benefits	302,483	302,483	282,507	19,976
Operations	60,115	60,115	54,984	5,131
Total District Clerk	362,598	362,598	337,491	25,107
Criminal District Attorney				
Salary, Other Pay, and Benefits	976,991	976,991	940,673	36,318
Operations	41,103	54,235	49,710	4,525
Capital Expenditures	--	4,793	4,793	--
Total Criminal District Attorney	1,018,094	1,036,019	995,176	40,843

**WALKER COUNTY, TEXAS****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT B-1**

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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice of the Peace - Precinct 1				
Salary, Other Pay, and Benefits	147,739	147,739	144,543	3,196
Operations	20,297	20,297	18,214	2,083
Total Justice of the Peace - Precinct 1	168,036	168,036	162,757	5,279
Justice of the Peace - Precinct 2				
Salary, Other Pay, and Benefits	139,626	139,626	137,828	1,798
Operations	18,528	18,528	14,521	4,007
Total Justice of the Peace - Precinct 2	158,154	158,154	152,349	5,805
Justice of the Peace - Precinct 3				
Salary, Other Pay, and Benefits	143,494	143,494	142,701	793
Operations	20,173	21,673	19,741	1,932
Total Justice of the Peace - Precinct 3	163,667	165,167	162,442	2,725
Justice of the Peace - Precinct 4				
Salary, Other Pay, and Benefits	178,462	178,462	176,958	1,504
Operations	26,452	26,452	22,880	3,572
Total Justice of the Peace - Precinct 4	204,914	204,914	199,838	5,076
<b>TOTAL JUDICIAL</b>	<b>3,004,330</b>	<b>3,333,755</b>	<b>3,183,355</b>	<b>150,400</b>
<b>FINANCIAL ADMINISTRATION</b>				
County Clerk				
Salary, Other Pay, and Benefits	349,248	349,248	339,017	10,231
Operations	121,917	121,917	117,035	4,882
Total County Clerk	471,165	471,165	456,052	15,113
Purchasing				
Salary, Other Pay, and Benefits	136,473	136,473	129,696	6,777
Operations	18,788	18,788	17,060	1,728
Total Purchasing	155,261	155,261	146,756	8,505
County Auditor				
Salary, Other Pay, and Benefits	410,293	410,293	386,441	23,852
Operations	70,602	52,256	50,557	1,699
Capital Expenditures	--	9,061	9,061	--
Total County Auditor	480,895	471,610	446,059	25,551
County Treasurer				
Salary, Other Pay, and Benefits	234,721	222,721	203,633	19,088
Operations	45,089	45,089	39,669	5,420
Total County Treasurer	279,810	267,810	243,302	24,508
County Collections				
Salary, Other Pay, and Benefits	77,679	77,679	77,345	334
Operations	18,698	13,898	13,060	838
Total County Collections	96,377	91,577	90,405	1,172
Vehicle Registration				
Salary, Other Pay, and Benefits	257,401	257,401	228,477	28,924
Operations	10,230	10,230	6,921	3,309

**WALKER COUNTY, TEXAS****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT B-1**

Page 5 of 7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Vehicle Registration	267,631	267,631	235,398	32,233
<b>TOTAL FINANCIAL ADMINISTRATION</b>	<b>1,751,139</b>	<b>1,725,054</b>	<b>1,617,972</b>	<b>107,082</b>
<b>PUBLIC SAFETY</b>				
County Jail				
Salary, Other Pay, and Benefits	1,271,759	1,305,689	1,235,363	70,326
Operations	449,017	415,087	388,481	26,606
Total County Jail	1,720,776	1,720,776	1,623,844	96,932
Sheriff's Office				
Salary, Other Pay, and Benefits	1,745,573	1,745,573	1,655,750	89,823
Operations	277,722	259,932	236,697	23,235
Capital Expenditures	123,000	143,703	143,703	--
Total County Sheriff's Office	2,146,295	2,149,208	2,036,150	113,058
Estray				
Operations	2,800	2,800	1,396	1,404
Total Estray	2,800	2,800	1,396	1,404
Constable Central				
Salary, Other Pay, and Benefits	33,921	33,921	31,262	2,659
Operations	14,573	13,703	8,237	5,466
Total Constable Central	48,494	47,624	39,499	8,125
Constable - Precinct 1				
Salary, Other Pay, and Benefits	101,460	103,233	102,984	249
Operations	29,709	29,336	25,266	4,070
Capital Expenditures	20,000	20,511	20,510	1
Total Constable - Precinct 1	151,169	153,080	148,760	4,320
Constable - Precinct 2				
Salary, Other Pay, and Benefits	52,067	52,067	51,576	491
Operations	14,891	15,491	12,847	2,644
Total Constable - Precinct 2	66,958	67,558	64,423	3,135
Constable - Precinct 3				
Salary, Other Pay, and Benefits	101,460	101,460	63,285	38,175
Operations	13,937	13,937	5,485	8,452
Total Constable - Precinct 3	115,397	115,397	68,770	46,627
Constable - Precinct 4				
Salary, Other Pay, and Benefits	52,067	52,067	51,934	133
Operations	18,429	18,314	17,091	1,223
Capital Expenditures	20,000	20,715	20,701	14
Total Constable - Precinct 4	90,496	91,096	89,726	1,370
Department of Public Safety				
Salary, Other Pay, and Benefits	41,137	41,137	40,745	392
Operations	4,110	4,110	3,244	866
Total Department of Public Safety	45,247	45,247	43,989	1,258
Department of Public Safety - Weigh Station				



**WALKER COUNTY, TEXAS****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT B-1**

Page 6 of 7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operations	15,075	20,857	20,857	--
Total Department of Public Safety	15,075	20,857	20,857	--
Probation Support				
Salary, Other Pay, and Benefits	73,619	70,824	58,977	11,847
Operations	20,805	23,600	20,595	3,005
Total Probation Support	94,424	94,424	79,572	14,852
<b>TOTAL PUBLIC SAFETY</b>	<b>4,497,131</b>	<b>4,508,067</b>	<b>4,216,986</b>	<b>291,081</b>
<b>HEALTH AND WELFARE</b>				
Veterans Service				
Salary, Other Pay, and Benefits	17,047	17,047	16,100	947
Operations	5,188	5,188	2,253	2,935
Total Veterans Service	22,235	22,235	18,353	3,882
Utility Department				
Salary, Other Pay, and Benefits	227,464	227,464	218,961	8,503
Operations	80,678	80,678	78,372	2,306
Capital Expenditures	47,000	25,000	--	25,000
Total Utility Department	355,142	333,142	297,333	35,809
Master Gardener's Grant				
Operations	--	2,363	2,361	2
Total Master Gardener's Grant	--	2,363	2,361	2
Solid Waste Grant				
Operations	--	7,295	7,295	--
Capital Expenditures	--	27,595	27,595	--
Total Solid Waste Grant	--	34,890	34,890	--
Social Services				
Operations	23,300	23,300	8,535	14,765
Total Social Services	23,300	23,300	8,535	14,765
Historical Commission				
Operations	1,200	1,200	1,079	121
Total Historical Commission	1,200	1,200	1,079	121
Texas AgriLife Extension Service				
Salary, Other Pay, and Benefits	117,997	117,997	105,652	12,345
Operations	20,065	20,065	18,728	1,337
Total Agriculture Extension Agent	138,062	138,062	124,380	13,682
<b>TOTAL HEALTH AND WELFARE</b>	<b>539,939</b>	<b>555,192</b>	<b>486,931</b>	<b>68,261</b>
<b>INTERGOVERNMENTAL</b>				
Intra-County Services				
Walker County Public Safety Community Center	354,749	354,749	354,749	--
City of Huntsville Fire Department	246,487	246,487	246,487	--
Tri-County MHMR	26,120	26,120	26,120	--
Appraisal District	244,068	244,068	240,685	3,383
Rita B. Huff Humane Society	24,000	24,000	20,860	3,140

**WALKER COUNTY, TEXAS****GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT B-1**

Page 7 of 7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Crabbs Prairie Fire Department	7,200	7,200	7,200	--
Riverside Fire Department	9,100	9,100	9,100	--
Pine Prairie Fire Department	7,200	7,200	7,200	--
New Waverly Fire Department	17,700	17,700	17,700	--
Senior Citizen's Center	6,000	6,000	6,000	--
Thomas Lake Fire Department	7,200	7,200	7,200	--
Dodge Fire Department	7,200	7,200	7,200	--
Additional Fire Department Funding	7,200	--	--	--
Soil Conservation	500	500	500	--
Non-departmental	10,983	10,983	8,486	2,497
Total Intra-County Services	975,707	968,507	959,487	9,020
TOTAL INTERGOVERNMENTAL	975,707	968,507	959,487	9,020
TOTAL EXPENDITURES	12,986,206	12,758,881	11,916,992	841,889
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(371,250)	(56,938)	2,054,165	2,111,103
OTHER FINANCING SOURCES (USES)				
<i>Transfers Out</i>	(1,672,502)	(1,986,813)	(1,585,120)	401,693
Total Other Financing Sources (Uses)	(1,672,502)	(1,986,813)	(1,585,120)	401,693
NET CHANGE IN FUND BALANCE	(2,043,752)	(2,043,751)	469,045	2,512,796
FUND BALANCE AT BEGINNING OF YEAR	4,693,770	4,693,770	4,693,770	--
FUND BALANCE AT END OF YEAR	\$ 2,650,018	\$ 2,650,019	\$ 5,162,815	\$ 2,512,796

**WALKER COUNTY, TEXAS****ROAD AND BRIDGE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT B-2**

Page 1 of 2

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUE				
AD VALOREM TAXES				
Current Taxes	\$ 767,342	\$ 767,342	\$ 767,342	\$ --
Delinquent Taxes	20,000	20,000	19,465	(535)
Penalty and Interest	14,000	14,000	14,233	233
Total Ad Valorem Taxes	801,342	801,342	801,040	(302)
OTHER TAXES				
Other Taxes	916,000	916,000	992,143	76,143
Total Other Taxes	916,000	916,000	992,143	76,143
FINES AND FORFEITURES				
License and Weight	280,000	280,000	280,000	--
Other Fines and Forfeitures	978,000	978,000	1,368,396	390,396
Total Fines and Forfeitures	1,258,000	1,258,000	1,648,396	390,396
INTERGOVERNMENTAL				
State Funds				
Other State Funds	33,000	33,000	60,242	27,242
Total State Funds	33,000	33,000	60,242	27,242
Other Governmental Funds				
U.S. Forest Service	133,900	133,900	125,076	(8,824)
Other	--	164,688	173,606	8,918
Total Other Governmental Funds	133,900	298,588	298,682	94
Total Intergovernmental	166,900	331,588	358,924	27,336
INTEREST	35,000	35,000	58,767	23,767
OTHER INCOME				
Sale of Fixed Assets	--	164,187	176,172	11,985
Miscellaneous	--	663	2,675	2,012
Total Other	--	164,850	178,847	13,997
TOTAL REVENUES	3,177,242	3,506,780	4,038,117	531,337
EXPENDITURES				
PUBLIC TRANSPORTATION				
General Road and Bridge				
Operations	70,000	95,150	44,652	50,498
Total General Road and Bridge	70,000	95,150	44,652	50,498
Road and Bridge - Precinct 1				
Salary, Other Pay, and Benefits	421,087	421,087	384,649	36,438
Operations	307,580	450,991	312,862	138,129
Capital Expenditures	20,000	67,365	58,361	9,004
Total Road and Bridge - Precinct 1	748,667	939,443	755,872	183,571
Road and Bridge - Precinct 2				
Salary, Other Pay, and Benefits	437,167	441,167	427,860	13,307

**WALKER COUNTY, TEXAS****ROAD AND BRIDGE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT B-2**

Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operations	343,619	400,703	333,016	67,687
Capital Expenditures	--	198,369	198,303	66
Total Road and Bridge - Precinct 2	780,786	1,040,239	959,179	81,060
Road and Bridge - Precinct 3				
Salary, Other Pay, and Benefits	399,946	399,946	366,374	33,572
Operations	491,971	746,733	455,590	291,143
Capital Expenditures	--	23,304	23,304	--
Total Road and Bridge - Precinct 3	891,917	1,169,983	845,268	324,715
Road and Bridge - Precinct 4				
Salary, Other Pay, and Benefits	458,220	458,220	436,928	21,292
Operations	380,884	464,088	378,506	85,582
Capital Expenditures	30,000	14,500	14,500	--
Total Road and Bridge - Precinct 4	869,104	936,808	829,934	106,874
Litter Control				
Salary, Other Pay, and Benefits	--	1,800	1,056	744
Operations	--	20,200	186	20,014
Total Litter Control	--	22,000	1,242	20,758
Road and Bridge Special Projects				
Operations	600,000	600,000	600,000	--
Total Road and Bridge Special Revenue	600,000	600,000	600,000	--
TOTAL PUBLIC TRANSPORTATION	3,960,474	4,803,623	4,036,147	767,476
TOTAL EXPENDITURES	4,260,474	4,803,623	4,036,147	767,476
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,083,232)	(1,296,843)	1,970	1,298,813
OTHER FINANCING SOURCES (USES)				
Transfers In	600,000	622,000	622,000	--
Transfers Out	(30,091)	(50,381)	(50,296)	85
Certificates of Obligation	--	23,985	23,985	--
Total Other Financing Sources (Uses)	569,909	595,604	595,689	85
NET CHANGE IN FUND BALANCE	(513,323)	(701,239)	597,659	1,298,898
FUND BALANCE AT BEGINNING OF YEAR	930,672	930,672	930,672	--
FUND BALANCE AT END OF YEAR	\$ 417,349	\$ 229,433	\$ 1,528,331	\$ 1,298,898

**WALKER COUNTY, TEXAS****EXHIBIT B-3****GRANTS AND CONTRACTS****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
<i>INTERGOVERNMENTAL</i>				
State Funds				
State Grant Funds	\$ 1,365,541	\$ 1,624,124	\$ 1,487,460	\$ (136,664)
Other State Funds	808,385	851,916	988,467	136,551
Total State Funds	2,173,926	2,476,040	2,475,927	(113)
Total Intergovernmental	2,173,926	2,476,040	2,475,927	(113)
<i>OTHER INCOME</i>				
Miscellaneous	--	--	45,000	45,000
Total Other	--	--	45,000	45,000
<b>TOTAL REVENUES</b>	<b>2,173,926</b>	<b>2,476,040</b>	<b>2,520,927</b>	<b>44,887</b>
EXPENDITURES				
<i>JUDICIAL</i>				
Special Prosecution Unit				
Salary, Other Pay, and Benefits	1,752,872	1,794,972	1,794,972	--
Operations	421,054	515,955	515,955	--
Total Special Prosecution Unit	2,173,926	2,310,927	2,310,927	--
TOTAL JUDICIAL	2,173,926	2,310,927	2,310,927	--
<i>PUBLIC SAFETY</i>				
JAG Grant				
Operations	--	113	113	--
Total JAG Grant	--	113	113	--
SHSP Grant 2006				
Operations	--	198,600	198,599	1
Total SHSP Grant 2006	--	198,600	198,599	1
TOTAL PUBLIC SAFETY	--	198,713	198,712	1
<b>TOTAL EXPENDITURES</b>	<b>2,173,926</b>	<b>2,509,640</b>	<b>2,509,639</b>	<b>1</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	--	(33,600)	11,288	44,888
OTHER FINANCING SOURCES (USES)				
Transfers In	--	33,600	33,599	(1)
Total Other Financing Sources (Uses)	--	33,600	33,599	(1)
NET CHANGE IN FUND BALANCE	--	--	44,887	44,887
FUND BALANCE AT BEGINNING OF YEAR	113	113	113	--
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 113</b>	<b>\$ 113</b>	<b>\$ 45,000</b>	<b>\$ 44,887</b>

**WALKER COUNTY, TEXAS**

EMS

**EXHIBIT B-4**

Page 1 of 2

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUE				
INTERGOVERNMENTAL				
State Funds				
State Grant Funds	\$ 83,600	\$ 83,600	\$ 7,500	\$ (76,100)
Total State Funds	83,600	83,600	7,500	(76,100)
Other Governmental Funds				
Walker County Hospital District	--	--	5,108	5,108
Other	--	--	568	568
Total Other Governmental Funds	--	--	5,676	5,676
Total Intergovernmental	83,600	83,600	13,176	(70,424)
CHARGES FOR SERVICES				
Emergency Medical Services	960,000	960,000	1,287,567	327,567
Emergency Medical Services Transfer	350,000	350,000	463,329	113,329
Total Charges for Services	1,310,000	1,310,000	1,750,896	440,896
OTHER INCOME				
Miscellaneous	--	--	10,720	10,720
Total Other	--	--	10,720	10,720
TOTAL REVENUES	1,393,600	1,393,600	1,774,792	381,192
EXPENDITURES				
PUBLIC SAFETY				
Emergency Medical Services				
Salary, Other Pay, and Benefits	1,301,931	1,319,375	1,314,851	4,524
Operations	281,040	258,221	242,773	15,448
Capital Expenditures	120,500	176,987	176,987	--
Total Emergency Medical Services	1,703,471	1,754,583	1,734,611	19,972
Emergency Medical Services Transfer				
Salary, Other Pay, and Benefits	270,607	270,607	247,707	22,900
Operations	29,160	29,160	21,490	7,670
Total Emergency Medical Services Transfer	299,767	299,767	269,197	30,570
TOTAL PUBLIC SAFETY	2,003,238	2,054,350	2,003,808	50,542
INTERGOVERNMENTAL				
Intra-County Services				
Non-departmental	167,200	82,488	--	82,488
Total Intra-County Services	167,200	82,488	--	82,488
TOTAL INTERGOVERNMENTAL	167,200	82,488	--	82,488
TOTAL EXPENDITURES	2,170,438	2,136,838	2,003,808	133,030
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(776,838)	(743,238)	(229,016)	514,222

**WALKER COUNTY, TEXAS**

EMS

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT B-4**

Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
<i>Transfers In</i>	776,838	743,238	345,107	(398,131)
Total Other Financing Sources (Uses)	776,838	743,238	345,107	(398,131)
NET CHANGE IN FUND BALANCE	--	--	116,091	116,091
FUND BALANCE AT BEGINNING OF YEAR	1,491,667	1,491,667	1,491,667	--
FUND BALANCE AT END OF YEAR	\$ 1,491,667	\$ 1,491,667	\$ 1,607,758	\$ 116,091

**WALKER COUNTY, TEXAS****REQUIRED SUPPLEMENTARY INFORMATION  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM  
SCHEDULE OF FUNDING PROGRESS  
YEAR ENDED SEPTEMBER 30, 2007**

Fiscal Year	2007	2006	2005
Actuarial valuation date	12/31/2006	12/31/2005	12/31/2004
Actuarial value of assets	21,164,930	18,594,952	16,624,927
Actuarial accrued liability	24,611,087	22,508,143	19,716,447
Percentage funded	86.00%	82.61%	84.32%
Unfunded actuarial accrued liability	3,446,157	3,913,191	3,091,520
Annual covered payroll	10,818,015	10,185,192	10,026,616
Unfunded actuarial accrued liability (UAAL) percentage of covered payroll	31.86%	38.42%	30.83%
Net pension obligation (NPO)			
at beginning of period	\$ --	\$ --	\$ --
Annual required contributions (ARC)	1,877,744	1,682,086	1,532,258
Contributions made	1,877,744	1,682,086	1,532,258
NPO at end of period	\$ --	\$ --	\$ --



Combining Statements and Budget Comparisons as  
Supplementary Information

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## Special Revenue Funds

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2007**

	Hot Check Fund	Law Library Fund	Court House Security Fund	Justice Courts Security Fund
<b>ASSETS</b>				
Assets:				
Cash and Cash Equivalents	\$ 51,636	\$ 57,431	\$ 16,857	\$ 9,644
Accounts Receivable	2,099	--	--	--
Due from Other Funds	--	--	--	--
Due from Other Governments	--	--	--	--
Total Assets	<u>\$ 53,735</u>	<u>\$ 57,431</u>	<u>\$ 16,857</u>	<u>\$ 9,644</u>
<b>LIABILITIES AND EQUITY</b>				
Liabilities:				
Accounts Payable	\$ 5,889	\$ 4,263	\$ 308	\$ --
Due to Other Funds	--	--	--	--
Due to Others	10,858	--	--	--
Accrued Liabilities	--	--	--	--
Deferred Revenue	--	--	--	--
Total Liabilities	<u>16,747</u>	<u>4,263</u>	<u>308</u>	<u>--</u>
Equity:				
Fund balances:				
Unreserved, undesignated				
Special Revenue Funds	36,988	53,168	16,549	9,644
Total Equity	<u>36,988</u>	<u>53,168</u>	<u>16,549</u>	<u>9,644</u>
Total Liabilities & Equity	<u>\$ 53,735</u>	<u>\$ 57,431</u>	<u>\$ 16,857</u>	<u>\$ 9,644</u>

<u>Records Preservation &amp; Management</u>	<u>Narcotics Related Funds</u>	<u>Emergency Special Fund</u>	<u>Adult Probation Fund</u>	<u>Juvenile Probation Fund</u>
\$ 206,191	\$ 122,576	\$ 41,143	\$ 740,165	\$ 233,148
--	36	--	248	35,977
--	--	239,656	--	36,811
--	--	--	--	23,992
<u>\$ 206,191</u>	<u>\$ 122,612</u>	<u>\$ 280,799</u>	<u>\$ 740,413</u>	<u>\$ 329,928</u>
\$ 1,652	\$ --	\$ --	\$ 107,880	\$ 24,576
--	--	--	--	36,811
--	56,984	--	--	--
--	9,231	--	--	--
--	--	--	123,430	1,229
<u>1,652</u>	<u>66,215</u>	<u>--</u>	<u>231,310</u>	<u>62,616</u>
204,539	56,397	280,799	509,103	267,312
<u>204,539</u>	<u>56,397</u>	<u>280,799</u>	<u>509,103</u>	<u>267,312</u>
<u>\$ 206,191</u>	<u>\$ 122,612</u>	<u>\$ 280,799</u>	<u>\$ 740,413</u>	<u>\$ 329,928</u>

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2007**

	Legislatively Designated Funds	Inmate Medical Fund	Total Nonmajor Special Revenue Funds (See Exhibit A-3)
<b>ASSETS</b>			
Assets:			
Cash and Cash Equivalents	\$ 187,815	\$ 42,769	\$ 1,709,375
Accounts Receivable	--	--	38,360
Due from Other Funds	--	--	276,467
Due from Other Governments	29,600	--	53,592
Total Assets	<u>\$ 217,415</u>	<u>\$ 42,769</u>	<u>\$ 2,077,794</u>
<b>LIABILITIES AND EQUITY</b>			
Liabilities:			
Accounts Payable	\$ 1,474	\$ --	\$ 146,042
Due to Other Funds	652	--	37,463
Due to Others	--	--	67,842
Accrued Liabilities	1,834	--	11,065
Deferred Revenue	--	--	124,659
Total Liabilities	<u>3,960</u>	<u>--</u>	<u>387,071</u>
Equity:			
Fund balances:			
Unreserved, undesignated			
Special Revenue Funds	213,455	42,769	1,690,723
Total Equity	<u>213,455</u>	<u>42,769</u>	<u>1,690,723</u>
Total Liabilities & Equity	<u>\$ 217,415</u>	<u>\$ 42,769</u>	<u>\$ 2,077,794</u>

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# WALKER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Hot Check Fund	Law Library Fund	Court House Security Fund	Justice Courts Security Fund
Revenue:				
<i>Intergovernmental</i>	\$ --	\$ --	\$ --	\$ --
<i>Charges for Services</i>	40,816	40,841	56,993	10,496
<i>Interest Income</i>	--	2,537	1,025	--
<i>Other</i>	192	--	--	--
Total Revenues	<u>41,008</u>	<u>43,378</u>	<u>58,018</u>	<u>10,496</u>
Expenditures:				
Current:				
<i>General Administration</i>	--	--	--	--
<i>Judicial</i>	57,063	36,384	--	--
<i>Financial Administration</i>	--	--	--	--
<i>Public Safety</i>	--	--	68,276	--
Total Expenditures	<u>57,063</u>	<u>36,384</u>	<u>68,276</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,055)</u>	<u>6,994</u>	<u>(10,258)</u>	<u>10,496</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	(16,055)	6,994	(10,258)	10,496
Fund Balance at Beginning of Year	53,043	46,174	26,807	(852)
Fund Balance at End of Year	<u>\$ 36,988</u>	<u>\$ 53,168</u>	<u>\$ 16,549</u>	<u>\$ 9,644</u>



<u>Records Preservation &amp; Management</u>	<u>Narcotics Related Funds</u>	<u>Emergency Special Fund</u>	<u>Adult Probation Fund</u>	<u>Juvenile Probation Fund</u>
\$ --	\$ --	\$ 10,000	\$ 525,727	\$ 413,530
97,615	--	--	974,332	5,703
7,578	1,851	--	28,554	--
--	17,817	--	2,611	--
<u>105,193</u>	<u>19,668</u>	<u>10,000</u>	<u>1,531,224</u>	<u>419,233</u>
35,811	--	--	--	--
--	--	--	--	--
--	13,861	17,857	1,450,358	515,652
<u>35,811</u>	<u>13,861</u>	<u>17,857</u>	<u>1,450,358</u>	<u>515,652</u>
69,382	5,807	(7,857)	80,866	(96,419)
--	--	288,656	--	116,815
--	--	<u>288,656</u>	--	<u>116,815</u>
69,382	5,807	280,799	80,866	20,396
135,157	50,590	--	428,237	246,916
<u>\$ 204,539</u>	<u>\$ 56,397</u>	<u>\$ 280,799</u>	<u>\$ 509,103</u>	<u>\$ 267,312</u>

**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Legislatively Designated Funds	Inmate Medical Fund	Total Nonmajor Special Revenue Funds (See Exhibit A-5)
Revenue:			
<i>Intergovernmental</i>	\$ 97,675	\$ --	\$ 1,046,932
<i>Charges for Services</i>	45,034	2,706	1,274,536
<i>Interest Income</i>	8,421	2,305	52,271
<i>Other</i>	--	--	20,620
Total Revenues	<u>151,130</u>	<u>5,011</u>	<u>2,394,359</u>
Expenditures:			
Current:			
<i>General Administration</i>	--	--	35,811
<i>Judicial</i>	86,292	--	179,739
<i>Financial Administration</i>	918	--	918
<i>Public Safety</i>	36,414	33,242	2,135,660
Total Expenditures	<u>123,624</u>	<u>33,242</u>	<u>2,352,128</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>27,506</u>	<u>(28,231)</u>	<u>42,231</u>
Other Financing Sources (Uses):			
<i>Transfers In</i>	--	--	405,471
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>405,471</u>
Net Change in Fund Balances	27,506	(28,231)	447,702
Fund Balance at Beginning of Year	185,949	71,000	1,243,021
Fund Balance at End of Year	<u>\$ 213,455</u>	<u>\$ 42,769</u>	<u>\$ 1,690,723</u>

## Budgetary Comparison Schedules

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

HOT CHECK

SPECIAL REVENUE FUND

 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
CHARGES FOR SERVICES				
Hot Check	\$ 44,000	\$ 44,000	\$ 40,816	\$ (3,184)
Total Charges for Services	44,000	44,000	40,816	(3,184)
OTHER INCOME				
Miscellaneous	--	--	192	192
Total Other	--	--	192	192
TOTAL REVENUES	44,000	44,000	41,008	(2,992)
EXPENDITURES				
JUDICIAL				
Hot Check				
Salary, Other Pay, and Benefits	33,989	33,989	27,825	6,164
Operations	35,638	35,055	28,655	6,400
Capital Expenditures	--	583	583	--
Total Hot Check	69,627	69,627	57,063	12,564
TOTAL JUDICIAL	69,627	69,627	57,063	12,564
TOTAL EXPENDITURES	69,627	69,627	57,063	12,564
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(25,627)	(25,627)	(16,055)	9,572
NET CHANGE IN FUND BALANCE	(25,627)	(25,627)	(16,055)	9,572
FUND BALANCE AT BEGINNING OF YEAR	43,043	53,043	53,043	--
FUND BALANCE AT END OF YEAR	\$ 17,416	\$ 27,416	\$ 36,988	\$ 9,572

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

LAW LIBRARY FUND

SPECIAL REVENUE FUND

 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
<i>CHARGES FOR SERVICES</i>				
Law Library	\$ 35,000	\$ 35,000	\$ 40,841	\$ 5,841
Total Charges for Services	35,000	35,000	40,841	5,841
<i>INTEREST</i>	2,000	2,000	2,537	537
<b>TOTAL REVENUES</b>	<b>37,000</b>	<b>37,000</b>	<b>43,378</b>	<b>6,378</b>
EXPENDITURES				
<i>JUDICIAL</i>				
Law Library				
Salary, Other Pay, and Benefits	5,653	5,653	5,644	9
Operations	62,347	62,347	30,740	31,607
Total Law Library	68,000	68,000	36,384	31,616
<b>TOTAL JUDICIAL</b>	<b>68,000</b>	<b>68,000</b>	<b>36,384</b>	<b>31,616</b>
<b>TOTAL EXPENDITURES</b>	<b>68,000</b>	<b>68,000</b>	<b>36,384</b>	<b>31,616</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(31,000)	(31,000)	6,994	37,994
NET CHANGE IN FUND BALANCE	(31,000)	(31,000)	6,994	37,994
FUND BALANCE AT BEGINNING OF YEAR	46,174	46,174	46,174	--
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 15,174</b>	<b>\$ 15,174</b>	<b>\$ 53,168</b>	<b>\$ 37,994</b>

**WALKER COUNTY, TEXAS****EXHIBIT C-5**

COURT HOUSE SECURITY FUND

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACUTAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
CHARGES FOR SERVICES				
Court House Security	\$ 55,000	\$ 55,000	\$ 56,993	\$ 1,993
Total Charges for Services	55,000	55,000	56,993	1,993
INTEREST	1,200	1,200	1,025	(175)
TOTAL REVENUES	56,200	56,200	58,018	1,818
EXPENDITURES				
PUBLIC SAFETY				
Courthouse Security				
Salary, Other Pay, and Benefits	56,614	56,614	54,989	1,625
Operations	20,926	20,926	13,287	7,639
Total Courthouse Security	77,540	77,540	68,276	9,264
TOTAL PUBLIC SAFETY	77,540	77,540	68,276	9,264
TOTAL EXPENDITURES	77,540	77,540	68,276	9,264
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(21,340)	(21,340)	(10,258)	11,082
NET CHANGE IN FUND BALANCE	(21,340)	(21,340)	(10,258)	11,082
FUND BALANCE AT BEGINNING OF YEAR	26,807	26,807	26,807	--
FUND BALANCE AT END OF YEAR	\$ 5,467	\$ 5,467	\$ 16,549	\$ 11,082

**WALKER COUNTY, TEXAS****EXHIBIT C-6**

JUSTICE COURTS SECURITY FUND

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
<i>CHARGES FOR SERVICES</i>				
Justice Court Security	\$ 10,000	\$ 10,000	\$ 10,496	\$ 496
Total Charges for Services	10,000	10,000	10,496	496
TOTAL REVENUES	10,000	10,000	10,496	496
EXPENDITURES				
<i>JUDICIAL</i>				
Justice Court Security				
Operations	10,000	10,000	--	10,000
Total Justice Court Security	10,000	10,000	--	10,000
TOTAL JUDICIAL	10,000	10,000	--	10,000
TOTAL EXPENDITURES	10,000	10,000	--	10,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	--	--	10,496	10,496
NET CHANGE IN FUND BALANCE	--	--	10,496	10,496
FUND BALANCE AT BEGINNING OF YEAR	(852)	(852)	(852)	--
FUND BALANCE AT END OF YEAR	\$ (852)	\$ (852)	\$ 9,644	\$ 10,496

**WALKER COUNTY, TEXAS****EXHIBIT C-7**

RECORDS PRESERVATION &amp; MANAGEMENT

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
CHARGES FOR SERVICES				
Records Preservation	\$ 82,100	\$ 82,100	\$ 97,615	\$ 15,515
Total Charges for Services	82,100	82,100	97,615	15,515
INTEREST	2,900	2,900	7,578	4,678
TOTAL REVENUES	85,000	85,000	105,193	20,193
EXPENDITURES				
GENERAL ADMINISTRATION				
Records Preservation				
Salary, Other Pay, and Benefits	39,997	39,997	12,324	27,673
Operations	106,112	104,415	18,165	86,250
Capital Expenditures	--	5,322	5,322	--
Total County Facilities	146,109	149,734	35,811	113,923
TOTAL GENERAL ADMINISTRATION	146,109	149,734	35,811	113,923
TOTAL EXPENDITURES	146,109	149,734	35,811	113,923
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(61,109)	(64,734)	69,382	134,116
NET CHANGE IN FUND BALANCE	(61,109)	(64,734)	69,382	134,116
FUND BALANCE AT BEGINNING OF YEAR	135,157	135,157	135,157	--
FUND BALANCE AT END OF YEAR	\$ 74,048	\$ 70,423	\$ 204,539	\$ 134,116



**WALKER COUNTY, TEXAS****EXHIBIT C-8**

NARCOTICS RELATED FUNDS

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
INTEREST	\$ 300	\$ 300	\$ 1,851	\$ 1,551
OTHER INCOME				
Miscellaneous	2,000	2,000	17,817	15,817
Total Other	2,000	2,000	17,817	15,817
TOTAL REVENUES	2,300	2,300	19,668	17,368
EXPENDITURES				
PUBLIC SAFETY				
Narcotics				
Operations	50,253	45,034	8,642	36,392
Capital Expenditures	--	5,219	5,219	--
Total Narcotics	50,253	50,253	13,861	36,392
TOTAL PUBLIC SAFETY	50,253	50,253	13,861	36,392
TOTAL EXPENDITURES	50,253	50,253	13,861	36,392
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(47,953)	(47,953)	5,807	53,760
NET CHANGE IN FUND BALANCE	(47,953)	(47,953)	5,807	53,760
FUND BALANCE AT BEGINNING OF YEAR	50,590	50,590	50,590	--
FUND BALANCE AT END OF YEAR	\$ 2,637	\$ 2,637	\$ 56,397	\$ 53,760

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

EMERGENCY SPECIAL FUND

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
INTERGOVERNMENTAL				
Other Governmental Funds				
U.S. Forest Service	\$ --	\$ --	\$ 10,000	\$ 10,000
Total Other Governmental Funds	--	--	10,000	10,000
Total Intergovernmental	--	--	10,000	10,000
TOTAL REVENUES	--	--	10,000	10,000
EXPENDITURES				
PUBLIC SAFETY				
Emergency Management				
Salary, Other Pay, and Benefits	12,250	39,460	17,857	21,603
Operations	36,750	249,196	--	249,196
Total Emergency Management	49,000	288,656	17,857	270,799
TOTAL PUBLIC SAFETY	49,000	288,656	17,857	270,799
TOTAL EXPENDITURES	49,000	288,656	17,857	270,799
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(49,000)	(288,656)	(7,857)	280,799
OTHER FINANCING SOURCES (USES)				
Transfers In	49,000	288,656	288,656	--
Total Other Financing Sources (Uses)	49,000	288,656	288,656	--
NET CHANGE IN FUND BALANCE	--	--	280,799	280,799
FUND BALANCE AT END OF YEAR	\$ --	\$ --	\$ 280,799	\$ 280,799

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

ADULT PROBATION

SPECIAL REVENUE FUND

 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
INTERGOVERNMENTAL				
State Funds				
State Grant Funds	\$ 635,156	\$ 635,156	\$ 525,727	\$ (109,429)
Total State Funds	635,156	635,156	525,727	(109,429)
Total Intergovernmental	635,156	635,156	525,727	(109,429)
CHARGES FOR SERVICES				
Adult Probation	735,500	785,500	974,332	188,832
Total Charges for Services	735,500	785,500	974,332	188,832
INTEREST	2,000	2,000	28,554	26,554
OTHER INCOME				
Miscellaneous	--	5,403	2,611	(2,792)
Total Other	--	5,403	2,611	(2,792)
<b>TOTAL REVENUES</b>	<b>1,372,656</b>	<b>1,428,059</b>	<b>1,531,224</b>	<b>103,165</b>
EXPENDITURES				
PUBLIC SAFETY				
Adult Probation				
Salary, Other Pay, and Benefits	1,218,339	1,279,157	1,245,044	34,113
Operations	433,597	571,945	205,314	366,631
Total Adult Probation	1,651,936	1,851,102	1,450,358	400,744
<b>TOTAL PUBLIC SAFETY</b>	<b>1,651,936</b>	<b>1,851,102</b>	<b>1,450,358</b>	<b>400,744</b>
<b>TOTAL EXPENDITURES</b>	<b>1,651,936</b>	<b>1,851,102</b>	<b>1,450,358</b>	<b>400,744</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(279,280)	(423,043)	80,866	503,909
NET CHANGE IN FUND BALANCE	(279,280)	(423,043)	80,866	503,909
FUND BALANCE AT BEGINNING OF YEAR	428,237	428,237	428,237	--
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 148,957</b>	<b>\$ 5,194</b>	<b>\$ 509,103</b>	<b>\$ 503,909</b>

**WALKER COUNTY, TEXAS****EXHIBIT C-11***JUVENILE PROBATION FUND**SPECIAL REVENUE FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
<i>INTERGOVERNMENTAL</i>				
Federal Funds				
Juvenile Probation	\$ 25,845	\$ 25,845	\$ 48,493	\$ 22,648
Total Federal Funds	25,845	25,845	48,493	22,648
State Funds				
State Grant Funds	--	20,000	17,792	(2,208)
Other State Funds	277,742	340,902	347,245	6,343
Total State Funds	277,742	360,902	365,037	4,135
Total Intergovernmental	303,587	386,747	413,530	26,783
<i>CHARGES FOR SERVICES</i>				
Juvenile Probation	2,500	2,500	5,703	3,203
Total Charges for Services	2,500	2,500	5,703	3,203
<i>OTHER INCOME</i>				
Miscellaneous	--	127,805	--	(127,805)
Total Other	--	127,805	--	(127,805)
<b>TOTAL REVENUES</b>	<b>306,087</b>	<b>517,052</b>	<b>419,233</b>	<b>(97,819)</b>
EXPENDITURES				
<i>PUBLIC SAFETY</i>				
Juvenile Probation				
Salary, Other Pay, and Benefits	277,201	277,201	273,861	3,340
Operations	272,161	355,321	241,791	113,530
Total Juvenile Probation	549,362	632,522	515,652	116,870
<b>TOTAL PUBLIC SAFETY</b>	<b>549,362</b>	<b>632,522</b>	<b>515,652</b>	<b>116,870</b>
<b>TOTAL EXPENDITURES</b>	<b>549,362</b>	<b>632,522</b>	<b>515,652</b>	<b>116,870</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(243,275)	(115,470)	(96,419)	19,051
OTHER FINANCING SOURCES (USES)				
Transfers In	115,470	115,470	116,815	1,345
Total Other Financing Sources (Uses)	115,470	115,470	116,815	1,345
NET CHANGE IN FUND BALANCE	(127,805)	--	20,396	20,396
FUND BALANCE AT BEGINNING OF YEAR	246,507	246,507	246,916	409
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 118,702</b>	<b>\$ 246,507</b>	<b>\$ 267,312</b>	<b>\$ 20,805</b>

**WALKER COUNTY, TEXAS**

LEGISLATIVELY DESIGNATED FUNDS

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**EXHIBIT C-12**

Page 1 of 2

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUE				
INTERGOVERNMENTAL				
Federal Funds				
Legislatively Designated Funds	\$ 42,000	\$ 42,000	\$ 44,144	\$ 2,144
Total Federal Funds	42,000	42,000	44,144	2,144
State Funds				
Other State Funds	45,630	45,630	44,888	(742)
Total State Funds	45,630	45,630	44,888	(742)
Other Governmental Funds				
LEOSE Training	4,763	4,763	8,643	3,880
Total Other Governmental Funds	4,763	4,763	8,643	3,880
Total Intergovernmental	92,393	92,393	97,675	5,282
CHARGES FOR SERVICES				
Justice Court Technology	43,500	43,500	45,034	1,534
Legislatively Designated Funds	1,500	1,500	--	(1,500)
Total Charges for Services	45,000	45,000	45,034	34
INTEREST	3,300	3,300	8,421	5,121
TOTAL REVENUES	140,693	140,693	151,130	10,437
EXPENDITURES				
JUDICIAL				
District Clerk - Rider 42				
Salary, Other Pay, and Benefits	--	412	410	2
Operations	32,539	32,127	2,328	29,799
Total District Clerk - Rider 42	32,539	32,539	2,738	29,801
Criminal District Attorney				
Operations	--	1,749	1,749	--
Total Criminal District Attorney	--	1,749	1,749	--
Professional Prosecutors				
Operations	33,630	33,630	32,888	742
Total Professional Prosecutors	33,630	33,630	32,888	742
Justice Court Technology				
Operations	80,000	80,000	48,917	31,083
Total Justice Court Technology	80,000	80,000	48,917	31,083
TOTAL JUDICIAL	146,169	147,918	86,292	61,626
FINANCIAL ADMINISTRATION				
Special Inventory Tax				
Salary, Other Pay, and Benefits	--	3,432	--	3,432
Operations	4,651	1,219	918	301
Total Special Inventory Tax	4,651	4,651	918	3,733

**WALKER COUNTY, TEXAS**

LEGISLATIVELY DESIGNATED FUNDS

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**EXHIBIT C-12**

Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
TOTAL FINANCIAL ADMINISTRATION	4,651	4,651	918	3,733
<b>PUBLIC SAFETY</b>				
Sheriff's Office				
Operations	--	16,500	16,499	1
Total County Sheriff's Office	--	16,500	16,499	1
Constable - Precinct 1				
Operations	--	1,433	1,432	1
Total Constable - Precinct 1	--	1,433	1,432	1
Constable - Precinct 2				
Operations	--	277	276	1
Total Constable - Precinct 2	--	277	276	1
Constable - Precinct 3				
Operations	--	60	60	--
Total Constable - Precinct 3	--	60	60	--
Constable - Precinct 4				
Operations	--	733	733	--
Total Constable - Precinct 4	--	733	733	--
U.S. Forest Service - Fire Suppression				
Operations	76,969	76,969	17,414	59,555
Total U.S. Forest Service	76,969	76,969	17,414	59,555
TOTAL PUBLIC SAFETY	76,969	95,972	36,414	59,558
<b>TOTAL EXPENDITURES</b>	<b>227,789</b>	<b>248,541</b>	<b>123,624</b>	<b>124,917</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(87,096)	(107,848)	27,506	135,354
NET CHANGE IN FUND BALANCE	(87,096)	(107,848)	27,506	135,354
FUND BALANCE AT BEGINNING OF YEAR	185,949	185,949	185,949	--
FUND BALANCE AT END OF YEAR	\$ 98,853	\$ 78,101	\$ 213,455	\$ 135,354

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

INMATE MEDICAL FUND

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
<i>CHARGES FOR SERVICES</i>				
Total Charges for Services	\$ --	\$ --	\$ 2,706	\$ 2,706
<i>INTEREST</i>	--	--	2,305	2,305
<b>TOTAL REVENUES</b>	<b>--</b>	<b>--</b>	<b>5,011</b>	<b>5,011</b>
EXPENDITURES				
<i>PUBLIC SAFETY</i>				
Inmate Medical Services				
Operations	--	71,000	33,242	37,758
Total Inmate Medical Services	--	71,000	33,242	37,758
<b>TOTAL PUBLIC SAFETY</b>	<b>--</b>	<b>71,000</b>	<b>33,242</b>	<b>37,758</b>
<b>TOTAL EXPENDITURES</b>	<b>--</b>	<b>71,000</b>	<b>33,242</b>	<b>37,758</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	--	(71,000)	(28,231)	42,769
NET CHANGE IN FUND BALANCE	--	(71,000)	(28,231)	42,769
FUND BALANCE AT BEGINNING OF YEAR	71,000	71,000	71,000	--
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 71,000</b>	<b>\$ --</b>	<b>\$ 42,769</b>	<b>\$ 42,769</b>

## Debt Service Funds



# WALKER COUNTY, TEXAS

EXHIBIT C-14

## DEBT SERVICE FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
AD VALOREM TAXES				
Current Taxes	\$ 663,972	\$ 663,972	\$ 666,817	\$ 2,845
Delinquent Taxes	10,000	10,000	23,175	13,175
Penalty and Interest	5,000	5,000	14,860	9,860
Total Ad Valorem Taxes	678,972	678,972	704,852	25,880
INTEREST	5,000	5,000	19,210	14,210
TOTAL REVENUES	683,972	683,972	724,062	40,090
EXPENDITURES				
DEBT SERVICE				
Principal Retirement	585,210	605,234	604,867	367
Interest and Fiscal Charges	128,853	129,119	129,033	86
Total Debt Service	714,063	734,353	733,900	453
TOTAL EXPENDITURES	714,063	734,353	733,900	453
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(30,091)	(50,381)	(9,838)	40,543
OTHER FINANCING SOURCES (USES)				
Transfers In	30,091	50,381	50,296	(85)
Total Other Financing Sources (Uses)	30,091	50,381	50,296	(85)
NET CHANGE IN FUND BALANCE	--	--	40,458	40,458
FUND BALANCE AT BEGINNING OF YEAR	367,382	367,382	367,382	--
FUND BALANCE AT END OF YEAR	\$ 367,382	\$ 367,382	\$ 407,840	\$ 40,458

## Capital Projects Funds

**WALKER COUNTY, TEXAS****CAPITAL PROJECTS FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT C-15**

Page 1 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE				
<i>FINES AND FORFEITURES</i>				
License and Weight	\$ 48,932	\$ 132,866	\$ 139,135	\$ 6,269
Total Fines and Forfeitures	48,932	132,866	139,135	6,269
<i>INTERGOVERNMENTAL</i>				
Shelter Grants	3,189,725	3,189,725	486,529	(2,703,196)
Total Intergovernmental	3,189,725	3,189,725	486,529	(2,703,196)
<i>INTEREST</i>	3,000	5,860	10,805	4,945
<i>OTHER INCOME</i>				
Sale of Fixed Assets	--	--	40,000	40,000
Total Other	--	--	40,000	40,000
<b>TOTAL REVENUES</b>	<b>3,241,657</b>	<b>3,328,451</b>	<b>676,469</b>	<b>(2,651,982)</b>
EXPENDITURES				
<i>GENERAL ADMINISTRATION</i>				
Capital Improvements				
Operations	43,180	217,636	57,376	160,260
Capital Expenditures	86,108	148,370	58,384	89,986
Total Capital Improvements	129,288	366,006	115,760	250,246
<b>TOTAL GENERAL ADMINISTRATION</b>	<b>129,288</b>	<b>366,006</b>	<b>115,760</b>	<b>250,246</b>
<i>PUBLIC SAFETY</i>				
Department of Public Safety - Weigh Station				
Operations	12,500	18,550	18,549	1
Capital Expenditures	10,091	65,469	24,848	40,621
Total Department of Public Safety	22,591	84,019	43,397	40,622
Shelter Project				
Capital Expenditures	3,189,725	3,189,725	486,529	2,703,196
Total Shelter Project	3,189,725	3,189,725	486,529	2,703,196
<b>TOTAL PUBLIC SAFETY</b>	<b>3,212,316</b>	<b>3,273,744</b>	<b>529,926</b>	<b>2,743,818</b>
<i>PUBLIC TRANSPORTATION</i>				
General Road and Bridge				
Operations	--	34,971	9,190	25,781
Total General Road and Bridge	--	34,971	9,190	25,781
Road and Bridge - CIP				
Capital Expenditures	--	68,801	68,800	1
Total Road and Bridge - CIP	--	68,801	68,800	1
<b>TOTAL PUBLIC TRANSPORTATION</b>	<b>--</b>	<b>103,772</b>	<b>77,990</b>	<b>25,782</b>
<b>TOTAL EXPENDITURES</b>	<b>3,341,604</b>	<b>3,743,522</b>	<b>723,676</b>	<b>3,019,846</b>

**WALKER COUNTY, TEXAS****CAPITAL PROJECTS FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2007****EXHIBIT C-15**

Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(99,947)	(415,071)	(47,207)	367,864
OTHER FINANCING SOURCES (USES)				
<i>Transfers In</i>	126,288	178,943	178,943	--
Total Other Financing Sources (Uses)	126,288	178,943	178,943	--
NET CHANGE IN FUND BALANCE	26,341	(236,128)	131,736	367,864
FUND BALANCE AT BEGINNING OF YEAR	277,355	277,355	277,355	--
FUND BALANCE AT END OF YEAR	\$ 303,696	\$ 41,227	\$ 409,091	\$ 367,864

## Trust and Agency Funds

**WALKER COUNTY, TEXAS**

## COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

## AGENCY FUNDS

SEPTEMBER 30, 2007

	Commissary Operations	County Officials Trust & Agency Fund	Public Safety Community Center	Total Agency Funds (See Exhibit A-7)
<b>ASSETS</b>				
Assets:				
Cash and Cash Equivalents	\$ --	\$ 1,475,276	\$ --	\$ 1,475,276
Restricted Cash and Cash Equivalents	--	845,760	--	845,760
Due from Other Governments	9,111	--	124,745	133,856
Total Assets	\$ 9,111	\$ 2,321,036	\$ 124,745	\$ 2,454,892
<b>LIABILITIES</b>				
Liabilities:				
Accounts Payable	\$ 9,111	\$ --	\$ 24,169	\$ 33,280
Due to Other Governments	--	939,867	--	939,867
Due to Others	--	1,381,169	100,576	1,481,745
Total Liabilities	\$ 9,111	\$ 2,321,036	\$ 124,745	\$ 2,454,892

**WALKER COUNTY, TEXAS**

EXHIBIT C-17

## COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2007

	Balance October 1, 2006	Additions	Deductions	Balance September 30, 2007
<b>COUNTY OFFICIALS TRUST AND AGENCY FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,588,224	\$ --	\$ 112,948	\$ 1,475,276
Restricted Cash and Cash Equivalents	958,176	--	112,416	845,760
Total Assets	<u>\$ 2,546,400</u>	<u>\$ --</u>	<u>\$ 225,364</u>	<u>\$ 2,321,036</u>
<b>LIABILITIES</b>				
Due to Other Governments	995,562	--	55,695	939,867
Due to Others	1,550,838	--	169,669	1,381,169
Total Liabilities	<u>\$ 2,546,400</u>	<u>\$ --</u>	<u>\$ 225,364</u>	<u>\$ 2,321,036</u>
<b>PUBLIC SAFETY COMMUNITY CENTER</b>				
<b>ASSETS</b>				
Due from Other Governments	88,870	35,875	--	124,745
Total Assets	<u>\$ 88,870</u>	<u>\$ 35,875</u>	<u>\$ --</u>	<u>\$ 124,745</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,155	\$ 22,014	\$ --	\$ 24,169
Due to Other Funds	86,715	13,861	--	100,576
Total Liabilities	<u>\$ 88,870</u>	<u>\$ 35,875</u>	<u>\$ --</u>	<u>\$ 124,745</u>
<b>JAIL COMMISSARY</b>				
<b>ASSETS</b>				
Due from Other Governments	--	9,111	--	9,111
Total Assets	<u>\$ --</u>	<u>\$ 9,111</u>	<u>\$ --</u>	<u>\$ 9,111</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ --	\$ 9,111	\$ --	\$ 9,111
Total Liabilities	<u>\$ --</u>	<u>\$ 9,111</u>	<u>\$ --</u>	<u>\$ 9,111</u>
<b>TOTAL AGENCY FUNDS:</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,588,224	\$ --	\$ 112,948	\$ 1,475,276
Restricted Cash and Cash Equivalents	958,176	--	112,416	845,760
Due from Other Governments	88,870	44,986	--	133,856
Total Assets	<u>\$ 2,635,270</u>	<u>\$ 44,986</u>	<u>\$ 225,364</u>	<u>\$ 2,454,893</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,155	\$ 31,125	\$ --	\$ 33,280
Due to Other Governments	995,562	--	55,695	939,867
Due to Other Funds	1,637,553	13,861	169,669	1,481,745
Total Liabilities	<u>\$ 2,635,270</u>	<u>\$ 44,986</u>	<u>\$ 225,364</u>	<u>\$ 2,454,893</u>

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### Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

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**WALKER COUNTY, TEXAS**

COMPARATIVE SCHEDULES BY SOURCE OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2007 AND 2006

**EXHIBIT C-18**

	2007	2006
Capital Assets - Governmental Funds		
Land	\$ 483,180	\$ 442,085
Construction In Progress	486,529	--
Buildings	11,511,634	11,415,987
Improvements	3,693,155	3,548,565
Furniture, Fixtures, and Office Equipment	1,533,625	1,441,354
Vehicles	3,161,771	3,030,494
Machinery and equipment	2,972,303	3,172,256
Total capital assets	<u>\$ 23,842,197</u>	<u>\$ 23,050,741</u>
Investment in Capital Assets of Governmental Funds by source:		
General fund	\$ 6,711,012	\$ 6,395,471
Special revenue funds	7,172,702	7,208,164
Capital projects funds	9,958,483	9,447,106
Total investment in capital assets	<u>\$ 23,842,197</u>	<u>\$ 23,050,741</u>

**WALKER COUNTY, TEXAS**

SCHEDULE BY FUNCTION AND ACTIVITY OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2007

EXHIBIT C-19

Function and Activity	Land	Buildings	Improvements	Furniture Fixtures & Office Equip.	Vehicles	Machinery and Equipment	Construction in Progress	Total
<b>General Administration:</b>								
Commissioners' Court	--	--	44,811	--	--	--	--	44,811
IT	--	--	34,344	103,235	--	--	--	137,579
Non-Departmental	10,501	--	143,287	499,851	--	--	--	653,639
Elections	--	19,484	--	118,800	--	--	--	138,284
Voter's Registration	--	--	--	--	--	--	--	--
County Facilities	261,595	1,955,827	2,354,340	8,380	32,659	48,568	--	4,661,369
Courthouse Annex - Sam Houston A	--	1,502,489	64,589	--	--	--	--	1,567,078
Total General Administration	272,096	3,477,800	2,641,371	730,266	32,659	48,568	--	7,202,760
<b>Judicial:</b>								
County Court-at-Law	--	--	--	--	--	--	--	--
Criminal District Attorney	--	--	--	14,505	58,832	--	--	73,337
Justice of the Peace - Precinct 2	--	104,357	--	--	--	--	--	104,357
Justice of the Peace - Precinct 3	--	62,089	--	--	--	--	--	62,089
Justice of the Peace - Precinct 4	--	81,409	--	--	--	--	--	81,409
Total Judicial	--	247,855	--	14,505	58,832	--	--	321,192
<b>Financial Administration:</b>								
County Clerk	--	--	--	5,322	--	--	--	5,322
County Auditor	--	--	--	93,283	--	--	--	93,283
Purchasing	--	--	--	--	--	--	--	--
Vehicle Registration	--	--	--	--	--	--	--	--
Total Financial Administration	--	--	--	98,605	--	--	--	98,605
<b>Public Safety:</b>								
County Jail	43,000	4,442,397	296,575	26,940	87,571	16,200	--	4,912,683
Sheriff's Office	--	2,055,500	--	50,667	627,070	16,870	--	2,750,107
Constable - Precinct 1	--	--	--	--	30,717	--	--	30,717
Constable - Precinct 2	--	--	--	--	18,430	--	--	18,430
Constable - Precinct 3	--	--	--	--	62,301	--	--	62,301
Constable - Precinct 4	--	--	--	--	42,038	--	--	42,038
Department of Public Safety	62,656	--	--	--	--	14,226	--	76,882
Weigh Station	--	114,635	189,357	--	--	15,866	--	319,858
Central 911 Dispatch	--	--	--	355,834	--	--	--	355,834
Fire	--	--	--	--	--	--	--	--
EMS	38,115	102,442	--	8,197	392,464	75,588	--	816,806
Probation Support	--	922,008	--	--	--	--	--	922,008
Total Public Safety	143,771	7,636,982	485,932	441,638	1,260,591	138,750	--	10,107,664
<b>Health and Welfare:</b>								
Utility Department	--	--	--	14,656	43,279	10,169	--	68,104
Total Health and Welfare	--	--	--	14,656	43,279	10,169	--	68,104
<b>Road and Bridge:</b>								
General	--	--	413,996	--	141,501	503,294	--	1,058,791
Precinct 1	--	--	--	--	378,752	580,545	--	959,297
Precinct 2	26,218	8,650	24,934	--	283,641	370,258	--	713,701
Precinct 3	41,095	--	--	--	345,951	833,148	--	1,220,194
Precinct 4	--	140,338	117,529	--	230,361	442,028	--	930,256
Litter Control	--	--	--	--	27,595	--	--	27,595
Total Road and Bridge	67,313	148,988	556,459	--	1,407,801	2,729,273	--	4,909,834
<b>Other:</b>								
Special Prosecution Unit - Criminal	--	--	--	--	113,390	--	--	113,390
Special Prosecution Unit - Civil	--	--	--	7,329	63,565	--	--	70,894
Hot Check	--	--	--	23,969	--	--	--	23,969
D.A. Narcotics	--	--	--	--	33,042	--	--	33,042
Adult Probation	--	--	--	40,634	40,181	--	--	80,815
Juvenile Probation	--	--	9,401	5,789	--	--	--	15,190
Surplus/Auction Held	--	--	--	150,858	--	--	--	150,858
EMS	--	--	--	5,376	108,432	45,543	--	159,351
Shelter Grant	--	--	--	--	--	--	486,529	486,529
Total Other	--	--	9,401	233,955	358,610	45,543	486,529	1,134,038
<b>Total Capital Assets</b>	<b>\$ 483,180</b>	<b>11,511,625</b>	<b>3,693,163</b>	<b>1,533,625</b>	<b>\$ 3,161,772</b>	<b>\$ 2,972,303</b>	<b>\$ 486,529</b>	<b>\$ 23,842,197</b>

(1) This schedule presents only the capital asset balances related to governmental funds.

# WALKER COUNTY, TEXAS

EXHIBIT C-20

## SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS YEAR ENDED SEPTEMBER 30, 2007

Function and Activity	Capital Assets October 1, 2006	Additions	Deductions	Capital Assets September 30, 2007
<b>General Administration:</b>				
Commissioners' Court	44,811	--	--	44,811
IT	131,904	5,675	--	137,579
Non-Departmental	653,639	--	--	653,639
Elections	130,850	30,284	22,850	138,284
Voter's Registration	--	--	--	--
County Facilities	4,549,692	121,677	10,000	4,661,369
Courthouse Annex - Sam Houston Ave.	1,567,078	--	--	1,567,078
Total General Administration	7,077,974	157,636	32,850	7,202,760
<b>Judicial:</b>				
County Court-at-Law	--	--	--	--
Criminal District Attorney	67,961	5,376	--	73,337
Justice of the Peace - Precinct 2	104,357	--	--	104,357
Justice of the Peace - Precinct 3	62,089	--	--	62,089
Justice of the Peace - Precinct 4	81,409	--	--	81,409
Total Judicial	315,816	5,376	--	321,192
<b>Financial Administration:</b>				
County Clerk	--	5,322	--	5,322
County Auditor	81,022	17,936	5,675	93,283
Purchasing	60,476	--	60,476	--
Vehicle Registration	--	--	--	--
Total Financial Administration	141,498	23,258	66,151	98,605
<b>Public Safety:</b>				
County Jail	4,912,683	--	--	4,912,683
Sheriff's Office	2,599,682	155,972	5,547	2,750,107
Constable - Precinct 1	39,949	12,000	21,232	30,717
Constable - Precinct 2	18,430	--	--	18,430
Constable - Precinct 3	41,791	20,510	--	62,301
Constable - Precinct 4	21,337	20,701	--	42,038
Department of Public Safety	76,882	--	--	76,882
Weigh Station	295,010	24,848	--	319,858
Central 911 Dispatch	305,783	50,051	--	355,834
Probation Support	922,008	--	--	922,008
EMS	611,776	5,030	--	616,806
Fire	--	--	--	--
Total Public Safety	9,845,331	289,112	26,779	10,107,664
<b>Health and Welfare:</b>				
Utility Department	59,554	8,550	--	68,104
Total Health and Welfare	59,554	8,550	--	68,104
<b>Road and Bridge:</b>				
General	1,268,957	--	210,166	1,058,791
Precinct 1	900,936	58,361	--	959,297
Precinct 2	941,976	24,934	253,210	713,700
Precinct 3	1,052,770	237,768	70,344	1,220,194
Precinct 4	920,096	83,300	73,140	930,256
Litter Control	--	27,595	--	27,595
Total Road and Bridge	5,084,735	431,958	606,860	4,909,832

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

**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2007**

Function and Activity	Capital Assets October 1, 2006	Additions	Deductions	Capital Assets September 30, 2007
Other:				
Special Prosecution Unit - Criminal	133,290	--	19,900	113,390
Special Prosecution Unit - Civil	70,894	--	--	70,894
Hot Check	23,969	--	--	23,969
S.O. Narcotics	--	--	--	--
D.A. Narcotics	33,042	--	--	33,042
Adult Probation	80,815	--	--	80,815
Juvenile Probation	15,190	--	--	15,190
Surplus/Auction Held	168,634	22,850	40,626	150,858
EMS	--	176,987	17,636	159,351
Shelter Grant	--	486,529	--	486,529
Total Other	525,834	686,367	78,162	1,134,039
Total Capital Assets	\$ 23,050,742	\$ 1,602,257	\$ 810,802	\$ 23,842,197

(1) This schedule presents only the capital asset balances related to governmental funds.



**WALKER COUNTY, TEXAS**  
COMBINING SCHEDULE OF LONG-TERM  
DEBT BY MATURITY DATE  
YEAR ENDED SEPTEMBER 30, 2007

**EXHIBIT C-21**  
Page 1 of 2

**Totals**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2008	522,677	104,239	626,915
Fiscal Year 2009	554,992	83,396	638,387
Fiscal Year 2010	633,787	71,423	705,210
Fiscal Year 2011	430,000	40,480	470,480
Fiscal Year 2012	450,000	20,700	470,700
Totals	2,591,456	320,238	2,911,694

**8-Sept-03 Precinct 4 Chipper**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2008	5,117	179	5,296
Totals	5,117	179	5,296

**25-Mar-03 Precinct 4 Mack RDI88S**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2008	15,684	503	16,186
Totals	15,684	503	16,186

**14-May-04 Road and Bridge Reclaimer**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2008	42,261	2,526	44,787
Fiscal Year 2009	43,510	1,277	44,787
Totals	85,771	3,803	89,574

**11-Feb-02 Capital Projects**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2008	380,000	95,220	475,220
Fiscal Year 2009	390,000	77,740	467,740
Fiscal Year 2010	420,000	59,800	479,800
Fiscal Year 2011	430,000	40,480	470,480
Fiscal Year 2012	450,000	20,700	470,700
Totals	2,070,000	293,940	2,363,940

**1-Nov-04 Precinct 3 Crawler Dozer**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2008	6,321	204	6,525
Totals	6,321	204	6,525

**WALKER COUNTY, TEXAS**  
COMBINING SCHEDULE OF LONG-TERM  
DEBT BY MATURITY DATE  
YEAR ENDED SEPTEMBER 30, 2007

**EXHIBIT C-21**  
Page 2 of 2

**8-Nov-04 Precinct 2 2005 Chevy Truck**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2008	6,321	204	6,525
Totals	6,321	204	6,525

**24-Jan-05 Precinct 3 Dump Truck**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2008	13,498	436	13,934
Totals	13,498	436	13,934

**28-Mar-05 Precinct 4 Caterpillar Motorgrader**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2008	30,000	2,792	32,792
Fiscal Year 2009	50,000	1,745	51,745
Totals	80,000	4,537	84,537

**2-Aug-06 Precinct 1 Ford Flatbed**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2008	11,733	1,154	12,887
Fiscal Year 2009	12,298	589	12,887
Totals	24,031	1,743	25,774

**22-Jan-07 Precinct 2 New Holland Tractor**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2008	11,742	1,021	12,763
Fiscal Year 2009	12,243	519	12,762
Totals	23,985	1,540	25,525

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# Kenneth C. Davis & Company

A Professional Corporation

*Certified Public Accountants*

1300 11TH STREET, SUITE 400

P.O. BOX 6308

HUNTSVILLE, TEXAS 77342

PHONE (936) 291-3020

FAX (936) 291-9607

## Independent Auditor's Report

### 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 as of and for the year ended September 30, 2007, which collectively comprise the Walker County, Texas's basic financial statements and have issued our report thereon dated January 14, 2008. 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

In planning and performing our audit, we considered Walker County, Texas'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 Walker County, Texas's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Walker County, Texas's internal control over financial reporting. A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Walker County, Texas's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Walker County, Texas's financial statements that is more than inconsequential will not be prevented by the Walker County, Texas's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Walker County, Texas's internal control.

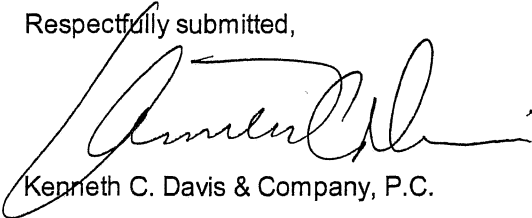
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Walker County, Texas'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, others within the organization, the Commissioners' Court, and federal 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,

A handwritten signature in black ink, appearing to read "Kenneth C. Davis", is written over the text "Respectfully submitted,".

Kenneth C. Davis & Company, P.C.

January 14, 2008

# Kenneth C. Davis & Company

A Professional Corporation

*Certified Public Accountants*

1300 11TH STREET, SUITE 400

P.O. BOX 6308

HUNTSVILLE, TEXAS 77342

PHONE (936) 291-3020

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## Independent Auditor's Report

Report on Compliance with Requirements Applicable  
To each Major Program and Internal Control over Compliance  
In Accordance With OMB Circular A-133

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

Members of the Commissioners' Court:

### Compliance

We have audited the compliance of Walker County, Texas with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2007. Walker County, Texas's major federal 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 programs is the responsibility of Walker County, Texas's management. Our responsibility is to express an opinion on Walker County, Texas'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*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Walker County, Texas'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 Walker County, Texas's compliance with those requirements.

In our opinion, Walker County, Texas complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2007.

### Internal Control Over Compliance

The management of Walker County, Texas is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Walker County, Texas's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Walker County, Texas's internal control over compliance.

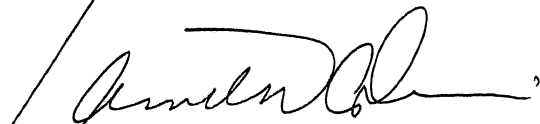
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we considered to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the Commissioners' Court, and federal 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,

A handwritten signature in black ink, appearing to read "Kenneth C. Davis", is written over a horizontal line.

Kenneth C. Davis & Company, P.C.

January 14, 2008



# WALKER COUNTY, TEXAS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2007

### A. Summary of Auditor's Results

#### 1. Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_ Yes      X No

Reportable condition(s) identified that are  
not considered to be material weaknesses?

\_\_\_\_ Yes      X None Reported

Noncompliance material to financial  
statements noted?

\_\_\_\_ Yes      X No

#### 2. Federal Awards

Internal control over major programs:

Material weakness(es) identified?

\_\_\_\_ Yes      X No

Reportable condition(s) identified that are  
not considered to be material weaknesses?

\_\_\_\_ Yes      X None Reported

Type of auditor's report issued on compliance for  
major programs:

Unqualified

Any audit findings disclosed that are required  
to be reported in accordance with section 510(a)  
of Circular A-133?

\_\_\_\_ Yes      X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

97.073

Homeland Security Grant

97.039

Emergency Management Assistance

10.665

National Forest Service Funds

Dollar threshold used to distinguish between  
type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

\_\_\_\_ Yes      X No

### B. Financial Statement Findings

NONE

### C. Federal Award Findings and Questioned Costs

NONE

**WALKER COUNTY, TEXAS****SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
None		

**WALKER COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

EXHIBIT D-1

Page 1 of 2

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Passed Through Bureau of Justice Assistance:			
State Criminal Alien Assistance Program	16.606	2007-F4177TXAP	\$ 5,176
Bullet Proof Vest Partnership Grant Program	16.607	01007200	247
Total Passed Through Bureau of Justice Assistance			5,423
Total U.S. DEPARTMENT OF JUSTICE			5,423
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Passed Through Office of Rural Community Affairs:			
Texas Community Development Block Grant *	14.219	DRS060091	18,000
Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			18,000
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through Texas Division of Emergency Management:			
Homeland Security Grant	97.073	2006-HSGP-48471	142,592
Homeland Security Grant	97.074	2006-HSP-48471	22,408
Total Passed Through Texas Division of Emergency Management			165,000
Total U.S. DEPARTMENT OF HOMELAND SECURITY			165,000
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed Through Texas Juvenile Probation Commission:			
Title IV-E Federal Foster Care	93.658	TJPC-E-06-236	12,781
Title IV-E Federal Foster Care	93.658	TJPC-E-07-236	35,712
Total Passed Through Texas Juvenile Probation Commission			48,493
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			48,493
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed Through State Comptroller :			
Secure Rural Community Self Determination Act *	10.665		169,221
Total U.S. DEPARTMENT OF AGRICULTURE			169,221
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
Passed Through State Division of Emergency Management:			
Emergency Management Assistance	97.039	1709-DR-07	162,250
Hazard Mitigation Grant Program	97.039	1606-DR-TX	468,529
Emergency Management Assistance	97.042	07TX-EMPG-0483	15,238
Total Passed Through State Division of Emergency Management			646,017
Total FEDERAL EMERGENCY MANAGEMENT AGENCY			646,017
<b>ELECTION ASSISTANCE COMMISSION</b>			
Passed Through Secretary of State:			
General HAVA Compliance	90.401	78711	18,926
Team Compatibility	90.401	79226	613
Polling Place Accessibility	90.401	78081	\$ 3,780
Opportunity for Access	90.401	78340	\$ 1,621
County Education Fund	90.401	78300	1,085
Total Passed Through Secretary of State			6,486
Total ELECTION ASSISTANCE COMMISSION			7,099
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>1,078,179</b>

**WALKER COUNTY, TEXAS**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

**EXHIBIT D-1**

Page 2 of 2

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>STATE AWARDS</b>			
Passed through Office of Court Administration Task Force on Indigent Defense	N/A	212-7-236	\$ 35,610
Passed through Juvenile Probation Commission State Aid Contract	N/A	A-2007-236	78,128
Progressive Sanctions JPOs	N/A	F-2007-236	71,575
Progressive Sanctions 123 Program	N/A	G-2007-236	25,287
Community Corrections Assistance	N/A	Y-2007-236	95,163
Salary Adjustment	N/A	Z-2007-236	14,177
Passed Through Department of Criminal Justice CSCD - Basic Supervision	N/A	2007-900	272,595
CSCD - Court Services	N/A	2007-003	195,176
CSCD - Substance Abuse Services	N/A	2007-002	57,957
Passed Through Office of Governor Prosecution of Prison Crimes - Criminal	N/A	07-A10-14918-8	1,256,344
Prosecution of Prison Crimes - Civil	N/A		715,982
Prosecution of Prison Crimes - State Allocation	N/A		158,696
Prosecution of Prison Crimes - Longevity Pay	N/A		113,789
ISP Counseling	N/A	07-J20-18251-1	17,792
Passed Through Office of State Comptroller Judiciary Apportionment	N/A		32,888
Passed Through Department of Health Services EMS - Local Projects	N/A	2007-21764-1	\$ 46,166
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b>3,087,325</b>

\* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

## **WALKER COUNTY, TEXAS**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2007**

#### Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

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## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends	115
<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	121
<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	126
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	129
<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	132
<i>These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.</i>	

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

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental Activities</b>					
Invested in capital assets, net of related debt	\$ 7,300,573	\$ 7,258,409	\$ 6,979,556	\$ 7,290,739	\$ 7,716,525
Restricted	\$ 1,441,478	\$ 691,049	\$ 616,222	\$ 1,624,434	\$ 1,574,339
Unrestricted	\$ 4,539,351	\$ 5,446,082	\$ 6,889,220	\$ 8,998,584	\$ 11,036,454
Total governmental activities net assets	<u>\$ 13,281,402</u>	<u>\$ 13,395,540</u>	<u>\$ 14,484,998</u>	<u>\$ 17,913,757</u>	<u>\$ 20,327,318</u>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ -	\$ 436,715	\$ 328,517	\$ -	\$ -
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	\$ -	\$ 890,045	\$ 1,031,984	\$ -	\$ -
Total business-type activities net assets	<u>\$ -</u>	<u>\$ 1,326,760</u>	<u>\$ 1,360,501</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 7,300,573	\$ 7,695,124	\$ 7,308,073	\$ 7,290,739	\$ 7,716,525
Restricted	\$ 1,441,478	\$ 691,049	\$ 616,222	\$ 1,624,434	\$ 1,574,339
Unrestricted	\$ 4,539,351	\$ 6,336,127	\$ 7,921,204	\$ 8,998,584	\$ 11,036,454
Total primary government net assets	<u>\$ 13,281,402</u>	<u>\$ 14,722,300</u>	<u>\$ 15,845,499</u>	<u>\$ 17,913,757</u>	<u>\$ 20,327,318</u>

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

**WALKER COUNTY, TEXAS**  
**CHANGES IN NET ASSETS**  
**LAST FIVE FISCAL YEARS**  
 (accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses</b>					
Governmental Activities:					
General Administration	\$ 1,276,900	\$ 1,580,748	\$ 1,971,406	\$ 2,338,585	\$ 2,196,767
Judicial	4,754,537	4,830,686	4,914,252	5,317,466	5,698,418
Financial Administration	1,288,474	1,454,263	1,408,258	1,614,681	1,612,653
Public Safety	6,546,824	6,894,111	7,023,610	9,086,967	9,569,292
Health & Welfare	326,819	686,923	430,247	514,364	515,571
Public Transportation	3,122,954	3,299,998	3,590,764	3,814,065	4,097,826
Intergovernmental Expenditure	1,230,163	909,694	181,392	-	-
Capital Outlay	-	-	-	-	-
Interest & Fiscal Charges	227,189	199,634	-	145,280	116,254
Total Governmental Activities	\$ 18,773,860	\$ 19,856,057	\$ 19,519,929	\$ 22,831,408	\$ 23,806,781
Business-type activities					
EMS	\$ -	\$ 1,441,468	\$ 1,591,614	\$ -	\$ -
Total primary government	\$ 18,773,860	\$ 21,297,525	\$ 21,111,543	\$ 22,831,408	\$ 23,806,781
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General Administration	\$ 217,332	\$ 429,309	\$ 244,053	\$ 261,883	\$ 494,850
Judicial	927,788	711,876	756,198	819,936	801,510
Financial Administration	613,810	381,721	434,043	627,417	667,264
Public Safety	917,902	1,132,141	1,489,846	3,317,369	3,195,179
Health & Welfare	34,415	28,547	107,773	109,974	139,150
Public Transportation	1,211,940	1,291,031	1,363,990	1,659,932	1,778,231
Operating grants and contributions	4,348,036	4,339,757	3,517,099	4,134,299	4,797,661
Capital grants and contributions	-	-	86,192	227,734	-
Total Governmental Activities	\$ 8,271,223	\$ 8,314,382	\$ 7,999,194	\$ 11,158,544	\$ 11,873,845

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Business-type activities</b>					
Charges for service	\$ -	\$ 1,126,235	\$ 1,423,505	\$ -	\$ -
Operating grants and contributions	-	186,691	4,480	-	-
EMS	-	\$ 1,312,926	\$ 1,427,985	\$ -	\$ -
<b>Total primary government</b>	<b>\$ 8,271,223</b>	<b>\$ 9,627,308</b>	<b>\$ 9,427,179</b>	<b>\$ 11,158,544</b>	<b>\$ 11,873,845</b>
<b>Net (expense)/revenue</b>					
Governmental activities	\$ (10,502,637)	\$ (11,541,675)	\$ (11,520,735)	\$ (11,672,864)	\$ (11,932,936)
Business-type activities	-	(128,542)	(163,629)	-	-
<b>Total primary government net expense</b>	<b>\$ (10,502,637)</b>	<b>\$ (11,670,217)</b>	<b>\$ (11,684,364)</b>	<b>\$ (11,672,864)</b>	<b>\$ (11,932,936)</b>
<b>General Revenues and Other Changes in Net Assets</b>					
<b>Governmental activities:</b>					
Taxes					
Property taxes	\$ 8,274,177	\$ 9,247,367	\$ 9,792,822	\$ 10,146,889	\$ 10,469,685
Sales taxes	1,672,772	1,827,236	1,912,387	2,068,095	2,197,937
Other taxes	15,682	13,047	14,586	14,280	14,527
Vehicle Registration	1,008,185	989,014	990,030	979,757	992,143
Alcoholic beverage taxes	51,517	65,646	77,361	70,246	77,238
Investment earnings	89,892	76,720	222,759	461,856	594,969
Transfers	-	(602,454)	(313,331)	-	-
Other	381,886	39,234	-	-	-
<b>Total governmental activities</b>	<b>\$ 11,494,111</b>	<b>\$ 11,655,810</b>	<b>\$ 12,696,614</b>	<b>\$ 13,741,123</b>	<b>\$ 14,346,499</b>
<b>Business-type activities:</b>					
Investment earnings	\$ -	\$ 1,498	\$ 1,489	\$ -	\$ -
Transfers	-	1,453,804	313,331	-	-
<b>Total business-type activities</b>	<b>\$ -</b>	<b>\$ 1,455,302</b>	<b>\$ 314,820</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total primary government</b>	<b>\$ 11,494,111</b>	<b>\$ 13,111,112</b>	<b>\$ 13,011,434</b>	<b>\$ 13,741,123</b>	<b>\$ 14,346,499</b>
<b>Change in Net Assets</b>					
Governmental activities	\$ 991,474	\$ 114,135	\$ 1,175,879	\$ 2,068,259	\$ 2,413,563
Business-type activities	-	1,326,760	151,191	-	-
<b>Total primary government</b>	<b>\$ 991,474</b>	<b>\$ 1,440,895</b>	<b>\$ 1,327,070</b>	<b>\$ 2,068,259</b>	<b>\$ 2,413,563</b>

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

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

Fiscal Year	Property Tax	Sales Tax	Road & Bridge	Other Taxes	Alcoholic Beverage Tax	Total
2003	\$8,274,177	\$1,672,772	\$ 1,008,185	\$ 15,681	\$ 51,517	\$11,022,332
2004	9,247,367	1,827,236	989,014	13,047	65,646	12,142,310
2005	9,792,822	1,912,387	990,030	14,586	77,361	12,787,186
2006	10,146,889	2,068,095	979,757	14,280	70,246	13,279,267
2007	10,469,685	2,197,937	992,143	14,527	77,238	13,751,530

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)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund										
Reserved										
Unreserved	\$2,084,647	\$2,344,857	\$2,257,311	\$2,237,599	\$1,747,259	\$2,007,578	\$2,368,602	\$3,506,504	\$4,693,770	\$5,162,815
Total general fund	<u>\$2,084,647</u>	<u>\$2,344,857</u>	<u>\$2,257,311</u>	<u>\$2,237,599</u>	<u>\$1,747,259</u>	<u>\$2,007,578</u>	<u>\$2,368,602</u>	<u>\$3,506,504</u>	<u>\$4,693,770</u>	<u>\$5,162,815</u>
All other governmental funds										
Reserved	\$1,875,989	\$1,704,113	\$ 650,631	\$ 630,170	\$1,775,062	\$1,441,479	\$ 691,049	\$ 616,220	\$ 644,738	\$ 816,931
Unreserved, reported in:										
Special revenue funds	\$1,681,102	\$1,590,696	\$1,299,691	\$1,592,355	\$1,676,182	\$1,796,599	\$1,786,285	\$1,944,605	\$3,665,474	\$4,871,812
Total all other governmental funds	<u>\$3,557,091</u>	<u>\$3,294,809</u>	<u>\$1,950,322</u>	<u>\$2,222,525</u>	<u>\$3,451,244</u>	<u>\$3,238,078</u>	<u>\$2,477,334</u>	<u>\$2,560,825</u>	<u>\$4,310,212</u>	<u>\$5,688,743</u>

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Revenues</b>										
Property Taxes	\$ 10,329,957	\$ 10,035,873	\$ 9,715,552	\$ 9,157,938	\$ 8,224,770	\$ 7,454,471	\$ 6,944,788	\$ 6,614,522	\$ 6,105,412	\$ 5,941,589
Other Taxes	3,281,845	3,132,378	2,994,364	2,894,942	2,748,156	2,825,008	2,668,642	2,685,072	2,518,718	2,635,849
Licenses and permits	76,639	71,525	66,650	32,545	34,415	36,473	33,605	36,160	34,525	26,975
Intergovernmental	4,838,025	4,390,433	3,882,902	4,407,695	4,290,200	4,343,770	4,171,090	4,057,787	3,215,713	2,701,556
Charges for services	4,618,519	4,594,614	2,249,524	2,209,046	1,995,389	1,961,888	2,113,783	1,935,088	1,974,428	2,048,648
Fines	1,856,488	1,635,806	1,459,933	1,482,362	1,370,495	1,323,089	1,099,268	971,453	832,123	789,157
Investment earnings	594,969	461,856	222,758	76,720	90,295	132,712	336,844	444,727	386,979	369,370
Special assessments	-	-	-	-	-	-	-	-	-	-
Miscellaneous	503,441	374,180	282,670	247,605	442,423	201,924	241,518	335,606	759,753	530,052
Total revenues	\$ 26,099,883	\$ 24,696,665	\$ 20,874,353	\$ 20,508,853	\$ 19,196,143	\$ 18,279,335	\$ 17,609,538	\$ 17,080,425	\$ 15,827,651	\$ 15,043,196
<b>Expenditures</b>										
General Administration	\$ 1,603,832	\$ 1,709,624	\$ 1,237,394	\$ 1,096,998	\$ 1,038,040	\$ 1,041,255	\$ 1,115,286	\$ 863,973	\$ 772,853	\$ 709,363
Judicial	5,674,021	5,260,421	4,857,656	4,763,051	4,708,799	4,503,655	3,855,935	3,570,019	2,917,619	2,716,597
Financial Administration	1,618,890	1,598,581	1,404,136	1,439,949	1,287,878	1,225,630	1,127,609	1,157,728	984,097	948,550
Public Safety	9,085,092	7,907,717	5,857,333	6,301,619	6,208,227	5,617,108	5,247,413	5,219,608	5,065,332	4,858,827
Health & Welfare	486,931	438,663	361,589	675,832	319,382	470,385	676,100	350,607	365,589	333,686
Public Transportation	4,114,137	3,705,404	3,214,207	2,961,304	3,313,522	2,863,249	2,643,251	2,624,162	2,700,759	2,587,805
Intergovernmental Expenditures	959,487	937,601	913,884	897,254	1,224,065	1,349,565	1,008,409	862,175	644,072	739,507
Capital Outlay	-	598,335	886,346	967,390	429,655	2,951,736	1,310,931	3,261,917	1,689,132	1,003,206
Debt service										
Principal	604,867	842,592	705,051	1,361,592	615,191	508,793	476,254	459,065	516,393	440,808
Interest	129,033	156,799	182,526	203,678	232,688	111,910	115,432	143,205	173,877	177,931
Other charges										
Total expenditures	\$ 24,276,290	\$ 23,155,737	\$ 19,620,122	\$ 20,668,667	\$ 19,377,447	\$ 20,643,286	\$ 17,576,620	\$ 18,512,459	\$ 15,829,723	\$ 14,516,280
Excess of revenues over (under) expenditures	\$ 1,823,593	\$ 1,540,928	\$ 1,254,231	\$ (159,814)	\$ (181,304)	\$ (2,363,951)	\$ 32,918	\$ (1,432,034)	\$ (2,072)	\$ 526,916
<b>Other financing sources (uses)</b>										
Transfers in	\$ 1,635,416	\$ 2,241,215	\$ 284,560	\$ 244,637	\$ 548,973	\$ 691,833	\$ 238,769	\$ 401,117	\$ 126,466	\$ 94,844
Transfers out	(1,635,416)	(880,713)	(597,890)	(847,092)	(548,974)	(689,503)	(238,769)	(401,117)	(126,466)	(94,844)
Debt Issued	23,985	35,226	280,491	362,547	228,461	3,100,000	219,571	-	-	334,835
Total other financing sources (uses)	\$ 23,985	\$ 1,395,728	\$ (32,839)	\$ (239,908)	\$ 228,460	\$ 3,102,330	\$ 219,571	\$ -	\$ -	\$ 334,835
Net change in fund balances	\$ 1,847,578	\$ 2,936,656	\$ 1,221,392	\$ (399,722)	\$ 47,156	\$ 738,379	\$ 252,489	\$ (1,432,034)	\$ (2,072)	\$ 861,751
Debt service as a percentage of noncapital expenditures	3.12%	4.64%	4.97%	8.63%	4.68%	3.64%	3.77%	4.11%	5.13%	4.80%



**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	Road & Bridge	Other Taxes	Alcoholic Beverage		Total Other Taxes	Total Taxes
					Tax	Tax		
1998	5,941,589	1,638,159	931,902	20,844	44,944	\$	2,635,849	\$ 8,577,438
1999	6,105,412	1,497,660	945,622	18,837	56,599	\$	2,518,718	\$ 8,624,130
2000	6,614,522	1,625,424	985,384	15,859	58,405	\$	2,685,072	\$ 9,299,594
2001	6,944,788	1,613,060	975,395	15,795	64,392	\$	2,668,642	\$ 9,613,430
2002	7,454,471	1,740,572	985,635	37,190	61,611	\$	2,825,008	\$ 10,279,479
2003	8,224,770	1,672,772	1,008,185	15,682	51,517	\$	2,748,156	\$ 10,972,926
2004	9,157,938	1,827,236	989,014	13,047	65,646	\$	2,894,943	\$ 12,052,881
2005	9,715,552	1,912,387	990,030	14,586	77,361	\$	2,994,364	\$ 12,709,916
2006	10,035,873	2,068,095	979,757	14,280	70,246	\$	3,132,378	\$ 13,168,251
2007	10,329,957	2,197,937	992,143	14,527	77,238	\$	3,281,845	\$ 13,611,802

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

Fiscal Year Ended Sept. 30	(2)			Less:			Total Taxable Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Real Property Residential Property	Commercial Property	Agricultural & Open Acreage	Total Real	Property Total	Tax Exempt Real Property			
1998	508,052,120	178,131,090	394,658,880	1,078,842,090	188,695,690	288,195,450	\$ 969,342,330	0.595	76.47%
1999	523,774,430	184,052,210	393,934,180	1,101,760,820	199,914,065	300,747,621	\$ 1,000,927,264	0.595	76.90%
2000	598,863,990	207,229,330	395,687,210	1,199,780,530	210,386,255	303,375,399	\$ 1,106,791,396	0.585	78.49%
2001	768,252,449	218,290,069	400,500,942	1,387,043,460	240,256,950	309,260,153	\$ 1,318,040,257	0.585	81.00%
2002	636,633,630	273,022,800	407,010,010	1,316,666,440	248,739,190	321,997,896	\$ 1,243,407,734	0.625	79.43%
2003	661,225,042	290,309,110	406,828,430	1,358,362,582	256,994,233	320,259,643	\$ 1,297,097,172	0.625	80.20%
2004	769,951,690	339,158,780	437,051,243	1,546,161,713	277,525,370	387,077,161	\$ 1,436,609,922	0.625	78.78%
2005	808,758,490	373,016,430	445,172,056	1,626,946,976	300,301,771	385,017,945	\$ 1,542,230,802	0.625	80.02%
2006	899,127,874	403,744,860	528,715,185	1,831,587,919	312,218,170	486,474,963	\$ 1,657,331,126	0.5997	77.31%
2007	998,400,580	450,987,080	633,232,289	2,082,619,949	333,779,460	605,297,500	\$ 1,811,101,909	0.5667	74.95%

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

StateCode	Description	FY 2007	FY 2006	FY 2005	FY 2004	FY 2003	FY 2002
A	Single Family Residence	\$ 867,490,990	\$ 796,102,374	\$ 708,556,610	\$ 681,810,830	\$ 579,524,432	\$ 558,058,450
B	Multi-Family Residence	130,909,590	103,025,500	100,201,880	88,140,860	81,700,610	78,575,180
C	Vacant Lot	75,908,609	62,377,872	54,430,874	49,787,352	40,722,380	41,623,840
D1	Qualified Ag Land	520,332,440	434,563,242	360,152,381	355,334,091	337,552,850	335,624,700
D2	Non Qualified Land	36,991,240	31,774,071	30,588,801	31,929,800	28,553,200	29,761,470
E	Farm or Ranch Improv.	232,571,710	202,032,400	175,777,290	165,386,120	127,283,150	117,902,770
F1	Commercial Real	206,279,660	191,092,190	186,610,420	164,371,180	153,559,890	146,381,410
F2	Industrial Real Property	12,135,710	10,620,270	10,628,720	9,401,480	9,466,070	8,738,620
G1	Oil and Gas	12,782,580	10,703,390	11,358,328	8,101,610	3,357,723	1,938,330
G3	Minerals-Non Producing	284,600	285,800	287,660	288,160	-	31,250
J1	Water Systems	4,000	888,070	1,092,670	4,000	4,000	1,656,880
J2	Gas Distribution System	1,519,980	1,608,910	1,599,500	1,688,120	1,716,260	24,770,860
J3	Electric Company	27,129,750	28,333,040	27,996,390	28,171,050	26,647,850	29,129,800
J4	Telephone Company	22,336,320	23,609,460	21,581,190	25,764,620	28,795,810	-
J5	Pipeline Company	7,426,640	7,425,290	7,477,600	6,328,630	5,552,970	4,709,950
J6	Cable Television Co.	14,369,010	14,027,980	13,863,620	15,635,470	13,979,980	14,249,120
J7	Other type of Utility	2,597,850	2,733,670	2,037,580	2,219,060	2,368,310	2,476,540
J8	Commercial Personal	212,000	7,244,320	8,111,470	7,256,890	7,510,670	5,524,700
L1	Industrial Personal	110,307,460	138,874,990	130,779,670	97,248,190	95,351,750	96,395,770
L2	Commercial Personal	62,152,450	14,354,210	11,371,310	25,711,770	27,671,360	24,508,830
M1	Tangible Other	56,412,470	46,549,260	45,760,820	44,843,120	32,550,350	30,972,550
N	Intangible Property	1,888,050	1,938,770	1,955,173	1,523,450	1,523,450	1,342,180
O	Residential Inventory	4,909,920	4,648,190	5,451,010	3,021,140	2,626,830	1,429,950
S	Special Inventory Tax	9,446,380	9,012,820	9,577,780	9,720,090	9,336,920	9,602,480
	<b>Less:</b>						
	Productivity Loss (Ag and Timber Use)	(476,533,360)	(378,513,271)	(304,221,920)	(291,144,351)	(273,080,460)	(269,975,840)
	Homestead Cap	(44,214,462)	(33,647,571)	(24,776,020)	(50,249,806)	(2,745,301)	(9,279,499)
	Other Exemptions	(69,039,540)	(62,593,378)	(56,020,005)	(45,683,004)	(44,433,882)	(42,742,557)
	<b>Total Exemptions</b>	<b>\$ (589,787,362)</b>	<b>\$ (474,754,220)</b>	<b>\$ (385,017,945)</b>	<b>\$ (387,077,161)</b>	<b>\$ (320,259,643)</b>	<b>\$ (321,997,896)</b>
	<b>Reduction to taxable assessed value for tax ceiling</b>	<b>(15,510,138)</b>	<b>(11,720,743)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Taxable Assessed Value</b>	<b>\$ 1,811,101,909</b>	<b>\$ 1,657,331,126</b>	<b>\$ 1,542,230,802</b>	<b>\$ 1,436,609,922</b>	<b>\$ 1,297,097,172</b>	<b>\$ 1,243,407,734</b>
	<b>Total Direct Tax Rate</b>	<b>\$0.5667</b>	<b>\$0.5997</b>	<b>\$0.6250</b>	<b>\$0.6250</b>	<b>\$0.6250</b>	<b>\$0.6250</b>

(1) Data Source: Walker County Appraisal District (Based on Original Assessment)

(2) Includes Open and Agricultural Acreage

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
County:										
Operating	0.5284	0.5456	0.5709	0.5726	0.5790	0.5400	0.5410	0.5370	0.5362	0.5362
Debt Service	<u>0.0383</u>	<u>0.0541</u>	<u>0.0541</u>	<u>0.0524</u>	<u>0.0460</u>	<u>0.0450</u>	<u>0.0440</u>	<u>0.0480</u>	<u>0.0588</u>	<u>0.0588</u>
Total	0.5667	0.5997	0.6250	0.6250	0.6250	0.5850	0.5850	0.5850	0.5950	0.5950
Huntsville ISD										
Operating	1.3567	1.4850	1.4850	1.4700	1.4700	1.4700	1.3700	1.3000	1.1900	1.1900
Debt Service	<u>0.1700</u>	<u>0.1750</u>	<u>0.1750</u>	<u>0.1900</u>	<u>0.1900</u>	<u>0.1900</u>	<u>0.3200</u>	<u>0.3900</u>	<u>0.2500</u>	<u>0.2500</u>
Total	1.5267	1.6600	1.6600	1.6600	1.6600	1.6600	1.6900	1.6900	1.4400	1.4400
Richards ISD										
Operating	1.3700	1.5000	1.5000	1.5000	1.4629	1.4600	1.4000	1.2200	1.3800	1.3500
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	1.3700	1.5000	1.5000	1.5000	1.4629	1.4600	1.4000	1.2200	1.3800	1.3500
New Waverly ISD										
Operating	1.2414	1.4000	1.3500	1.3500	1.3500	1.4000	1.3400	1.2640	1.3065	1.2255
Debt Service	<u>0.2008</u>	<u>0.2008</u>	<u>0.2310</u>	<u>0.2368</u>	<u>0.4500</u>	<u>0.1073</u>	<u>0.1300</u>	<u>0.1010</u>	<u>0.0900</u>	<u>0.0000</u>
Total	1.4422	1.6008	1.5810	1.5868	1.8000	1.5073	1.4700	1.3650	1.3965	1.2255
City of Huntsville										
Operating	0.2381	0.2391	0.2447	0.2322	0.2840	0.2779	0.3076	0.2761	0.3272	0.2831
Debt Service	<u>0.1811</u>	<u>0.1928</u>	<u>0.1928</u>	<u>0.1928</u>	<u>0.1660</u>	<u>0.1547</u>	<u>0.1249</u>	<u>0.1364</u>	<u>0.1028</u>	<u>0.1013</u>
Total	0.4192	0.4319	0.4375	0.4250	0.4500	0.4325	0.4325	0.4125	0.4300	0.3844
City of New Waverly										
Operating	0.2300	0.2409	0.2371	0.2442	0.2500	0.2475	0.2438	0.0786	0.0970	0.1550
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>0.2274</u>	<u>0.2195</u>	<u>0.1639</u>
Total	0.2300	0.2409	0.2371	0.2442	0.2500	0.2475	0.2438	0.3060	0.3165	0.3190
City of Riverside										
Operating	0.0617	0.0584	0.0580	0.0569	0.0600	0.0318	0.0830	0.0901	0.1000	0.0903
Debt Service	<u>0.1983</u>	<u>0.2245</u>	<u>0.2460</u>	<u>0.2585</u>	<u>0.2902</u>	<u>0.3055</u>	<u>0.2094</u>	<u>0.1878</u>	<u>0.2060</u>	<u>0.2190</u>
Total	0.2600	0.2829	0.3040	0.3154	0.3502	0.3372	0.2925	0.2779	0.3060	0.3093
Hospital District										
Operating	0.1720	0.1825	0.1922	0.1850	0.1600	0.1500	0.1445	0.1355	0.1500	0.1550
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	0.1720	0.1825	0.1922	0.1850	0.1600	0.1500	0.1445	0.1355	0.1500	0.1550
Fire District #1										
Operating	0.0600	0.0300	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	0.0600	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Fire District #2										
Operating	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0298	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	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0298	0.0300
<b>Totals</b>										
Operating Total	5.2883	5.7115	5.6979	5.6709	5.6759	5.6372	5.4900	4.9613	5.1467	5.0452
Debt Service Total	<u>0.7885</u>	<u>0.8472</u>	<u>0.8989</u>	<u>0.9305</u>	<u>1.1422</u>	<u>0.8024</u>	<u>0.8283</u>	<u>1.0906</u>	<u>0.9272</u>	<u>0.7931</u>
Total	6.0768	6.5587	6.5968	6.6014	6.8181	6.4396	6.3183	6.0519	6.0739	5.8383

**WALKER COUNTY, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS  
SEPTEMBER 30, 2007**

	2006			1997		
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	
Entergy Gulf States, Inc.	\$21,687,020	1.31%	Southwestern Bell Telephone	\$52,206,720	2.00%	
Southwestern Bell Telephone	\$18,679,380	1.13%	Louisiana Pacific Corporation	\$27,460,970	1.00%	
Wal-Mart Stores Texas LP #01-0285	\$16,054,400	0.97%	Rll Timberlands 3 LLC	\$46,812,240	1.80%	
Weatherford Completion & Oilfield Services	\$14,833,094	0.89%	GSU - Entergy Services, Inc	\$34,729,080	1.30%	
Universal Forest Products	\$14,228,408	0.86%	Wal-Mart Properties #01-0285	\$14,751,960	0.60%	
Samuel C. Dominey	\$13,110,560	0.79%	Champion International Corp	\$17,985,400	0.70%	
Huntsville Place LP	\$13,031,050	0.79%	Entergy Ventures, Inc	\$7,901,700	0.30%	
Arbors of Huntsville	\$10,032,160	0.61%	Gibbs Brothers & Co	\$18,867,350	0.70%	
Rll Timberland Partners 3 LP	\$9,685,960	0.58%	West Hill Mall	\$5,063,890	0.20%	
Union Pacific RR Co	\$9,385,690	0.57%	Samuel C. Dominey	\$10,070,220	0.40%	

Source: Walker County Appraisal District

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

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 5,761,087	\$5,556,078	96.4%	\$ 229,049	\$ 5,785,127	100.4%
1999	\$ 5,979,157	\$5,775,646	96.6%	\$ 198,446	\$ 5,974,092	99.9%
2000	\$ 6,464,974	\$6,253,529	96.7%	\$ 200,938	\$ 6,454,467	99.8%
2001	\$ 6,742,933	\$6,578,863	97.6%	\$ 202,156	\$ 6,781,019	100.6%
2002	\$ 7,268,763	\$7,057,099	97.1%	\$ 232,873	\$ 7,289,972	100.3%
2003	\$ 8,124,690	\$7,860,970	96.8%	\$ 223,480	\$ 8,084,450	99.5%
2004	\$ 9,053,413	\$8,707,905	96.2%	\$ 262,885	\$ 8,970,790	99.1%
2005	\$ 9,625,384	\$9,225,511	95.9%	\$ 312,783	\$ 9,538,294	99.1%
2006	\$ 9,946,236	\$9,552,183	96.0%	\$ 273,104	\$ 9,825,287	98.8%
2007	\$ 10,263,514	\$9,870,789	96.2%	\$ 266,400	\$ 10,137,189	98.8%

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

Fiscal Year	General Obligations Bonds	Capital Leases	Total	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
1998	\$ 3,436,532	\$ -	\$ 3,436,532	\$ 391,862	\$ 3,044,670	0.31%	\$ 51.51
1999	\$ 2,920,139	\$ -	\$ 2,920,139	\$ 445,222	\$ 2,474,917	0.25%	\$ 41.49
2000	\$ 2,461,073	\$ -	\$ 2,461,073	\$ 540,398	\$ 1,920,675	0.17%	\$ 31.10
2001	\$ 2,204,390	\$ -	\$ 2,204,390	\$ 535,545	\$ 1,668,845	0.13%	\$ 26.76
2002	\$ 4,795,597	\$ -	\$ 4,795,597	\$ 609,402	\$ 4,186,195	0.34%	\$ 66.78
2003	\$ 4,301,586	\$ 107,281	\$ 4,408,867	\$ 406,199	\$ 4,002,668	0.31%	\$ 62.66
2004	\$ 4,077,506	\$ 82,317	\$ 4,159,823	\$ 392,702	\$ 3,767,121	0.26%	\$ 59.89
2005	\$ 3,679,107	\$ 56,154	\$ 3,735,261	\$ 386,683	\$ 3,348,578	0.22%	\$ 53.20
2006	\$ 2,899,161	\$ 28,736	\$ 2,927,897	\$ 367,383	\$ 2,560,514	0.15%	\$ 39.71
2007	\$ 2,347,016	\$ -	\$ 2,347,016	\$ 407,840	\$ 1,939,176	0.11%	\$ 30.18

**WALKER COUNTY**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2007**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Huntsville I.S.D.	\$ 42,812,453	100%	\$ 42,812,453
New Waverly I.S.D.	\$ 9,234,425	100%	\$ 9,234,425
City of Huntsville	\$ 18,271,916	100%	\$ 18,271,916
City of New Waverly	\$ 95,000	100%	\$ 95,000
City of Riverside	\$ 310,000	100%	\$ 310,000
Subtotal Overlapping Debt	\$ 70,723,794		\$ 70,723,794
Walker County direct debt			\$ 2,347,016
Total direct and overlapping debt			\$ 73,070,810

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 business 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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$ 126,753,778	\$ 130,167,489	\$ 141,016,679	\$ 162,730,041	\$ 156,540,563	\$ 161,735,682	\$ 182,368,708	\$ 192,724,875	\$ 214,380,609	\$ 241,639,941
Total net debt applicable to limit	3,044,670	2,474,917	1,920,675	1,668,845	4,186,195	4,002,668	3,767,121	3,348,578	2,560,514	1,939,176
Legal debt margin	\$ 123,709,108	\$ 127,692,572	\$ 139,096,004	\$ 161,061,196	\$ 152,354,368	\$ 157,733,014	\$ 178,601,587	\$ 189,376,297	\$ 211,820,095	\$ 239,700,765
Total net debt applicable to the limit as a percentage of debt limit	2.40%	1.90%	1.36%	1.03%	2.67%	2.47%	2.07%	1.74%	1.19%	0.80%

**Legal Debt Margin Calculation for Fiscal Year 2007**

Assessed value	\$ 1,811,101,909
Add back: exempt real property	605,297,500
Total assessed value	\$ 2,416,399,409
Debt limit (10% of total assessed value)	\$ 241,639,941
Debt applicable to limit:	
General obligation debt	\$ 2,347,016
Less: Amount set aside for repayment of general obligation debt	407,840
Total net debt applicable to limit	1,939,176
Legal debt margin	\$ 2,414,460,233



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

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(2) Income (amounts expressed in thousands)</u>	<u>(2) Per Capita Personal Income</u>	<u>(3) Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
1998	59,110	\$ 928,558	\$ 15,386	n/a	7,717	2.3%
1999	59,650	\$ 958,709	\$ 15,595	n/a	7,495	2.3%
2000	61,758	\$ 1,047,710	\$ 16,982	31	7,466	2.0%
2001	62,365	\$ 1,056,829	\$ 17,069	n/a	7,516	2.3%
2002	62,690	\$ 1,084,658	\$ 17,692	n/a	7,644	2.8%
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	n/a	n/a	n/a	7,116	4.9%
2007	64,245	n/a	n/a	n/a	7,014	5.0%

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

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

	2007			1998		
	<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	6271	1	25.52%			
Sam Houston State University	3099	2	12.61%			
Huntsville Independent School District	900	3	3.66%			
Wal-mart	488	4	1.99%			
Huntsville Memorial Hospital	400	5	1.63%			
Region VI Education Service Center	389	6	1.58%			
Walker County	365	7	1.49%			
City of Huntsville	327	8	1.33%			
Weatherford Completion Center	210	9	0.85%			
Gulf Coast Trade Center	200	10	0.81%			
						information not available

Note. Total employees in Walker County in September 2007 was 24,699.

**WALKER COUNTY, TEXAS**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**

Function	Full-time Equivalent Employees as of September 30				
	2007	2006	2005	2004	2003
Operating					
General Administration					
Elected	1	1	1	1	1
Employees	13.5	12	12.5	11.5	11.5
Judicial					
Elected	9	9	9	9	9
Employees	40	40	39	39	39
Financial Administration					
Elected	3	3	3	3	3
Appointed	2	2	2	2	2
Employees	28	27.5	24.5	25.5	23.5
Public Safety					
Elected	5	5	5	5	5
Employees-Certified	35.5	34.5	-	-	-
Employees-Non-Certified	34.5	32	-	-	-
Employee-Certified/Noncertified			65	63	63
Employees - EMS	32	30.5	25	25	0
Health and Welfare					
Employees	10	9	6	6	6
Road and Bridge					
Elected	4	4	4	4	4
Employees	31	30.5	30.5	30.5	30.5
Legislatively Designated					
Judicial	1.5	1.5	1.5	1.5	1.5
Public Safety	1	1	1	1	1
Financial Administration	2	1.5	1.5	1.5	1.5
Grants/State Funding					
Public Safety					
Juvenile Probation	6	6	6	6	6
Adult Probation	27	27	27	27	27
SPU Criminal/Civil	29	29	29	29	29
<b>Total</b>	<b>315</b>	<b>306</b>	<b>292.5</b>	<b>290.5</b>	<b>263.5</b>

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

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

<b>Function</b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Sheriff Office/Constables		
Papers Served	2,236	2,363
Jail		
Bookings at Jail	4,227	4,871
Average Daily Jail Population	145	152
Highest Daily Jail Population	177	199
Health and Welfare		
Permits Issued	269	292
Judicial/Courts		
Number of indigent cases	1,064	892
Number of cases heard-District Courts-Criminal	2,250	1,963
Number of cases heard-District Courts-Civil	475	446
Cases filed District Courts-Civil	343	323
Cases disposed -County Court at Law	2,315	2,246
Cases filed in Court at Law-Criminal	2,353	2,085
Cases filed County Court at Law-Civil	654	488
Cases filed in JP Courts-Traffic/Non Traffic Misdemeanors	14,933	15,499
Cases filed in JP Courts - Civil	405	366
Cases Disposed of - JP Courts	14,387	13,504
CountyClerk		
Documents recorded	10,430	10,705
Adult Probation		
Offenders Supervised	2,749	2,829
Juvenile Probation		
Juveniles Supervised	95	91

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>2007</u></b>	<b><u>2006</u></b>
Public Safety		
Sheriff Office		
Stations	1	1
Patrol Units	33	29
Jail	1	1
Number of beds	162	162
Road & Bridge		
Miles of roads	530	530
Courts		
District Courts	2	2
County Court at Law	1	1
JP Courts	4	4

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