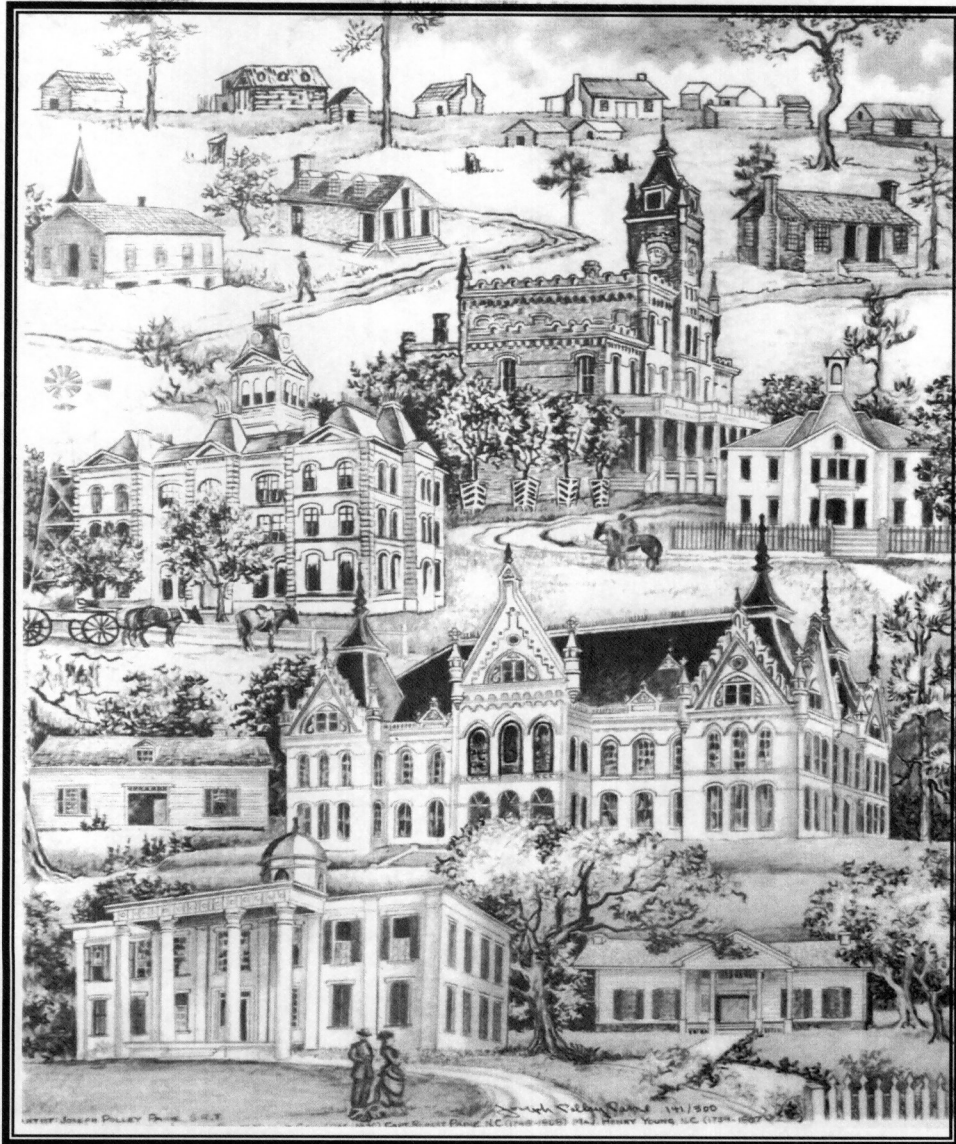


# Walker County, Texas



*Comprehensive Annual Financial Report  
For the Year Ended September 30, 2014*

**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, 2014**

Prepared by:  
County Auditor Department

# WALKER COUNTY, TEXAS

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WALKER COUNTY AUDITOR

1301 Sam Houston Avenue Room 206

Huntsville, Texas 77320

(936) 436-4948

March 24, 2015

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, 2014, 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 Hereford, Lynch, Sellars & Kirkham, P.C. out of their Conroe office. The goal of the independent audit was to provide reasonable assurance that the financial statements of Walker County for the year ended September 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that Walker County's financial statements for the fiscal year ended September 30, 2014 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Walker County was part of a broader, federally and/or state mandated "Single Audit" designed to meet the special needs of federal and/or state grantor agencies. The standards governing Single Audits engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal control and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and/or state awards. The Single Audit report is in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations and the Texas Uniform Grant Management Standards*. Information related to this single audit, including a Schedule of Expenditures of Federal and/or State Awards, the independent auditors' reports on internal controls and compliance with applicable laws and regulations, and a Schedule of Findings are included in this report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Walker County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

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

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

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

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

## **Local Economic Condition and Outlook**

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

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

Walker County's estimated population is 68,817. 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 2014 was 5.1%, compared with the state unemployment rate of 5.0% and national unemployment rate of 5.7%. This county rate compares to 6.6%, 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 14,086 inmates. Sam Houston State



University, also located in Walker County, reported an enrollment of approximately 19,719 students for the fall of 2014 as compared to 19,214 for 2013.

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

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

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

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

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

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

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

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

**Financial Polices and impact on current period financial statements.** The County has the policy of funding all on-going costs with revenues generated in the current year. During the budget process each year fund balances are reviewed and generally one-time and capital costs are funded from available funds (fund balance). Contingency is also historically funded from available funds. The budgeted collections rate in the budget for current property taxes in past years has been budgeted in the 94% - 96% range. Collections have historically been in the 95% - 97% range. For the past several years, collections have been budgeted at 94% due to the volatile economy; however collections have remained stable. In the fiscal year beginning October 1, 2013, as in previous years, one-time costs were funded with funds available in fund balance. There was a tax increase in 2012 and 2013. There was no tax increase in 2014. The total budget for FY 14/15, that began October 1, 2014 is \$32,927,065 compared to the original budget of \$30,494,793 for the FY 13/14 year covered by this report, an increase of \$2,432,272.

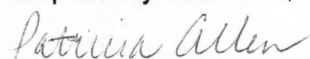
### **Awards and Acknowledgements**

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, 2013. This was the eighteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Patricia Allen, CPA, CGFM  
County Auditor



Government Finance Officers Association

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

Presented to

**Walker County  
Texas**

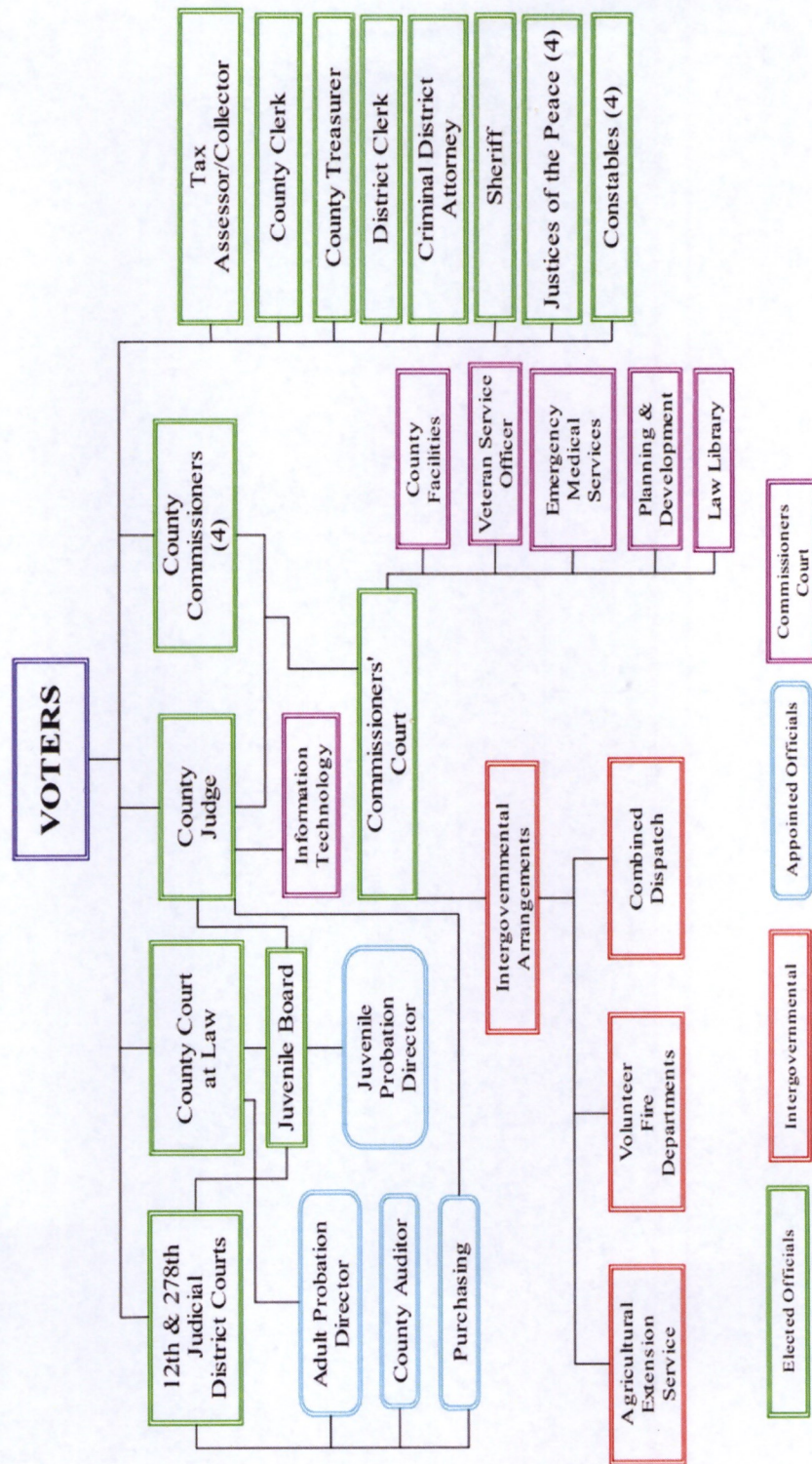
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO



# Walker County, Texas Organization



**WALKER COUNTY, TEXAS**  
*LIST OF PRINCIPAL OFFICIALS*  
*SEPTEMBER 30, 2014*

Elected Officials

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

Appointed Officials

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



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# HLSK

*Hereford, Lynch, Sellars & Kirkham*

Certified Public Accountants • A Professional Corporation

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Cleveland  
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Cleveland, Texas 77327  
Tel 281-592-6443  
Fax 281-592-7706

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Walker County (County), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Walker County, as of September 30, 2014, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walker County's basic financial statements. The introductory section, combining statements budget comparison schedules, and capital assets schedules, as supplementary information, statistical section, and compliance section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of state awards is presented for purposes of additional analysis as required by Texas Uniform Grant Management Standards and is also not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2015, on our consideration of Walker County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Walker County's internal control over financial reporting and compliance.

Respectfully,

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

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

**Conroe, Texas**  
**March 24, 2015**

## Management Discussion and Analysis

The following discussion and analysis of Walker County's financial performance provides an overview of the County's financial activities for the year ended September 30, 2014. Please read this discussion and analysis in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section. Walker County has prepared this financial report in compliance with the Governmental Accounting Standards Board (GASB) Statement No. 34 and GASB 54 and amendments thereafter.

### Financial Highlights

- On a government-wide basis, the assets of Walker County exceeded its liabilities at the close of its most recent fiscal year by \$16,575,920 (net position). Of this amount \$5,487,590 may be used to meet the ongoing obligations to citizens and creditors. The balance is invested in capital assets and restricted for debt.
- On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$20,059,677. General revenues of \$20,309,358 (Exhibit A-2) were \$249,681 more than expenses net of program revenue. An accrual of \$1,518,451 for postemployment benefits is included in the expenses. This is the fifth year the County has recorded this liability resulting in a total of \$6,795,020 recorded as the net OPEB obligation at the end of the fiscal year.
- The General Fund, on a current financial resource basis (fund level), reported revenues over expenditures and other financing sources (uses) of \$1,657,278 as compared to a planned reduction of \$2,094,448 (Exhibits A-5 and B-1), the result primarily of decreased spending.
- As of September 30, 2014, unassigned fund balance in the General Fund was \$5,006,369. The total unassigned Fund Balance for the prior year was \$3,887,335.
- Unassigned Fund balance as a percentage of expenditures for the General Fund is 30%, an amount that exceeds the minimum requirement goal (16.67%) set by Commissioners' Court. The adopted budget for FY 2015 included use of fund balance for one-time expenditures. The amount included in the FY 2015 budget is classified as Fund Balance Assigned - One time allocation in the financial report and is not included in the Unassigned Fund Balance number mentioned above. See Note B and Note L for a discussion of the Fund Balance classifications.

### Overview of the Financial Statements

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

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

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

**Government-wide Financial Statements.** The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net position and the statement of activities, which are the government-wide statements, report information about the County as a whole and about its activities in a way that helps answer whether the County is in a better or worse financial position as a result of the current year's activity. The statement of net position presents information on all of the assets and liabilities of Walker County, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of

whether the financial condition of Walker County is improving or deteriorating. Other non-financial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered to assess the overall health of the County. These statements include all assets and liabilities on the accrual basis of accounting.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (cash is received or paid). Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave.) Again, this reflects the accrual method of accounting, rather than the modified accrual basis that is used in the fund level financial statements.

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

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Walker County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Traditional users of government financial statements will find the fund financial statement presentation more familiar. The fund financial statements provide more detailed information about the County's most significant funds, rather than the County as a whole. Funds of the County are divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statement. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements. Walker County's basic services are included in the governmental funds. The governmental funds financial statements provide a detailed short-term view that helps readers of the financial statements determine the availability of financial resources to fund the County's major programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Walker County's report includes thirty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, Jail Project capital project fund, grants and contracts fund, road and bridge fund, and the EMS fund which are considered to be major funds. Data from twenty-five other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements beginning on page 70.

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 24.



**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 proprietary funds.

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

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

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 to 49 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Walker County. The County adopts an annual budget for its General Fund and special revenue funds including its Road and Bridge Fund. Required supplementary information begins on page 51 of this report. Budgetary comparison schedules have been prepared to demonstrate compliance with the budget for the General Fund (Exhibit B-1), the Grants and Contracts Fund (Exhibit B-2), Road and Bridge Fund (Exhibit B-3), and EMS Fund (Exhibit B-4). The County also presents a schedule of funding progress for its pension plan and its OPEB plan as required (page 65). Information for the Non-Major Governmental Funds begins on page 70.

## Government-wide Financial Analysis

Below is condensed financial information for the fiscal year 2014 with comparative data for 2013. The following schedule focuses on the net position of the County as a whole and gives data as of September 30<sup>th</sup> (the County's fiscal year end date) of each year.

### WALKER COUNTY, TEXAS NET POSITION

	Governmental Activities					
	2014		2013		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Cash, Cash Equivalents, & Investments	\$ 12,569,758	28	\$ 16,512,382	36	\$ (3,942,624)	(24)
Receivables, Prepaids, & Deferred Charges	4,006,317	9	4,230,948	9	(224,631)	(5)
Capital Assets, Net of Depreciation	28,655,524	63	25,150,832	55	3,504,692	14
<b>Total Assets</b>	<b>45,231,599</b>	<b>100</b>	<b>45,894,162</b>	<b>100</b>	<b>(662,563)</b>	
Other Liabilities	4,049,283	14	5,658,490	19	(1,609,207)	(28)
Long-term Liabilities Outstanding	24,606,396	86	23,909,433	81	696,963	3
<b>Total Liabilities</b>	<b>28,655,679</b>	<b>100</b>	<b>29,567,923</b>	<b>100</b>	<b>(912,244)</b>	
Invested in Capital Assets, net of Debt	11,004,750	66	12,086,797	74	(1,082,047)	(9)
Restricted	83,580	1	116,489	1	(32,909)	(28)
Unrestricted	5,487,590	33	4,122,953	25	1,364,637	33
<b>Total Net Position</b>	<b>\$ 16,575,920</b>	<b>100</b>	<b>\$ 16,326,239</b>	<b>100</b>	<b>\$ 249,681</b>	

As mentioned earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by \$16,575,920 at September 30, 2014 as compared to \$16,326,239 at September 30, 2013. Of the County's net position at the fiscal year end, 66% is investment in capital assets (land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. Walker County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although investments in capital assets is reported net of debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the assets at fiscal year end may represent resources that are subject to restrictions on how they may be used. Restricted net position of the County was \$83,580 for debt service. Unrestricted assets of \$5,487,590 (33% of total net position) may be used to meet the government's ongoing obligations to citizens and creditors.

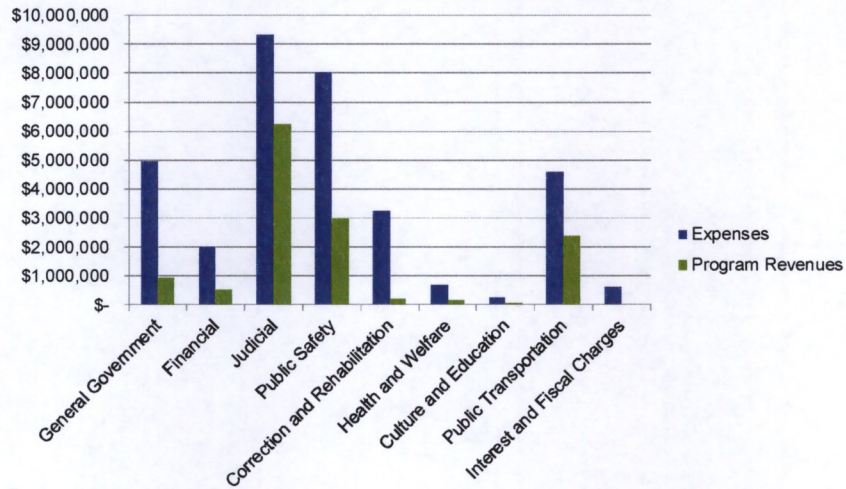
**Government-wide Activities.** Net position of Walker County on a government-wide view increased by \$249,681 for the current year. Included in the number is \$1,518,451 for postemployment benefits. Key elements of increase are as follows.

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

	Governmental Activities					
	2014		2013		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 7,368,405	22	\$ 7,078,261	22	\$ 290,144	4
Operating Grants and Contributions	6,284,264	18	6,363,325	20	(79,061)	(1)
Capital Grants and Contributions	40,301	-	-	-	40,301	-
General Revenues:						
Property Taxes	16,804,691	49	15,100,734	48	1,703,957	11
Other Taxes	3,248,319	10	3,134,572	10	113,747	4
Investment Earnings	17,952	-	35,570	-	(17,618)	(50)
Miscellaneous	238,396	1	-	-	238,396	-
<b>Total Revenues</b>	<b>34,002,328</b>	<b>100</b>	<b>31,712,462</b>	<b>100</b>	<b>2,289,866</b>	
<b>Expenses:</b>						
General Government	4,981,792	15	6,320,712	19	(1,338,920)	(21)
Financial	2,010,372	6	1,057,993	3	952,379	90
Judicial	9,308,556	27	8,780,081	27	528,475	6
Public Safety	8,034,882	24	7,749,329	24	285,553	4
Correction and Rehabilitation	3,240,101	10	2,397,990	7	842,111	35
Health and Welfare	687,926	2	620,634	2	67,292	11
Culture and Education	246,614	1	279,181	1	(32,567)	(12)
Public Transportation	4,604,784	14	4,921,612	15	(316,828)	(6)
Interest and Fiscal Charges	637,620	1	672,971	2	(35,351)	(5)
<b>Total Expenses</b>	<b>33,752,647</b>	<b>100</b>	<b>32,800,503</b>	<b>100</b>	<b>952,144</b>	
Change in Net Position	249,681		(1,088,041)		1,337,722	
Net Position - Beginning	16,326,239		17,709,415		(1,383,176)	
Prior Period Adjustment - Implement GASB 65 for Bond Issuance Costs	-		(295,135)		295,135	
Net Position - Beginning, as restated	16,326,239		17,414,280		(1,088,041)	
<b>Net Position - Ending</b>	<b>\$ 16,575,920</b>		<b>\$ 16,326,239</b>		<b>\$ 249,681</b>	

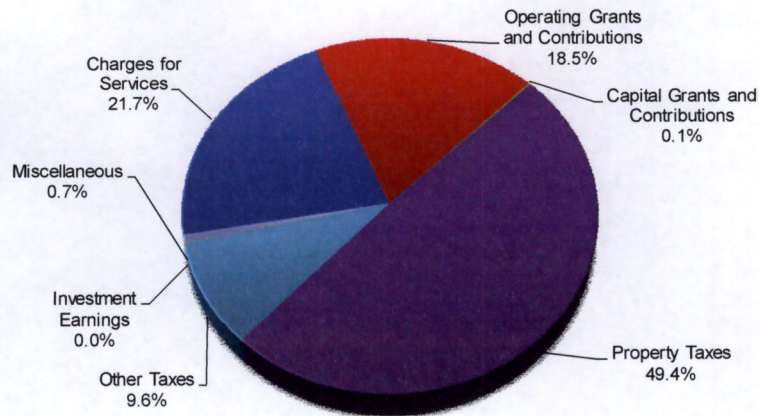
Net position increased by \$249,681. The following graphic presentation depicts expenses and program revenues for fiscal year 2014 for governmental activities (government-wide).

**Walker County, Texas  
Expenses and Program Revenues  
Government-wide Governmental Activities  
For the Year Ending September 30, 2014**



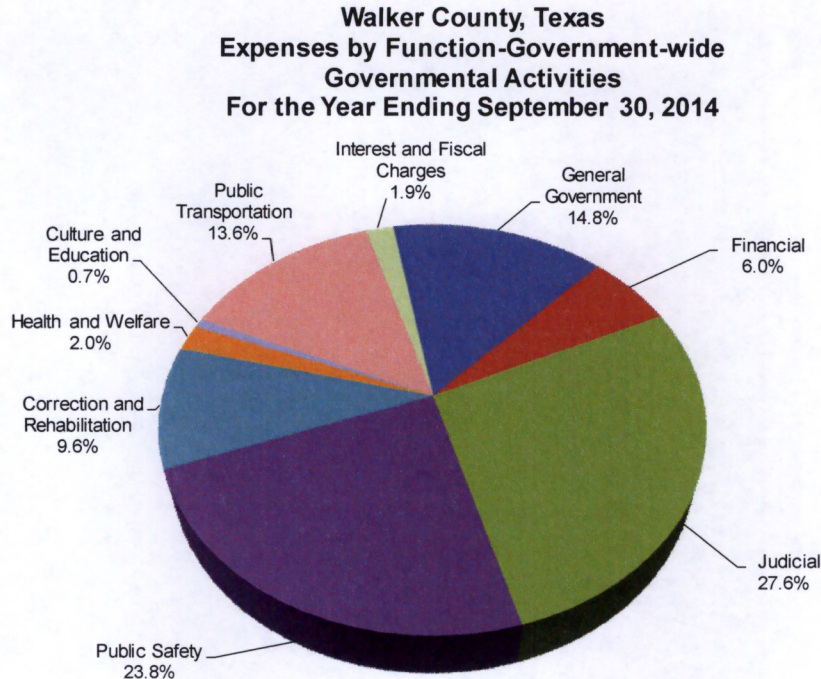
The following graphic presents revenues by source for fiscal year 2014 for governmental activities (government-wide).

**Walker County, Texas  
Revenues by Source-Government-wide  
Governmental Activities  
For the Year Ending September 30, 2014**





The following graphic presentation presents expenditures by function for fiscal year 2014 for governmental activities (government-wide).



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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, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

The County's governmental funds reflect a combined ending fund balance of \$12,396,665 (Exhibit A-3) compared to \$14,900,378 in the prior year. There was a \$20,000,000 debt issue during the fiscal year 2012 for construction of a jail. The jail was completed during the fiscal year ending September 30, 2014. During the fiscal year ended, September 30, 2014, approximately \$5,395,626 was spent on the construction of the jail, resulting in the decrease in the combined governmental fund balance.

As required by GASB Statement 54, funds balances are classified as restricted, committed, assigned or unassigned. Unassigned fund balance as of September 30, 2014 is \$5,006,369 compared to \$3,887,335 in the fiscal year ending September 30, 2013. This amount is available for day-to-day operations of the County. The General Fund showed an increase of \$1,657,278. Debt Service Fund showed an increase of \$34,451. Road and Bridge Fund showed an increase of \$383,133. EMS fund shows an increase of \$578,670.

One measure of liquidity is to compare fund balance to total fund expenditures. The unassigned fund balance in the General Fund is approximately 30% of General Fund expenditures. Property tax collections exceeded budget. There was a two cent (\$.02) tax increase over the effective tax rate for the year ending September 30, 2014. The tax increase was primarily for operations of the new jail. Seven jailers were added as well as increased insurance costs for the building. Because the jail was opened during the fiscal year, there was not a full year of operating costs budgeted. Sales tax revenue came in at \$562,639 over budget due to increased economic activity and partially as a result of changes in prices. Increased sales and upward price changes result in increased sales tax. The Fiscal year 2015 (current budget year) continues to see increases in sales tax collections over what was collected in FY 2014. In total in the General Fund, revenues exceeded budget by

\$1,595,264. Monies included in the General Fund for projects that were not spent during the fiscal year total \$836,375. These project monies are carried forward to the next budget year (FY 2015) for these projects. Vacancies and unfilled positions also resulted in expenditures less than budgeted.

There was not a significant increase in Fund Balance in the Debt Service Fund. The increase is 34,531.

The Capital Project – Jail Construction Fund shows a fund balance of \$975,602 at year end, a decrease of \$5,393,227. These funds were used for the construction of the jail. The jail was completed and occupied in May 2014. Fund balance remaining at fiscal year end is \$975,602. These monies carried forward to the 2015 fiscal year. Currently the county is installing a voice/video system for communication from the jail to the Courts.

Walker County continues to apply for and receive various grants. At year end accruals and deferred revenues are booked as appropriate. The \$30,870 reduction in fund balance is the result of county grant match funds that were on hand at the beginning of the year being spent during the fiscal year ended September 30, 2014.

The fund balance of the Road and Bridge Fund, a fund used to account for the costs of providing road maintenance to the County, is \$1,391,850 up from \$1,008,717 in the prior fiscal year end. Road and Bridge Fund expenditures total \$4,606,788 compared to \$4,679,062 in FY 2013. The unspent funds continue to be committed for road maintenance in future years. Revenues and other financing sources total \$4,989,921 netting a \$383,133 increase in fund balance. Funds received from the U.S. Forest Service increased over budget by \$150,232. Revenues received from fines increased, as a result of increased activity from the weigh station located on Interstate 45. Vacancies resulted in approximately \$217,000 of fund balance.

The Walker County EMS fund has a fund balance of \$1,125,825 at year end, an increase of \$578,670. EMS revenues exceeded budget by \$301,760, a result of increased collections for service calls and expenditures were \$139,807 less than budget, primarily in the salaries and benefits category.

#### **General Fund Budgetary Highlights**

This is the fourth year of reporting under the requirements of GASB 54. Funds previously budgeted in Other Governmental Funds and the Projects Fund are now reported in the General Fund. The Projects budget items are adopted by Commissioners' Court as a multi-year budget and the project budget items do not lapse at fiscal year end. The remaining funds from projects approved in prior years that have not completed are reflected as amendments to the original budget for the current year. The portion of fund balance that was committed for projects increased from \$862,695 in the prior fiscal year to \$1,054,938 at the end of the fiscal year ended September 30, 2014.

The Original Budget budgeted decrease was a planned reduction of fund balance for one-time capital expenditures, budgeted projects, contingency line items and a transfer to the Road and Bridge Fund for special projects. It is the policy of the County to maintain the fund balance at 16% to 24% (2 to 3 months) of the operating budget. County policy requires that the fund balance not be drawn down to fund on-going operating costs. The actual difference between revenues and expenditures was an increase to fund balance in the amount of \$1,657,728.

Differences between the original expenditure budget and final amended expenditure budget are a result primarily of grants and state funds received after adoption of the budget. A budgetary comparison for the General Fund can be found in the required supplementary information section beginning on page 51. Increases to the revenue budget total \$131,865. The increase includes intergovernmental transfers primarily from the state in the amount of \$123,168 and \$8,697 and miscellaneous funds. Intergovernmental funds in the amount of \$44,000 were received for elections held for other governmental jurisdictions with the balance being received from the state. The total expenditure budget increased by offsetting amounts. Transfers from the contingency funds are reflected in the appropriate accounts as the transfers are approved by Commissioners Court.

Actual General Fund revenues exceeded the amended budgeted General Fund revenues and departmental expenditures were less than the amended budget during the year ended September 30, 2014. Of the total projects budgeted through September 30, 2014, there are remaining funds of \$1,054,938 for expenditures in future years.



## Capital Assets and Debt Administration

**Capital Assets.** Walker County's investment in capital assets on a government-wide basis as of September 30, 2014 is \$28,655,524 (net of accumulated depreciation). Included in this total is \$680,552 in land. Investment in capital assets includes land, buildings, improvements, machinery and equipment, and bridges. As required by GASB Statement 34, depreciation is included for all depreciable assets on the government-wide statements.

### WALKER COUNTY, TEXAS' CAPITAL ASSETS (net of depreciation)

	Governmental Activities					
	2014		2013		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land	\$ 680,552	2	\$ 680,552	3	\$ -	-
Construction in Progress	-	-	13,669,169	54	(13,669,169)	(100)
Vehicles	1,096,945	4	1,260,752	5	(163,807)	(13)
Office Furniture and Fixtures	518,234	2	611,047	2	(92,813)	(15)
Machinery and Equipment	1,705,974	6	955,844	4	750,130	78
Buildings, Facilities, and Equipment	24,653,819	86	7,973,468	32	16,680,351	209
<b>Totals</b>	<b>\$ 28,655,524</b>	<b>100</b>	<b>\$ 25,150,832</b>	<b>100</b>	<b>\$ 3,504,692</b>	

Additional information on the County's capital assets can be found in Note H and in the supplementary information on Exhibits 32-34 of this report.

**Long-term Debt.** In June of 2012, a certificate of obligation in the amount of \$20,000,000 was issued for the construction of a county jail. At the time of that debt issue, the County was debt free. The debt issued for the jail construction is to be paid off over a 20 year period. County policy requires that the term of payment must in all cases be less than the expected life of the asset. Debt outstanding at September 30, 2014 is \$18,515,000.

All debt is backed by the full faith and credit of the government, meaning that the County has pledged to levy a property tax sufficient to pay the debt. A tax increase was levied as part of the FY 2013-2014 budget year to pay the debt. The annual principal and interest payments are generally in the \$1,380,000 range.

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

	Governmental Activities					
	2014		2013		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Certificates of Obligation:						
CO Series 2012	\$ 18,515,000	100	\$ 19,315,000	100	\$ (800,000)	(4)
<b>Totals</b>	<b>\$ 18,515,000</b>	<b>100</b>	<b>\$ 19,315,000</b>	<b>100</b>	<b>\$ (800,000)</b>	

For the fiscal year ended September 30, 2014, payments on certificates of obligation debt totaled \$800,000.

Additional information on debt can be found in Note I to the financial statements. In addition to debt for certificates of obligation the County has recorded debt for compensated absences of \$960,208 and a long-term obligation for post-employment benefits of \$6,795,020. The obligation for post-employment benefits is discussed in Note M of this report.

## **Economic Factors, Budget and Rate information for FY beginning October 1, 2014**

- The unemployment rate in the County for 2014 was 5.1%, as compared to the state unemployment rate of 5.0% and national unemployment rate of 5.7%. This rate compares to 6.6% 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 14,086 inmates.
- The new improvement/construction value added to the tax roll for FY 2014 (tax year 2013) totaled \$53,541,869 as compared to \$54,133,334 for the prior year. \$50,000,000+ had been consistent for the last ten years. For FY 2014 (tax year 2013), taxable new growth totaled \$43,744,027.
- Commissioners' Court approved a \$32,927,065 expenditure budget for FY 2015, an increase from the \$30,494,793 budget for the 2014 fiscal year.
- The tax rate adopted for the FY 2015 budget is \$0.6589 per \$100 of valuation, down from the \$0.6778 for FY 2014. The rate adopted was the effective tax rate and was lower than the prior year as a result of growth in the tax base.
- Walker County revenues for FY 2015 at the date of this report generally continue to be in line with expectations. Total sales tax receipts are up about 9% to date in FY 2015 as compared to this time in FY 2014. Charges for service revenues as a total are in line with the budget. Ad valorem tax collections are at the approximate same percentage of levy through February. Walker County continues to closely monitor its revenues and expenditures.

## **Request for Information**

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

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## **BASIC FINANCIAL STATEMENTS**

**WALKER COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

**EXHIBIT A-1**

	Governmental Activities
<b>ASSETS:</b>	
<i>Cash and Cash Equivalents</i>	\$ 12,569,758
<i>Taxes Receivable</i>	1,287,690
<i>Accounts Receivable</i>	914,486
<i>Fines and Fees Receivable</i>	710,573
<i>Prepaid Items</i>	30,081
<i>Due from Other Governments</i>	1,049,474
<i>Due from Others</i>	14,013
Capital Assets Not Being Depreciated:	
<i>Land</i>	680,552
<i>Capital Assets, Net of Accumulated Depreciation</i>	<u>27,974,972</u>
<b>Total Assets</b>	<b><u>45,231,599</u></b>
<b>LIABILITIES:</b>	
<i>Accounts Payable</i>	546,192
<i>Accrued Interest Payable</i>	92,928
<i>Due to Others</i>	274,525
<i>Accrued Liabilities</i>	1,319,681
<i>Unearned Revenue</i>	40,749
Noncurrent Liabilities:	
<i>Due Within One Year</i>	1,775,208
<i>Due in More Than One Year</i>	<u>24,606,396</u>
<b>Total Liabilities</b>	<b><u>28,655,679</u></b>
<b>NET POSITION:</b>	
<i>Net Investment in Capital Assets</i>	11,004,750
Restricted for:	
<i>Debt Service</i>	83,580
<i>Unrestricted</i>	<u>5,487,590</u>
<b>Total Net Position</b>	<b><u>\$ 16,575,920</u></b>

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT A-2**

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
<b>Governmental Activities:</b>					
<i>General Government</i>	\$ 4,981,792	\$ 842,054	\$ 128,734	\$ -	\$ (4,011,004)
<i>Financial</i>	2,010,372	544,054	6,402	-	(1,459,916)
<i>Judicial</i>	9,308,556	769,676	5,501,374	-	(3,037,506)
<i>Public Safety</i>	8,034,882	2,810,452	191,012	-	(5,033,418)
<i>Correction and Rehabilitation</i>	3,240,101	199,606	5,355	-	(3,035,140)
<i>Health and Welfare</i>	687,926	162,037	17,070	40,301	(468,518)
<i>Culture and Education</i>	246,614	-	63,361	-	(183,253)
<i>Public Transportation</i>	4,604,784	2,040,526	370,956	-	(2,193,302)
<i>Interest and Fiscal Charges</i>	637,620	-	-	-	(637,620)
Total Governmental Activities	<u>33,752,647</u>	<u>7,368,405</u>	<u>6,284,264</u>	<u>40,301</u>	<u>(20,059,677)</u>
Total Primary Government	\$ <u>33,752,647</u>	\$ <u>7,368,405</u>	\$ <u>6,284,264</u>	\$ <u>40,301</u>	<u>(20,059,677)</u>

General Revenues:

<i>Property Taxes</i>	16,804,691
<i>Sales Taxes</i>	3,114,639
<i>Mixed Beverage and Other Taxes</i>	133,680
<i>Investment Earnings</i>	17,952
<i>Miscellaneous</i>	238,396
Total General Revenues	<u>20,309,358</u>
Change in Net Position	249,681
Net Position - Beginning, as restated	<u>16,326,239</u>
Net Position - Ending	\$ <u>16,575,920</u>

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2014**

	General Fund	Debt Service Fund	Capital Project - Jail Construction Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 8,041,338	\$ 176,508	\$ 975,602
<i>Taxes Receivable</i>	1,193,943	93,747	-
<i>Accounts Receivable</i>	112,072	-	-
<i>Prepaid Items</i>	30,081	-	-
<i>Due from Other Governments</i>	572,513	-	-
<i>Due from Other Funds</i>	709,628	-	-
<i>Due from Others</i>	13,789	-	-
<b>Total Assets</b>	<u>\$ 10,673,364</u>	<u>\$ 270,255</u>	<u>\$ 975,602</u>
<b>LIABILITIES:</b>			
<i>Accounts Payable</i>	\$ 233,042	\$ -	\$ -
<i>Due to Other Funds</i>	-	-	-
<i>Due to Others</i>	261,588	-	-
<i>Accrued Liabilities</i>	1,312,871	-	-
<i>Unearned Revenue</i>	-	-	-
<b>Total Liabilities</b>	<u>1,807,501</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
<i>Unavailable Revenue - Property Taxes</i>	<u>1,193,943</u>	<u>93,747</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<u>1,193,943</u>	<u>93,747</u>	<u>-</u>
<b>FUND BALANCES:</b>			
<i>Nonspendable - Prepaid Items</i>	30,081	-	-
<i>Restricted for Debt Service</i>	-	176,508	-
<i>Restricted for Special Revenue Funds</i>	-	-	-
<i>Restricted for Capital Projects Fund</i>	-	-	975,602
<i>Committed for Projects</i>	1,054,938	-	-
<i>Committed for Public Transportation</i>	-	-	-
<i>Committed for Public Safety</i>	-	-	-
<i>Assigned-One-Time Allocation</i>	1,580,532	-	-
<i>Unassigned</i>	<u>5,006,369</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>7,671,920</u>	<u>176,508</u>	<u>975,602</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 10,673,364</u>	<u>\$ 270,255</u>	<u>\$ 975,602</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

Grants and Contracts Fund	Road and Bridge Fund	Walker County EMS Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 542	\$ 1,515,283	\$ 699,703	\$ 1,160,782	\$ 12,569,758
-	-	-	-	1,287,690
314,720	-	487,694	-	914,486
-	-	-	-	30,081
475,037	-	-	1,924	1,049,474
-	-	-	-	709,628
224	-	-	-	14,013
<u>\$ 790,523</u>	<u>\$ 1,515,283</u>	<u>\$ 1,187,397</u>	<u>\$ 1,162,706</u>	<u>\$ 16,575,130</u>
\$ 70,489	\$ 123,433	\$ 58,923	\$ 60,305	\$ 546,192
709,037	-	-	591	709,628
3,125	-	2,649	7,163	274,525
6,810	-	-	-	1,319,681
1,062	-	-	39,687	40,749
<u>790,523</u>	<u>123,433</u>	<u>61,572</u>	<u>107,746</u>	<u>2,890,775</u>
-	-	-	-	1,287,690
-	-	-	-	1,287,690
-	-	-	-	30,081
-	-	-	-	176,508
-	-	-	1,054,960	1,054,960
-	-	-	-	975,602
-	-	-	-	1,054,938
-	1,391,850	-	-	1,391,850
-	-	1,125,825	-	1,125,825
-	-	-	-	1,580,532
-	-	-	-	5,006,369
<u>-</u>	<u>1,391,850</u>	<u>1,125,825</u>	<u>1,054,960</u>	<u>12,396,665</u>
<u>\$ 790,523</u>	<u>\$ 1,515,283</u>	<u>\$ 1,187,397</u>	<u>\$ 1,162,706</u>	<u>\$ 16,575,130</u>



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**WALKER COUNTY, TEXAS****RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014****EXHIBIT A-4**

**Total Fund Balances - Governmental Funds (Exhibit A-3)** \$ 12,396,665

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

Capital assets used in governmental activities are not financial resources and, therefore,  
are not reported in the funds. 28,655,524

Certain deferred inflows for property tax revenues are not available to pay current period  
expenditures and, therefore, are deferred in the governmental funds. 1,287,690

Certain court fines receivables are not available to pay current period expenditures and,  
therefore, are not reported in the funds. 710,573

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

Bonds, Certificate of Obligation	\$ (18,515,000)	
Premium on Bond	(111,376)	
Accrued Interest on Debt	(92,928)	
Compensated Absences	(960,208)	
Post-employment Benefits (OPEB)	<u>(6,795,020)</u>	<u>(26,474,532)</u>

**Total Net Position - Governmental Activities (Exhibit A-1)** \$ 16,575,920

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, 2014**

	General Fund	Debt Service Fund	Capital Project - Jail Construction Fund
<b>REVENUES:</b>			
<i>Property Taxes</i>	\$ 13,214,148	\$ 1,388,905	\$ -
<i>Property Tax Penalty and Interest</i>	265,226	22,108	-
<i>Sales Tax</i>	3,114,639	-	-
<i>In Lieu of Tax</i>	20,494	-	-
<i>Mixed Beverage</i>	113,186	-	-
<i>Licenses and Permits</i>	161,392	-	-
<i>Intergovernmental</i>	605,885	-	-
<i>Charges for Services</i>	1,956,233	-	-
<i>Fines and Forfeitures</i>	155,165	-	-
<i>Interest Income</i>	14,689	186	2,399
<i>Other</i>	335,552	-	-
<b>Total Revenues</b>	<u>19,956,609</u>	<u>1,411,199</u>	<u>2,399</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	2,911,052	-	-
<i>Financial</i>	2,057,376	-	-
<i>Judicial</i>	4,051,472	-	-
<i>Public Safety</i>	4,327,065	-	-
<i>Correction and Rehabilitation</i>	2,349,551	-	5,395,626
<i>Health and Welfare</i>	578,591	-	-
<i>Culture and Education</i>	181,423	-	-
<i>Public Transportation</i>	-	-	-
Debt Service:			
<i>Principal Retirement</i>	-	800,000	-
<i>Interest and Fiscal Charges</i>	-	576,668	-
<b>Total Expenditures</b>	<u>16,456,530</u>	<u>1,376,668</u>	<u>5,395,626</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,500,079</u>	<u>34,531</u>	<u>(5,393,227)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers In</i>	86,592	-	-
<i>Transfers Out</i>	(1,929,393)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,842,801)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<b>1,657,278</b>	<b>34,531</b>	<b>(5,393,227)</b>
Fund Balances - Beginning	6,014,642	141,977	6,368,829
Fund Balances - Ending	<u>\$ 7,671,920</u>	<u>\$ 176,508</u>	<u>\$ 975,602</u>

The accompanying notes are an integral part of this statement.

**EXHIBIT A-5**

<u>Grants and Contracts Fund</u>	<u>Road and Bridge Fund</u>	<u>Walker County EMS Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,884,087	\$ -	\$ -	\$ 16,487,140
-	-	-	-	287,334
-	-	-	-	3,114,639
-	-	-	-	20,494
-	-	-	-	113,186
-	-	-	-	161,392
4,824,911	370,956	65,620	473,499	6,340,871
-	857,641	2,383,549	413,002	5,610,425
-	1,182,885	-	192,642	1,530,692
-	357	52	269	17,952
4,222	25,040	18,599	15,785	399,198
<u>4,829,133</u>	<u>4,320,966</u>	<u>2,467,820</u>	<u>1,095,197</u>	<u>34,083,323</u>
47,940	-	-	94,662	3,053,654
-	-	-	446	2,057,822
4,603,523	-	-	664,090	9,319,085
100,779	-	3,044,763	87,229	7,559,836
-	-	-	231	7,745,408
44,191	-	-	-	622,782
63,570	-	-	-	244,993
-	4,606,788	-	-	4,606,788
-	-	-	-	800,000
-	-	-	-	576,668
<u>4,860,003</u>	<u>4,606,788</u>	<u>3,044,763</u>	<u>846,658</u>	<u>36,587,036</u>
<u>(30,870)</u>	<u>(285,822)</u>	<u>(576,943)</u>	<u>248,539</u>	<u>(2,503,713)</u>
-	755,547	1,155,613	18,233	2,015,985
-	(86,592)	-	-	(2,015,985)
-	<u>668,955</u>	<u>1,155,613</u>	<u>18,233</u>	-
(30,870)	383,133	578,670	266,772	(2,503,713)
30,870	1,008,717	547,155	788,188	14,900,378
<u>\$ -</u>	<u>\$ 1,391,850</u>	<u>\$ 1,125,825</u>	<u>\$ 1,054,960</u>	<u>\$ 12,396,665</u>

**WALKER COUNTY, TEXAS****EXHIBIT A-6****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2014**

<b>Total Net Change in Fund Balance - Governmental Funds (Exhibit A-5)</b>	<b>\$</b>	<b>(2,503,713)</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Some property taxes will not be collected for several months after the County's fiscal year end and are not considered "available" revenues and, therefore, are unrecorded in the governmental funds. Deferred tax revenues increased by this amount this year.		30,217
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Some court fines will not be collected for several months after the County's fiscal year end and are not considered "available" revenues and, therefore, are deferred in the governmental funds. Court revenues increased by this amount this year.		49,809
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ 6,341,365	
Depreciation Expense	<u>(2,676,203)</u>	3,665,162

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position.		(160,470)
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Long-term debt (e.g., certificate of obligation, compensated absences and post employment benefits) provides current financial resources to governmental funds, while the repayment of the long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Payment of principal	\$ 800,000	
Amortization of bond premium	6,488	
Accrued interest on debt	(67,440)	
Compensated absences liability increased	(51,921)	
Payables for post employment benefits which increased	<u>(1,518,451)</u>	<u>(831,324)</u>

<b>Change in Net Position - Governmental Activities (Exhibit A-2)</b>	<b>\$</b>	<b><u>249,681</u></b>
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The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**SEPTEMBER 30, 2014**

**EXHIBIT A-7**

**ASSETS:**

<i>Cash and Cash Equivalents</i>	\$ 3,688,022
<i>Accounts Receivable</i>	1,327
<i>Due from Other Governments</i>	5,585
<b>Total Assets</b>	<b>\$ <u>3,694,934</u></b>

**LIABILITIES:**

<i>Accounts Payable</i>	\$ 10,262
<i>Due to Others</i>	2,015,562
<i>Due to Other Governments</i>	1,669,110
<b>Total Liabilities</b>	<b>\$ <u>3,694,934</u></b>

The accompanying notes are an integral part of this statement.

# **WALKER COUNTY, TEXAS**

## **NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2014**

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

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

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

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

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

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

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

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

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

#### **2. Basis of Presentation, Basis of Accounting**

##### **a. Basis of Presentation**

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

#### Management's Discussion and Analysis

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

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

Government-wide Financial Statements

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

Statement of Net Position

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

Statement of Activities

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

Budgetary Comparison Schedules

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

Government-wide and Fund Accounting

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

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

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



**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

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

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

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

The County reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Capital Project – Jail Construction Fund

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

Grants and Contracts Fund

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

Road and Bridge Fund

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

Walker County EMS Fund

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

In addition, the County reports the following fund types:

Fiduciary Funds

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

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

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statements have no measurement focus since they consist solely of agency funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

**1. Cash and Cash Equivalents**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

**2. Prepaid Items**

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

**WALKER COUNTY, TEXAS**  
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**3. Receivables**

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

**4. Capital Assets**

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

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

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

Land and construction in progress are not depreciated.

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

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

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

**5. Compensated Absences**

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

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

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

**6. Deferred Outflows/Inflows of Resources**

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

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

**7. Net Position Flow Assumption**

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

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

**8. Fund Balance Flow Assumptions**

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

**9. Fund Balance Policies**

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

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

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

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

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**10. Estimates**

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

**C. Compliance and Accountability**

**Budgets**

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

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

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

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

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

**D. Deposits and Investments**

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

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**1. Cash Deposits**

The County's cash and cash equivalents at September 30, 2014 are summarized as follows:

	<b>Carrying Amount</b>
Cash Deposits	\$ 3,252,841
Investments considered cash and cash equivalents:	
Wells Fargo Investment Portfolio	6,011,582
Texas Local Government Investment Pool	3,691,059
Cooperative Liquid Assets Securities System Trust (Texas Class)	2,774,622
DWS Government Cash Institutional Shares	527,676
<b>Total Cash and Cash Equivalents</b>	<b>\$ 16,257,780</b>

**2. Investments**

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

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

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

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

**3. Analysis of Specific Deposit and Investment Risks**

**a. Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. It is the County's policy to focus on safety and liquidity. The current policy is to invest only in investment pools. At year end, the County was not significantly exposed to credit risk. As of September 30, 2014, the government's investment in all investment pools were rated at least AAAM by Standard & Poor's.

**b. Custodial Credit Risk**

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

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

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

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**c. Concentration of Credit Risk**

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

**d. Interest Rate Risk**

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The County manages this risk by limiting the maximum allowable stated maturity of any individual investment to 2 years.

**E. Receivables**

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2014 are as follows:

	General	Debt Service	Grants and Contracts	EMS	Nonmajor Governmental	Total
<b>Receivables:</b>						
Taxes	\$ 1,193,943	\$ 93,747	\$ -	\$ -	\$ -	\$ 1,287,690
Other Receivables	13,789	-	224	-	-	14,013
Other Governments	572,513	-	475,037	-	1,924	1,049,474
Accounts	112,072	-	314,720	3,251,296	-	3,678,088
Less: Allowance for Uncollectibles	-	-	-	(2,763,602)	-	(2,763,602)
<b>Net Total Receivables</b>	<b>\$ 1,892,317</b>	<b>\$ 93,747</b>	<b>\$ 789,981</b>	<b>\$ 487,694</b>	<b>\$ 1,924</b>	<b>\$ 3,265,663</b>

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. As of September 30, 2014 the various components of unearned revenue reported in the governmental funds are as follows:

	Unearned
Grant funds received prior to meeting all eligibility requirements	\$ 40,749
<b>Total Unearned Revenue for Governmental Funds</b>	<b>\$ 40,749</b>

**F. Property Taxes**

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

**1. 2013 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 2014 fiscal year (2013 tax year), the County levied property taxes of \$0.6778 per \$100 of assessed valuation. The 2013 rates resulted in total tax levies of approximately \$16.61 million based on a total adjusted valuation of approximately \$2.2 billion. The total tax rate in the 2013 tax year was prorated as follows:

	2013 Rate
General Fund/Road and Bridge	\$ 0.6209
Debt Service Fund	0.0569
<b>Total Tax Rate</b>	<b>\$ 0.6778</b>

**2. Walker County Appraisal District**

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

The WCAD is required by state law to assess property at 100% of its appraised value. Further, real property must be appraised at least every three years. Under certain circumstances, the taxpayers and taxing units,



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

**G. Interfund Receivables and Payables**

At September 30, 2014, the interfund receivables and payables were as follows:

<u>Due to Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Grants and Contracts Fund	\$ 709,037	Short-term Loan
General Fund	Other Governmental Funds - Nonmajor	591	Short-term Loan
<b>Total</b>		<b>\$ 709,628</b>	

**H. Capital Assets**

Capital asset activity for the year ended September 30, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers, Adjustments, and Disposition</u>	<u>Ending Balance</u>
<b>Capital Assets, not being Depreciated:</b>				
Land	\$ 680,552	\$ -	\$ -	\$ 680,552
Construction in Progress	13,669,169	5,459,927	(19,129,096)	-
<b>Total Capital Assets, not being Depreciated</b>	<b>14,349,721</b>	<b>5,459,927</b>	<b>(19,129,096)</b>	<b>680,552</b>
<b>Capital Assets, being Depreciated:</b>				
Vehicles	4,721,812	291,132	(171,900)	4,841,044
Office Furniture and Fixtures	2,044,082	68,376	(464,096)	1,648,362
Machinery and Equipment	4,757,259	373,990	768,434	5,899,683
Buildings, Facilities, and Improvements	21,289,634	147,940	18,119,473	39,557,047
<b>Total Capital Assets, being Depreciated</b>	<b>32,812,787</b>	<b>881,438</b>	<b>18,251,911</b>	<b>51,946,136</b>
<b>Less Accumulated Depreciation for:</b>				
Vehicles	(3,461,060)	(437,288)	154,249	(3,744,099)
Office Furniture and Fixtures	(1,433,035)	(238,686)	541,593	(1,130,128)
Machinery and Equipment	(3,801,415)	(413,167)	20,873	(4,193,709)
Buildings, Facilities, and Improvements	(13,316,166)	(1,587,062)	-	(14,903,228)
<b>Total Accumulated Depreciation</b>	<b>(22,011,676)</b>	<b>(2,676,203)</b>	<b>716,715</b>	<b>(23,971,164)</b>
<b>Total Capital Assets, being Depreciated, net</b>	<b>10,801,111</b>	<b>(1,794,765)</b>	<b>18,968,626</b>	<b>27,974,972</b>
<b>Capital Assets, net</b>	<b>\$ 25,150,832</b>	<b>\$ 3,665,162</b>	<b>\$ (160,470)</b>	<b>\$ 28,655,524</b>

Depreciation was charged to functions as follows:

General Government	\$ 613,391
Financial	26,801
Judicial	115,698
Public Safety	767,409
Correction and Rehabilitation	879,601
Health and Welfare	16,257
Culture and Education	1,621
Public Transportation	255,425
<b>Total Depreciation Expense</b>	<b>\$ 2,676,203</b>

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**I. Long-Term Debt**

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Long-term bonded debt and certificates of obligation at September 30, 2014 are listed below:

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Outstanding Debt</u>
Certificates of Obligation:					
Series 2012	2.00-3.750%	6/1/2012	8/1/2032	\$ 20,000,000	\$ 18,515,000
<b>Totals</b>				<b>\$ 20,000,000</b>	<b>\$ 18,515,000</b>

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

A summary of long-term liability transactions of the County for the year ended September 30, 2014, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Certificates of Obligation	\$ 19,315,000	\$ -	\$ (800,000)	\$ 18,515,000	\$ 815,000
Less Deferred Amounts:					
For Issuance Premiums	117,864	-	(6,488)	111,376	-
<b>Total Certificates of Obligation, net</b>	<b>19,432,864</b>	<b>-</b>	<b>(806,488)</b>	<b>18,626,376</b>	<b>815,000</b>
Compensated Absences*	908,287	729,757	(677,836)	960,208	960,208
OPEB Obligations*	5,276,569	1,673,087	(154,636)	6,795,020	-
<b>Total Long-term Liabilities</b>	<b>\$ 25,617,720</b>	<b>\$ 2,402,844</b>	<b>\$ (1,638,960)</b>	<b>\$ 26,381,604</b>	<b>\$ 1,775,208</b>

\*Other Long-term Liabilities

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

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

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

<b>Certificates of Obligation</b>			
<b>Year Ending September 30,</b>	<b>Principal Value</b>	<b>Interest</b>	<b>Total Requirements</b>
2015	\$ 815,000	\$ 560,668	\$ 1,375,668
2016	830,000	544,368	1,374,368
2017	845,000	527,768	1,372,768
2018	865,000	510,868	1,375,868
2019	880,000	493,568	1,373,568
2020	910,000	467,168	1,377,168
2021	935,000	439,868	1,374,868
2022	965,000	411,818	1,376,818
2023	990,000	382,868	1,372,868
2024	1,020,000	353,168	1,373,168
2025	1,055,000	322,567	1,377,567
2026	1,085,000	289,598	1,374,598
2027	1,120,000	255,692	1,375,692
2028	1,155,000	219,292	1,374,292
2029	1,195,000	180,310	1,375,310
2030	1,235,000	139,980	1,374,980
2031	1,280,000	96,754	1,376,754
2032	1,335,000	41,162	1,376,162
<b>Totals</b>	<b>\$ 18,515,000</b>	<b>\$ 6,237,485</b>	<b>\$ 24,752,485</b>

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

**J. Leases**

**Operating Leases**

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

**Walker County Health Center**

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

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

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

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**Buildings at 115 Highway 75 North**

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

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

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

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

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

**344 Highway 75 North, Suite 200**

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

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

**340 Highway 75 North, Suite A**

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

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

**Powell Family Home**

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

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**1313 University Avenue**

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

Total Cost of Building	\$	86,163
Accumulated Depreciation		31,233
Carrying Cost of Building	\$	<u>54,930</u>
Current Year Depreciation	\$	4,308

**344 Highway 75 North, Suite 300**

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

Total Cost of Building	\$	54,444
Accumulated Depreciation		54,444
Carrying Cost of Building	\$	<u>-</u>
Current Year Depreciation	\$	-

**Clinic Space at 1301 Sam Houston Avenue**

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

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

**K. Interfund Transactions**

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." The following is summary of the County's transfers for the year ended September 30, 2014:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General Fund	Road and Bridge Fund	\$ 755,547
General Fund	Walker County EMS Fund	1,155,613
General Fund	Other Governmental Funds - Nonmajor	18,233
Road and Bridge Fund	General Fund	86,592
<b>Total</b>		<b>\$ <u>2,015,985</u></b>

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



**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**L. Fund Balances**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note B. The following is a detail of fund balances for all the major and nonmajor governmental funds at September 30, 2014:

	General Fund	Debt Service Fund	Capital Project - Jail Construction Fund	Road and Bridge Fund	Walker County EMS Fund	Nonmajor Governmental	Total
<b>Fund Balances:</b>							
Nonspendable:							
Prepays	\$ 30,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,081
<b>Total Nonspendable</b>	<b>30,081</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,081</b>
<b>Restricted for:</b>							
Debt Service	-	176,508	-	-	-	-	176,508
Legislative	-	-	-	-	-	1,054,960	1,054,960
Capital Projects	-	-	975,602	-	-	-	975,602
<b>Total Restricted</b>	<b>-</b>	<b>176,508</b>	<b>975,602</b>	<b>-</b>	<b>-</b>	<b>1,054,960</b>	<b>2,207,070</b>
<b>Committed to:</b>							
Legislative	1,054,938	-	-	1,391,850	-	-	2,446,788
Emergency Medical Services	-	-	-	-	1,125,825	-	1,125,825
Projects	-	-	-	-	-	-	-
<b>Total Committed</b>	<b>1,054,938</b>	<b>-</b>	<b>-</b>	<b>1,391,850</b>	<b>1,125,825</b>	<b>-</b>	<b>3,572,613</b>
<b>Assigned to:</b>							
Projects	1,580,532	-	-	-	-	-	1,580,532
<b>Total Assigned</b>	<b>1,580,532</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,580,532</b>
Unassigned	5,006,369	-	-	-	-	-	5,006,369
<b>Total Fund Balances</b>	<b>\$ 7,671,920</b>	<b>\$ 176,508</b>	<b>\$ 975,602</b>	<b>\$ 1,391,850</b>	<b>\$ 1,125,825</b>	<b>\$ 1,054,960</b>	<b>\$ 12,396,665</b>

**M. Pension Plan**

**1. Plan Description**

The County provides retirement and disability 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 656 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at PO Box 2034, Austin, TX 78768-2034.

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

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

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**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 12.35% for the months of the accounting year in 2014, and 11.93% for the months of the accounting year in 2013. The contribution rate payable by the employee members is the rate of 7% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

For the years ended September 30, 2014, 2013 and 2012, the pension cost for the TCDRS plan and the actual contributions made were \$1,942,264, \$1,786,972, and \$1,689,509, respectively. Because all contributions are made as required, no pension obligation existed at September 30, 2014.

*Annual Pension Cost.* The required contribution was determined as part of the December 31, 2013 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2013 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 4.9 percent. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2013 was 20 years.

*Funded Status and Funding Progress.* As of December 31, 2013, the most recent actuarial valuation date, the plan was 81.41 percent funded. The actuarial accrued liability for benefits was \$47,882,590, and the actuarial value of assets was \$38,983,391, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,899,199. The covered payroll (annual payroll of active employees covered by the plan) was \$15,254,940, and the ratio of the UAAL to the covered payroll was 58.34 percent.

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

**N. Other Postemployment Benefits Plan**

**1. Plan Description**

Permanent full-time employees and elected officials of the County who were hired before October 1, 2013 and are retiring under TCDRS with 20 consecutive years of service, are eligible to participate in the retiree health care plan, a single employer plan, with the cost paid by Walker County until the retiree becomes eligible for Medicare. The County will then pay the premium for a Medicare supplement policy. The retiree pays Medicare Part B premiums.

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

**2. Funding Policy**

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

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

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

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

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

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

	2014	2013	2012
Annual OPEB cost:			
Annual Required Contribution (ARC)	\$ 1,655,650	\$ 1,576,251	\$ 1,323,643
Interest on Prior Year Net OPEB Obligation	237,446	175,096	121,380
Adjustment to the ARC	(220,009)	(162,238)	(112,467)
Annual OPEB Cost	<u>1,673,087</u>	<u>1,589,109</u>	<u>1,332,556</u>
Employer Contributions	<u>(154,636)</u>	<u>(203,564)</u>	<u>(138,867)</u>
Total Contributions	<u>(154,636)</u>	<u>(203,564)</u>	<u>(138,867)</u>
Net OPEB Obligation Increase (Decrease)	1,518,451	1,385,545	1,193,689
Net OPEB Obligation - October 1	5,276,569	3,891,024	2,697,335
Net OPEB Obligation - September 30	<u>\$ 6,795,020</u>	<u>\$ 5,276,569</u>	<u>\$ 3,891,024</u>
Percentage of Annual OPEB Cost Contributed	9.24%	12.81%	10.42%

**4. Funded Status and Funding Progress**

The funded status of the plan based on an actuarial update using age-adjusted premiums as of October 1, 2013, was as follows:

Actuarial Valuation Date as of October 1	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
2013	\$ -	\$ 15,057,656	\$ 15,057,656	0.00%	\$ 12,811,140	117.54%

Under the reporting parameters, the County's retiree health plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$15,057,656 at October 1, 2013.

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**5. Actuarial Methods and Assumptions**

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

The following is a summary of the actuarial assumptions:

Actuarial valuation date	10/1/2012	10/1/2013
Actuarial cost method	Projected unit credit cost method	Projected unit credit cost method
Amortization method	Level as a percentage of payroll	Level as a percentage of payroll
Amortization period	Open 30 year period	Open 30 year period
Investment rate of return	4.5% (1.50% rate of return, 3.00% inflation)	4.5% (1.50% rate of return, 3.00% inflation)
Payroll growth rate	3.00%	3.00%
Mortality Table	RP-2000 Project AA 2015	RP-2000 Project AA 2015

**O. Commitments and Contingencies**

**Contingencies**

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

**P. Risk Management**

The County is exposed to various risks of losses related to torts, theft of, damage to and destruction of capital assets; errors and omission; injuries to employees; and natural disasters. The County participates in the Texas Association of Counties Risk Management Pool ("the Pool") created by interlocal agreement to enable its members to obtain coverage against various types of risk. The Pool is administered by the Texas Association of Counties (TAC). Through this pool, the County obtains general liability, property, public officials' liability, law enforcement professional liability, auto physical damage, auto liability, and workers' compensation coverage. The County also participates in the Texas Association of Counties Health and Employee Benefits Pool administered by TAC. The County contributes a minimum of \$673 per month for each employee who elects medical coverage. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for any of the past three fiscal years.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT B-1**  
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	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Ad Valorem Taxes:				
Current Taxes	\$ 12,840,098	\$ 12,840,098	\$ 12,909,848	\$ 69,750
Delinquent Taxes	220,000	220,000	304,300	84,300
Total Ad Valorem Taxes	13,060,098	13,060,098	13,214,148	154,050
Property Tax Penalty and Interest	200,000	200,000	265,226	65,226
Other Taxes:				
Sales Tax	2,550,000	2,550,000	3,114,639	564,639
In Lieu of Tax	25,000	25,000	20,494	(4,506)
Mixed Beverage	93,000	93,000	113,186	20,186
Total Other Taxes	2,668,000	2,668,000	3,248,319	580,319
Licenses and Permits:				
Building and Utility Permits	102,000	102,000	161,392	59,392
Total Licenses and Permits	102,000	102,000	161,392	59,392
Intergovernmental:				
Federal Funds:				
Local Law Enforcement	-	-	33,243	33,243
Total Federal Funds	-	-	33,243	33,243
State Funds:				
State Grant Funds	-	-	9,333	9,333
Other State Funds	136,633	215,801	372,438	156,637
Total State Funds	136,633	215,801	381,771	165,970
Other Governmental Funds:				
Appraisal District	15,000	15,000	16,097	1,097
Other	124,882	168,882	174,774	5,892
Total Other Governmental Funds	139,882	183,882	190,871	6,989
Total Intergovernmental	276,515	399,683	605,885	206,202
Charges for Services:				
General Administration	45,000	45,000	112,664	67,664
IT	12,000	12,000	12,000	-
County Clerk	400,000	400,000	425,168	25,168
Courts Central Service	-	-	1,000	1,000
County Court-at-Law	38,700	38,700	53,077	14,377
12th and 278th District	36,900	36,900	41,783	4,883
District Clerk	104,400	104,400	105,608	1,208
District Attorney	1,200	1,200	815	(385)
Justice of the Peace-Precinct 1	100,000	100,000	104,249	4,249
Justice of the Peace-Precinct 2	30,000	30,000	27,556	(2,444)
Justice of the Peace-Precinct 3	16,200	16,200	18,368	2,168
Justice of the Peace-Precinct 4	66,000	66,000	70,341	4,341
County Auditor	40,000	40,000	41,229	1,229
County Treasurer	-	-	45	45
Vehicle Registration	447,800	447,800	494,457	46,657
Voter Registration	300	300	661	361
County Facilities	13,620	13,620	20,647	7,027
County Jail	124,000	124,000	196,286	72,286
Sheriff's Office	11,000	11,000	6,942	(4,058)

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT B-1**  
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	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<i>Sheriff's Estray</i>	1,500	1,500	2,678	1,178
<i>Constables Central Service</i>	175,000	175,000	165,006	(9,994)
<i>Constable - Precinct 1</i>	-	-	55	55
<i>Constable - Precinct 2</i>	-	-	241	241
<i>Constable - Precinct 3</i>	-	-	10	10
<i>Constable - Precinct 4</i>	-	-	30,192	30,192
<i>Probation Support</i>	2,500	2,500	6,093	3,593
<i>Emergency Management</i>	5,000	5,000	10,691	5,691
<i>County Treasurer - Collections</i>	8,000	8,000	7,726	(274)
<i>Planning and Development</i>	-	-	645	645
<b>Total Charges for Services</b>	<b>1,679,120</b>	<b>1,679,120</b>	<b>1,956,233</b>	<b>277,113</b>
<b>Fines and Forfeitures:</b>				
<i>Bond Forfeiture</i>	-	-	69,693	69,693
<i>License and Weight-Operations</i>	85,472	85,472	85,472	-
<b>Total Fines and Forfeitures</b>	<b>85,472</b>	<b>85,472</b>	<b>155,165</b>	<b>69,693</b>
<b>Interest</b>	<b>9,000</b>	<b>9,000</b>	<b>14,689</b>	<b>5,689</b>
<b>Other Income:</b>				
<i>Miscellaneous</i>	149,275	157,972	335,552	177,580
<b>Total Other Income</b>	<b>149,275</b>	<b>157,972</b>	<b>335,552</b>	<b>177,580</b>
<b>Total Revenues</b>	<b>18,229,480</b>	<b>18,361,345</b>	<b>19,956,609</b>	<b>1,595,264</b>
<b>EXPENDITURES:</b>				
<b>General Government:</b>				
<b>County Judge:</b>				
<i>Salary, Other Pay, and Benefits</i>	179,533	179,533	178,848	685
<i>Operations</i>	8,910	8,910	5,995	2,915
<b>Total County Judge</b>	<b>188,443</b>	<b>188,443</b>	<b>184,843</b>	<b>3,600</b>
<b>IT Operations - County Judge:</b>				
<i>Salary, Other Pay, and Benefits</i>	257,245	257,245	256,447	798
<i>Operations</i>	43,346	37,846	31,008	6,838
<b>Total IT Operations - County Judge</b>	<b>300,591</b>	<b>295,091</b>	<b>287,455</b>	<b>7,636</b>
<b>IT Hardware Software - County Judge</b>				
<i>Operations</i>	258,318	253,481	234,158	19,323
<i>Capital Expenditures</i>	-	11,045	11,045	-
<b>Total IT Hardware Software - County Judge</b>	<b>258,318</b>	<b>264,526</b>	<b>245,203</b>	<b>19,323</b>
<b>Commissioner's Court:</b>				
<i>Salary, Other Pay, and Benefits</i>	52,940	52,940	52,257	683
<i>Operations</i>	8,746	8,746	5,686	3,060
<i>Capital Expenditures</i>	-	9,503	9,503	-
<b>Total Commissioner's Court</b>	<b>61,686</b>	<b>71,189</b>	<b>67,446</b>	<b>3,743</b>
<b>County Clerk:</b>				
<i>Salary, Other Pay, and Benefits</i>	485,637	485,637	471,845	13,792
<i>Operations</i>	103,401	103,401	78,561	24,840
<b>Total County Clerk</b>	<b>589,038</b>	<b>589,038</b>	<b>550,406</b>	<b>38,632</b>



**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Healthy County Initiative:				
<i>Operations</i>	-	2,000	1,004	996
Total Healthy County Initiative	-	2,000	1,004	996
Voter Registration:				
<i>Salary, Other Pay, and Benefits</i>	42,205	44,420	44,416	4
<i>Operations</i>	18,549	19,982	16,506	3,476
<i>Capital Expenditures</i>	-	9,998	9,998	-
Total Voter Registration	60,754	74,400	70,920	3,480
Elections:				
<i>Salary, Other Pay, and Benefits</i>	51,624	72,017	71,916	101
<i>Operations</i>	29,796	52,803	49,390	3,413
Total Elections	81,420	124,820	121,306	3,514
County Facilities:				
<i>Salary, Other Pay, and Benefits</i>	294,657	294,657	284,559	10,098
<i>Operations</i>	262,969	302,107	266,770	35,337
<i>Capital Expenditures</i>	-	5,376	5,376	-
Total County Facilities	557,626	602,140	556,705	45,435
Facilities-Justice Center Municipal Allocation:				
<i>Operations</i>	10,983	10,983	8,002	2,981
Total Facilities-Justice Center Municipal Allocation	10,983	10,983	8,002	2,981
Centralized Costs:				
<i>Salary, Other Pay, and Benefits</i>	171,525	171,525	170,000	1,525
<i>Operations</i>	613,983	595,226	473,262	121,964
Total Centralized Costs	785,508	766,751	643,262	123,489
Contingency:				
<i>Contingency</i>	1,324,321	281,192	-	281,192
Total Contingency	1,324,321	281,192	-	281,192
General Governmental Projects:				
<i>Operations</i>	127,093	152,799	108,411	44,388
<i>Capital Expenditures</i>	61,052	98,844	66,089	32,755
<i>Contingency</i>	-	500,000	-	500,000
Total General Government Projects	188,145	751,643	174,500	577,143
Total General Government	4,406,833	4,022,216	2,911,052	1,111,164
Financial:				
County Auditor:				
<i>Salary, Other Pay, and Benefits</i>	578,830	568,830	561,056	7,774
<i>Operations</i>	47,575	52,030	49,865	2,165
Total County Auditor	626,405	620,860	610,921	9,939
County Treasurer:				
<i>Salary, Other Pay, and Benefits</i>	301,992	301,992	297,543	4,449
<i>Operations</i>	41,579	51,579	46,443	5,136
<i>Capital Expenditures</i>	-	11,049	11,049	-
Total County Treasurer	343,571	364,620	355,035	9,585

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Collections-County Treasurer:				
<i>Salary, Other Pay, and Benefits</i>	99,334	99,972	99,971	1
<i>Operations</i>	19,720	21,082	19,880	1,202
Total Collections-County Treasurer	119,054	121,054	119,851	1,203
Purchasing:				
<i>Salary, Other Pay, and Benefits</i>	174,456	174,456	174,202	254
<i>Operations</i>	11,505	11,505	8,241	3,264
Total Purchasing	185,961	185,961	182,443	3,518
Vehicle Registration:				
<i>Salary, Other Pay, and Benefits</i>	338,647	338,647	319,391	19,256
<i>Operations</i>	9,410	12,510	11,815	695
Total Vehicle Registration	348,057	351,157	331,206	19,951
Financial Service Contracts:				
<i>Operations</i>	385,477	385,477	385,477	-
Total Financial Service Contracts	385,477	385,477	385,477	-
Financial Projects:				
<i>Operations</i>	38,743	46,343	5,743	40,600
<i>Capital Expenditures</i>	164,193	164,193	66,700	97,493
Total Financial Projects	202,936	210,536	72,443	138,093
Total Financial	2,211,461	2,239,665	2,057,376	182,289
Judicial:				
Courts-Central Costs:				
<i>Salary, Other Pay, and Benefits</i>	24,532	24,532	24,291	241
<i>Operations</i>	234,531	121,841	99,686	22,155
Total Courts-Central Costs	259,063	146,373	123,977	22,396
County Court-at-Law:				
<i>Salary, Other Pay, and Benefits</i>	392,098	393,651	393,651	-
<i>Operations</i>	149,493	187,940	151,889	36,051
Total County Court-at-Law	541,591	581,591	545,540	36,051
12th Judicial District Court:				
<i>Salary, Other Pay, and Benefits</i>	191,480	191,541	191,542	(1)
<i>Operations</i>	130,781	215,720	185,481	30,239
Total 12th Judicial District Court	322,261	407,261	377,023	30,238
278th Judicial District Court:				
<i>Salary, Other Pay, and Benefits</i>	193,106	194,423	194,423	-
<i>Operations</i>	130,198	188,881	186,410	2,471
<i>Capital Expenditures</i>	-	5,712	5,712	-
Total 278th Judicial District Court	323,304	389,016	386,545	2,471
District Clerk:				
<i>Salary, Other Pay, and Benefits</i>	382,917	382,917	350,496	32,421
<i>Operations</i>	32,639	32,639	28,524	4,115
Total District Clerk	415,556	415,556	379,020	36,536

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT B-1**  
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	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Criminal District Attorney:				
<i>Salary, Other Pay, and Benefits</i>	1,337,780	1,337,780	1,243,432	94,348
<i>Operations</i>	56,187	96,670	82,300	14,370
Total Criminal District Attorney	1,393,967	1,434,450	1,325,732	108,718
Justice of Peace-Precinct 1:				
<i>Salary, Other Pay, and Benefits</i>	186,499	186,499	180,138	6,361
<i>Operations</i>	12,694	12,694	9,759	2,935
Total Justice of Peace-Precinct 1	199,193	199,193	189,897	9,296
Justice of Peace-Precinct 2:				
<i>Salary, Other Pay, and Benefits</i>	179,847	179,847	169,738	10,109
<i>Operations</i>	9,595	9,595	3,666	5,929
Total Justice of Peace-Precinct 2	189,442	189,442	173,404	16,038
Justice of Peace-Precinct 3:				
<i>Salary, Other Pay, and Benefits</i>	186,185	186,185	185,545	640
<i>Operations</i>	10,804	10,804	8,292	2,512
Total Justice of Peace-Precinct 3	196,989	196,989	193,837	3,152
Justice of Peace-Precinct 4:				
<i>Salary, Other Pay, and Benefits</i>	229,961	229,961	228,417	1,544
<i>Operations</i>	16,237	16,237	11,828	4,409
Total Justice of Peace-Precinct 4	246,198	246,198	240,245	5,953
Juvenile Probation Support:				
<i>Operations</i>	123,735	123,735	116,252	7,483
Total Juvenile Probation Support	123,735	123,735	116,252	7,483
Total Judicial	4,211,299	4,329,804	4,051,472	278,332
Public Safety:				
Sheriff's Office:				
<i>Salary, Other Pay, and Benefits</i>	2,264,180	2,264,180	2,165,391	98,789
<i>Operations</i>	259,576	304,176	278,542	25,634
<i>Capital Expenditures</i>	197,150	197,150	193,165	3,985
Total Sheriff's Office	2,720,906	2,765,506	2,637,098	128,408
Estray:				
<i>Operations</i>	6,000	6,000	3,284	2,716
Total Estray	6,000	6,000	3,284	2,716
Courthouse Security General Fund:				
<i>Salary, Other Pay, and Benefits</i>	66,765	66,765	55,501	11,264
Total Courthouse Security General Fund	66,765	66,765	55,501	11,264
Constables Central:				
<i>Salary, Other Pay, and Benefits</i>	44,274	44,274	42,885	1,389
<i>Operations</i>	9,119	9,119	1,362	7,757
Total Constables Central	53,393	53,393	44,247	9,146
Constable-Precinct 1:				
<i>Salary, Other Pay, and Benefits</i>	67,472	67,472	66,702	770
<i>Operations</i>	5,640	5,640	5,553	87
Total Constable-Precinct 1	73,112	73,112	72,255	857

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Constable-Precinct 2:				
<i>Salary, Other Pay, and Benefits</i>	67,472	67,472	66,370	1,102
<i>Operations</i>	6,123	6,123	4,125	1,998
Total Constable-Precinct 2	73,595	73,595	70,495	3,100
Constable-Precinct 3:				
<i>Salary, Other Pay, and Benefits</i>	67,472	67,472	66,826	646
<i>Operations</i>	22,954	19,436	18,829	607
<i>Capital Expenditures</i>	37,169	42,162	42,161	1
Total Constable-Precinct 3	127,595	129,070	127,816	1,254
Constable-Precinct 4:				
<i>Salary, Other Pay, and Benefits</i>	97,218	97,218	96,878	340
<i>Operations</i>	25,043	27,699	26,350	1,349
Total Constable-Precinct 4	122,261	124,917	123,228	1,689
Support Personnel-DPS:				
<i>Salary, Other Pay, and Benefits</i>	52,697	52,697	51,937	760
<i>Operations</i>	2,215	2,215	626	1,589
Total Support Personnel-DPS	54,912	54,912	52,563	2,349
Weigh Station Utilities Services:				
<i>Operations</i>	25,187	25,187	21,011	4,176
Total Weigh Station Utilities Services	25,187	25,187	21,011	4,176
Weigh Station Site Support:				
<i>Salary, Other Pay, and Benefits</i>	17,079	17,079	16,217	862
<i>Operations</i>	10,000	10,000	134	9,866
Total Weigh Station Site Support	27,079	27,079	16,351	10,728
Emergency Management:				
<i>Salary, Other Pay, and Benefits</i>	55,543	55,543	52,471	3,072
<i>Operations</i>	77,566	79,066	53,672	25,394
Total Emergency Management	133,109	134,609	106,143	28,466
Public Safety Governmental Services Contracts:				
<i>Operations</i>	972,672	972,672	965,958	6,714
Total Public Safety Governmental Services Contracts	972,672	972,672	965,958	6,714
Public Safety Projects:				
<i>Operations</i>	36,804	119,254	31,115	88,139
Total Public Safety Projects:	36,804	119,254	31,115	88,139
Total Public Safety	4,493,390	4,626,071	4,327,065	299,006
Correction and Rehabilitation:				
County Jail:				
<i>Salary, Other Pay, and Benefits</i>	1,770,423	1,770,423	1,683,758	86,665
<i>Operations</i>	393,913	427,413	383,862	43,551
Total County Jail	2,164,336	2,197,836	2,067,620	130,216

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Jail-Inmate Medical Cost Center:				
<i>Salary, Other Pay, and Benefits</i>	136,808	136,808	132,637	4,171
<i>Operations</i>	99,478	99,478	82,884	16,594
Total Jail-Inmate Medical Cost Center	236,286	236,286	215,521	20,765
Probation Support:				
<i>Operations</i>	30,484	30,484	19,764	10,720
Total Probation Support	30,484	30,484	19,764	10,720
Adult-Community Service:				
<i>Salary, Other Pay, and Benefits</i>	47,837	47,837	46,646	1,191
<i>Operations</i>	850	850	-	850
Total Adult-Community Service	48,687	48,687	46,646	2,041
Total Correction and Rehabilitation	2,479,793	2,513,293	2,349,551	163,742
Health and Welfare:				
Veteran's Service:				
<i>Salary, Other Pay, and Benefits</i>	26,957	26,957	24,784	2,173
<i>Operations</i>	1,657	2,137	995	1,142
Total Veteran's Service	28,614	29,094	25,779	3,315
Social Services:				
<i>Operations</i>	23,800	23,800	6,616	17,184
Total Social Services	23,800	23,800	6,616	17,184
Planning and Development:				
<i>Salary, Other Pay, and Benefits</i>	397,310	397,310	380,123	17,187
<i>Operations</i>	56,929	62,873	49,694	13,179
Total Planning and Development	454,239	460,183	429,817	30,366
Litter Control General Fund:				
<i>Salary, Other Pay, and Benefits</i>	14,974	14,974	14,377	597
<i>Operations</i>	8,476	16,076	12,447	3,629
Total Litter Control General Fund	23,450	31,050	26,824	4,226
Health and Welfare Governmental Service Contracts:				
<i>Operations</i>	99,230	99,230	89,555	9,675
Total Health and Welfare Governmental Service Contracts	99,230	99,230	89,555	9,675
Health and Welfare Projects:				
<i>Operations</i>	33,000	33,000	-	33,000
Total Health and Welfare Projects	33,000	33,000	-	33,000
Total Health and Welfare	662,333	676,357	578,591	97,766
Culture and Education:				
Historical Commission:				
<i>Operations</i>	5,980	5,980	5,308	672
Total Historical Commission	5,980	5,980	5,308	672

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Texas AgriLife Extension Service:				
Salary, Other Pay, and Benefits	154,893	154,893	153,156	1,737
Operations	19,220	26,630	22,959	3,671
Total Texas AgriLife Extension Service	174,113	181,523	176,115	5,408
Total Culture and Education	180,093	187,503	181,423	6,080
Public Transportation:				
Road and Bridge Projects:				
Operations	18,083	18,083	-	18,083
Total Road and Bridge Projects	18,083	18,083	-	18,083
Total Public Transportation	18,083	18,083	-	18,083
Total Expenditures	18,663,285	18,612,992	16,456,530	2,156,462
Excess (Deficiency) of Revenues Over (Under) Expenditures	(433,805)	(251,647)	3,500,079	3,751,726
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	86,592	86,592	86,592	-
Transfers Out	(1,747,236)	(1,929,393)	(1,929,393)	-
Total Other Financing Sources (Uses)	(1,660,644)	(1,842,801)	(1,842,801)	-
Net Change in Fund Balance	(2,094,449)	(2,094,448)	1,657,278	3,751,726
Fund Balance - Beginning	6,014,642	6,014,642	6,014,642	-
Fund Balance - Ending	\$ 3,920,193	\$ 3,920,194	\$ 7,671,920	\$ 3,751,726

**WALKER COUNTY, TEXAS**  
**GRANTS AND CONTRACTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental:				
Federal Funds:				
Local Law Enforcement	\$ 50,000	\$ 50,000	\$ 56,736	\$ 6,736
Homeland Security Grant	-	-	94,007	94,007
CDBG Grant	561,410	561,410	40,301	(521,109)
Generator Grant	243,901	243,901	-	(243,901)
Total Federal Funds	855,311	855,311	191,044	(664,267)
State Funds:				
Other State Funds	5,073,693	5,108,750	4,633,867	(474,883)
Total State Funds	5,073,693	5,108,750	4,633,867	(474,883)
Total Intergovernmental	5,929,004	5,964,061	4,824,911	(1,139,150)
Other Income:				
Miscellaneous	-	3,890	4,222	332
Total Other Income	-	3,890	4,222	332
Total Revenues	5,929,004	5,967,951	4,829,133	(1,138,818)
<b>EXPENDITURES:</b>				
General Government:				
HGAC Grant:				
Operations	-	2,827	4,440	(1,613)
Capital Expenditures	47,851	45,024	43,500	1,524
Total HGAC Grant	47,851	47,851	47,940	(89)
Total General Government	47,851	47,851	47,940	(89)
Judicial:				
SPU Criminal-State General Allocation:				
Salary, Other Pay, and Benefits	1,521,470	1,553,620	1,432,287	121,333
Operations	196,604	196,604	155,894	40,710
Capital Expenditures	80,000	80,000	76,024	3,976
Total SPU Criminal-State General Allocation	1,798,074	1,830,224	1,664,205	166,019
SPU/Civil Division:				
Salary, Other Pay, and Benefits	1,397,228	1,397,228	1,338,932	58,296
Operations	1,073,195	1,073,195	781,537	291,658
Total SPU/Civil Division	2,470,423	2,470,423	2,120,469	349,954
SPU-Juvenile Division:				
Salary, Other Pay, and Benefits	689,061	691,631	668,409	23,222
Operations	116,135	116,135	100,476	15,659
Total SPU-Juvenile Division	805,196	807,766	768,885	38,881
District Attorney Grant CE-13-A10-27439-01:				
Capital Expenditures	50,000	50,000	49,964	36
Total District Attorney Grant CE-13-A10-27439-01	50,000	50,000	49,964	36
Total Judicial	5,123,693	5,158,413	4,603,523	554,890

**WALKER COUNTY, TEXAS**  
**GRANTS AND CONTRACTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
Homeland Security Grant 2012:				
Operations	5,103	5,103	4,007	1,096
Total Homeland Security Grant 2012	5,103	5,103	4,007	1,096
Homeland Security Grant 2013:				
Operations	90,000	90,000	90,000	-
Total Homeland Security Grant 2013	90,000	90,000	90,000	-
CDBG Grant:				
Operations	243,901	243,901	-	243,901
Total CDBG Grant	243,901	243,901	-	243,901
SHSP Grant:				
Operations	6,774	6,774	6,772	2
Total SHSP Grant	6,774	6,774	6,772	2
Total Public Safety	345,778	345,778	100,779	244,999
Health and Welfare:				
CDBG-Riverside Water Project:				
Operations	367,500	367,500	31,865	335,635
Total CDBG-Riverside Water Project	367,500	367,500	31,865	335,635
CDBG-Frisby Landing Project:				
Operations	193,910	197,800	12,326	185,474
Total CDBG-Frisby Landing Project	193,910	197,800	12,326	185,474
Total Health and Welfare	561,410	565,300	44,191	521,109
Culture and Education:				
DSHS AgriLife Grant:				
Salary, Other Pay, and Benefits	38,710	38,710	14,305	24,405
Operations	83,269	83,269	48,929	34,340
Total DSHS AgriLife Grant	121,979	121,979	63,234	58,745
Master Gardeners Grant:				
Salary, Other Pay, and Benefits	-	337	336	1
Total Master Gardeners Grant	-	337	336	1
Total Culture and Education	121,979	122,316	63,570	58,746
Total Expenditures	6,200,711	6,239,658	4,860,003	1,379,655
Net Change in Fund Balance	(271,707)	(271,707)	(30,870)	240,837
Fund Balance - Beginning	30,870	30,870	30,870	-
Fund Balance - Ending	\$ (240,837)	\$ (240,837)	\$ -	\$ 240,837



**WALKER COUNTY, TEXAS**  
**ROAD AND BRIDGE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Ad Valorem Taxes:				
<i>Current Taxes</i>	\$ 1,884,087	\$ 1,884,087	\$ 1,884,087	\$ -
Total Ad Valorem Taxes	1,884,087	1,884,087	1,884,087	-
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	57,600	57,600	90,549	32,949
Total State Funds	57,600	57,600	90,549	32,949
Other Governmental Funds:				
<i>U.S. Forest Service</i>	130,175	130,175	280,407	150,232
Total Other Governmental Funds	130,175	130,175	280,407	150,232
Total Intergovernmental	187,775	187,775	370,956	183,181
<i>Charges for Services</i>	840,000	840,000	857,641	17,641
Fine and Forfeitures:				
<i>License and Weight-Operations</i>	173,310	173,310	382,731	209,421
<i>Other Fines and Forfeitures</i>	915,658	915,658	800,154	(115,504)
Total Fines and Forfeitures	1,088,968	1,088,968	1,182,885	93,917
<i>Interest</i>	850	850	357	(493)
Other Income:				
<i>Other</i>	106,751	-	-	-
<i>Miscellaneous</i>	-	25,037	25,040	3
Total Other Income	106,751	25,037	25,040	3
Total Revenues	4,108,431	4,026,717	4,320,966	294,249
<b>EXPENDITURES:</b>				
General Government:				
Contingency:				
<i>Contingency</i>	700,000	-	-	-
Total Contingency	700,000	-	-	-
Total General Government	700,000	-	-	-
Public Transportation:				
General - Road and Bridge:				
<i>Operations</i>	70,000	74,998	22,621	52,377
<i>Capital Expenditures</i>	-	48,796	48,796	-
Total General - Road and Bridge	70,000	123,794	71,417	52,377
Precinct 1 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	529,947	529,947	513,898	16,049
<i>Operations</i>	486,950	798,666	587,049	211,617
<i>Capital Expenditures</i>	213,502	213,506	213,505	1
Total Precinct 1 - Commissioner	1,230,399	1,542,119	1,314,452	227,667

**WALKER COUNTY, TEXAS**  
**ROAD AND BRIDGE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Precinct 2 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	591,000	591,000	461,648	129,352
<i>Operations</i>	506,682	744,752	558,279	186,473
<i>Capital Expenditures</i>	-	13,700	-	13,700
Total Precinct 2 - Commissioner	1,097,682	1,349,452	1,019,927	329,525
Precinct 3 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	642,932	642,932	598,376	44,556
<i>Operations</i>	525,922	711,208	559,612	151,596
Total Precinct 3 - Commissioner	1,168,854	1,354,140	1,157,988	196,152
Precinct 4 - Commissioner:				
<i>Salary, Other Pay, and Benefits</i>	580,469	580,469	552,947	27,522
<i>Operations</i>	581,186	626,272	482,668	143,604
Total Precinct 4 - Commissioner	1,161,655	1,206,741	1,035,615	171,126
Capital Project (Weigh Station):				
<i>Operations</i>	-	7,390	7,389	1
<i>Capital Expenditures</i>	128,143	120,753	-	120,753
Total Capital Project (Weigh Station)	128,143	128,143	7,389	120,754
Total Public Transportation	4,856,733	5,704,389	4,606,788	1,097,601
Total Expenditures	5,556,733	5,704,389	4,606,788	1,097,601
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,448,302)	(1,677,672)	(285,822)	1,391,850
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	600,000	755,547	755,547	-
<i>Transfers Out</i>	86,592	(86,592)	(86,592)	-
Total Other Financing Sources (Uses)	686,592	668,955	668,955	-
Net Change in Fund Balance	(761,710)	(1,008,717)	383,133	1,391,850
Fund Balance - Beginning	1,008,717	1,008,717	1,008,717	-
Fund Balance - Ending	\$ 247,007	\$ -	\$ 1,391,850	\$ 1,391,850

**WALKER COUNTY, TEXAS**  
**EMS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT B-4**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ -	\$ 35,620	\$ 65,620	\$ 30,000
Total State Funds	-	35,620	65,620	30,000
Total Intergovernmental	-	35,620	65,620	30,000
Charges for Services:				
<i>Emergency Medical Services</i>	2,125,440	2,125,440	2,383,549	258,109
Total Charges for Services	2,125,440	2,125,440	2,383,549	258,109
<i>Interest</i>	-	-	52	52
Other Income:				
<i>Miscellaneous</i>	-	5,000	18,599	13,599
Total Other Income	-	5,000	18,599	13,599
Total Revenues	2,125,440	2,166,060	2,467,820	301,760
<b>EXPENDITURES:</b>				
Public Safety:				
Walker County EMS:				
<i>Salary, Other Pay, and Benefits</i>	2,174,334	2,174,334	2,135,122	39,212
<i>Operations</i>	452,344	524,421	520,035	4,386
<i>Capital Expenditures</i>	71,319	60,375	60,000	375
Total Walker County EMS	2,697,997	2,759,130	2,715,157	43,973
EMS Transfer:				
<i>Salary, Other Pay, and Benefits</i>	396,240	396,240	302,270	93,970
<i>Operations</i>	29,200	29,200	27,336	1,864
Total EMS Transfer	425,440	425,440	329,606	95,834
Total Public Safety	3,123,437	3,184,570	3,044,763	139,807
Total Expenditures	3,123,437	3,184,570	3,044,763	139,807
Excess (Deficiency) of Revenues Over (Under) Expenditures	(997,997)	(1,018,510)	(576,943)	441,567
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	1,132,729	1,155,613	1,155,613	-
Total Other Financing Sources (Uses)	1,132,729	1,155,613	1,155,613	-
Net Change in Fund Balance	134,732	137,103	578,670	441,567
Fund Balance - Beginning	547,155	547,155	547,155	-
Fund Balance - Ending	\$ 681,887	\$ 684,258	\$ 1,125,825	\$ 441,567

**WALKER COUNTY, TEXAS****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF FUNDING PROGRESS****TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (PENSION PLAN)****SEPTEMBER 30, 2014****(UNAUDITED)**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll ( c )</b>	<b>UAAL as a Percentage of Covered Payrol ((b-a)/c)</b>
12/31/2006	\$ 21,164,930	\$ 25,325,388	\$ 4,160,458	83.57%	\$ 10,818,015	38.46%
12/31/2007	23,820,411	28,284,920	4,464,509	84.22%	11,728,338	38.07%
12/31/2008	24,395,551	30,713,356	6,317,805	79.43%	13,284,133	47.56%
12/31/2009	27,942,035	34,321,448	6,379,413	81.41%	13,995,554	45.58%
12/31/2010	29,733,487	36,954,035	7,220,548	80.46%	14,508,895	49.77%
12/31/2011	32,568,612	40,875,475	8,306,863	79.68%	14,652,591	56.69%
12/31/2012	34,926,964	43,669,571	8,742,607	79.98%	15,108,477	57.87%
12/31/2013	38,983,391	47,882,590	8,899,199	81.41%	15,254,940	58.34%

**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF FUNDING PROGRESS****OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)****SEPTEMBER 30, 2014****(UNAUDITED)**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll ( c )</b>	<b>UAAL as a Percentage of Covered Payrol ((b-a)/c)</b>
12/31/2008	\$ -	\$ 6,093,030	\$ 6,093,030	0.00%	\$ 13,995,554	43.54%
12/31/2010	-	9,956,635	9,956,635	0.00%	14,508,895	68.62%
12/31/2011	-	9,956,635	9,956,635	0.00%	14,652,591	67.95%
10/01/2012	-	14,052,101	14,052,101	0.00%	12,483,000	112.57%
10/01/2013	-	15,057,656	15,057,656	0.00%	12,811,140	117.53%

## **WALKER COUNTY, TEXAS**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2014**

#### **A. Budgetary Information**

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

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

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

**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, 2014**

	Fire Suppression - US Forest Fire Suppression Fund	District Attorney Hot Check Fee Fund	Court Reporter Service Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 17,354	\$ 2,559	\$ 391
<i>Due from Other Governments</i>	-	-	-
Total Assets	<u>\$ 17,354</u>	<u>\$ 2,559</u>	<u>\$ 391</u>
<b>LIABILITIES:</b>			
<i>Accounts Payable</i>	\$ 17,354	\$ -	\$ 391
<i>Due to Other Funds</i>	-	-	-
<i>Due to Others</i>	-	-	-
<i>Unearned Revenue</i>	-	-	-
Total Liabilities	<u>17,354</u>	<u>-</u>	<u>391</u>
<b>FUND BALANCES:</b>			
<i>Restricted for Special Revenue Funds</i>	-	2,559	-
Total Fund Balances	<u>-</u>	<u>2,559</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 17,354</u>	<u>\$ 2,559</u>	<u>\$ 391</u>

County Law Library Fund	Courthouse Security Fund	Justice Courts Building Security Fund	Elections Equipment Fund	Tax Assessor Elections Service Contract Fund	County Clerk Records Management and Preservation Fund
\$ 77,615	\$ 14,048	\$ 21,558	\$ 32,404	\$ 17,581	\$ 141,621
-	-	-	-	-	-
<u>\$ 77,615</u>	<u>\$ 14,048</u>	<u>\$ 21,558</u>	<u>\$ 32,404</u>	<u>\$ 17,581</u>	<u>\$ 141,621</u>
\$ 1,098	\$ -	\$ -	\$ -	\$ 7,480	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,480</u>	<u>-</u>
<u>76,517</u>	<u>14,048</u>	<u>21,558</u>	<u>32,404</u>	<u>10,101</u>	<u>141,621</u>
<u>76,517</u>	<u>14,048</u>	<u>21,558</u>	<u>32,404</u>	<u>10,101</u>	<u>141,621</u>
<u>\$ 77,615</u>	<u>\$ 14,048</u>	<u>\$ 21,558</u>	<u>\$ 32,404</u>	<u>\$ 17,581</u>	<u>\$ 141,621</u>

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2014**

	County Clerk Records Archive Fund	County Records Managment and Preservation Fund	County Records Preservation II Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 198,717	\$ 46,528	\$ 40,600
<i>Due from Other Governments</i>	-	-	-
Total Assets	<u>\$ 198,717</u>	<u>\$ 46,528</u>	<u>\$ 40,600</u>
<b>LIABILITIES:</b>			
<i>Accounts Payable</i>	\$ -	\$ 23,953	\$ -
<i>Due to Other Funds</i>	-	-	-
<i>Due to Others</i>	-	-	-
<i>Unearned Revenue</i>	-	-	-
Total Liabilities	<u>-</u>	<u>23,953</u>	<u>-</u>
<b>FUND BALANCES:</b>			
<i>Restricted for Special Revenue Funds</i>	198,717	22,575	40,600
Total Fund Balances	<u>198,717</u>	<u>22,575</u>	<u>40,600</u>
Total Liabilities and Fund Balances	<u>\$ 198,717</u>	<u>\$ 46,528</u>	<u>\$ 40,600</u>

District Clerk Records Management and Preservation Fund	Sheriff Forfeiture Fund	District Attorney Forfeiture Fund	Juvenile Grant Fund	EERP Early Retiree Retirement Plan Fund	Tax Assessor Special Inventory Tax Fee Fund
\$ 12,464	\$ 62,590	\$ 141,027	\$ 153,292	\$ -	\$ 19
-	-	-	-	-	-
<u>\$ 12,464</u>	<u>\$ 62,590</u>	<u>\$ 141,027</u>	<u>\$ 153,292</u>	<u>\$ -</u>	<u>\$ 19</u>
\$ 137	\$ 4,942	\$ 663	\$ 1,585	\$ -	\$ -
-	-	-	-	-	-
-	-	-	7,163	-	-
-	-	-	39,687	-	-
<u>137</u>	<u>4,942</u>	<u>663</u>	<u>48,435</u>	<u>-</u>	<u>-</u>
12,327	57,648	140,364	104,857	-	19
<u>12,327</u>	<u>57,648</u>	<u>140,364</u>	<u>104,857</u>	<u>-</u>	<u>19</u>
<u>\$ 12,464</u>	<u>\$ 62,590</u>	<u>\$ 141,027</u>	<u>\$ 153,292</u>	<u>\$ -</u>	<u>\$ 19</u>

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2014**

	District Clerk Rider Fund	District Attorney Prosecutors Supplement Fund	Pretrial Intervention Program Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 6,356	\$ -	\$ 18,657
<i>Due from Other Governments</i>	-	1,924	-
Total Assets	<u>\$ 6,356</u>	<u>\$ 1,924</u>	<u>\$ 18,657</u>
<b>LIABILITIES:</b>			
<i>Accounts Payable</i>	\$ -	\$ 1,333	\$ -
<i>Due to Other Funds</i>	-	591	-
<i>Due to Others</i>	-	-	-
<i>Unearned Revenue</i>	-	-	-
Total Liabilities	<u>-</u>	<u>1,924</u>	<u>-</u>
<b>FUND BALANCES:</b>			
<i>Restricted for Special Revenue Funds</i>	<u>6,356</u>	<u>-</u>	<u>18,657</u>
Total Fund Balances	<u>6,356</u>	<u>-</u>	<u>18,657</u>
Total Liabilities and Fund Balances	<u>\$ 6,356</u>	<u>\$ 1,924</u>	<u>\$ 18,657</u>

County Jury Fee Fund	Justice Courts Technology Fund	County and District Courts Technology Fund	Sheriff Inmate Medical Fund	DOJ Equitable Sharing Fund	Total Nonmajor Special Revenue Fund (See Exhibit A-3)
\$ -	\$ 21,365	\$ 5,098	\$ 23,149	\$ 105,789	\$ 1,160,782
-	-	-	-	-	1,924
<u>\$ -</u>	<u>\$ 21,365</u>	<u>\$ 5,098</u>	<u>\$ 23,149</u>	<u>\$ 105,789</u>	<u>\$ 1,162,706</u>
\$ -	\$ -	\$ 1,369	\$ -	\$ -	\$ 60,305
-	-	-	-	-	591
-	-	-	-	-	7,163
-	-	-	-	-	39,687
<u>-</u>	<u>-</u>	<u>1,369</u>	<u>-</u>	<u>-</u>	<u>107,746</u>
-	21,365	3,729	23,149	105,789	1,054,960
<u>-</u>	<u>21,365</u>	<u>3,729</u>	<u>23,149</u>	<u>105,789</u>	<u>1,054,960</u>
<u>\$ -</u>	<u>\$ 21,365</u>	<u>\$ 5,098</u>	<u>\$ 23,149</u>	<u>\$ 105,789</u>	<u>\$ 1,162,706</u>

**WALKER COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Fire Suppression - US Forest Fire Suppression Fund	District Attorney Hot Check Fee Fund	Court Reporter Service Fund
<b>REVENUES:</b>			
<i>Intergovernmental</i>	\$ -	\$ -	\$ -
<i>Charges for Services</i>	-	15,136	14,601
<i>Fines and Forfeitures</i>	-	-	-
<i>Interest</i>	-	-	-
<i>Other</i>	-	60	-
Total Revenues	-	15,196	14,601
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	-	-	-
<i>Financial</i>	-	-	-
<i>Judicial</i>	-	13,083	15,947
<i>Public Safety</i>	-	-	-
<i>Correction and Rehabilitation</i>	-	-	-
<i>Health and Welfare</i>	-	-	-
<i>Culture and Education</i>	-	-	-
<i>Public Transportation</i>	-	-	-
Total Expenditures	-	13,083	15,947
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	2,113	(1,346)
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers In</i>	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	-	2,113	(1,346)
Fund Balances - Beginning	-	446	1,346
Fund Balances - Ending	\$ -	\$ 2,559	\$ -

County Law Library Fund	Courthouse Security Fund	Justice Courts Building Security Fund	Elections Equipment Fund	Tax Assessor Elections Service Contract Fund	County Clerk Records Management and Preservation Fund
\$ -	\$ -	\$ -	\$ 7,173	\$ 6,402	\$ -
34,005	39,891	7,352	-	151	100,430
-	-	-	-	-	-
25	4	8	12	4	21
-	-	-	-	-	-
<u>34,030</u>	<u>39,895</u>	<u>7,360</u>	<u>7,185</u>	<u>6,557</u>	<u>100,451</u>
-	-	-	24,800	7,480	12,509
-	-	-	-	-	-
37,692	-	-	-	-	-
-	59,579	12,164	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>37,692</u>	<u>59,579</u>	<u>12,164</u>	<u>24,800</u>	<u>7,480</u>	<u>12,509</u>
<u>(3,662)</u>	<u>(19,684)</u>	<u>(4,804)</u>	<u>(17,615)</u>	<u>(923)</u>	<u>87,942</u>
-	14,507	-	-	-	-
-	<u>14,507</u>	-	-	-	-
(3,662)	(5,177)	(4,804)	(17,615)	(923)	87,942
80,179	19,225	26,362	50,019	11,024	53,679
<u>\$ 76,517</u>	<u>\$ 14,048</u>	<u>\$ 21,558</u>	<u>\$ 32,404</u>	<u>\$ 10,101</u>	<u>\$ 141,621</u>



**WALKER COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	County Clerk Records Archive Fund	County Records Managment and Preservation Fund	County Records Preservation II Fund
<b>REVENUES:</b>			
<i>Intergovernmental</i>	\$ -	\$ -	\$ -
<i>Charges for Services</i>	103,426	22,223	11,247
<i>Fines and Forfeitures</i>	-	-	-
<i>Interest</i>	46	9	14
<i>Other</i>	-	-	-
Total Revenues	<u>103,472</u>	<u>22,232</u>	<u>11,261</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	9,402	24,247	13,386
<i>Financial</i>	-	-	-
<i>Judicial</i>	-	-	-
<i>Public Safety</i>	-	-	-
<i>Correction and Rehabilitation</i>	-	-	-
<i>Health and Welfare</i>	-	-	-
<i>Culture and Education</i>	-	-	-
<i>Public Transportation</i>	-	-	-
Total Expenditures	<u>9,402</u>	<u>24,247</u>	<u>13,386</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>94,070</u>	<u>(2,015)</u>	<u>(2,125)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers In</i>	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	94,070	(2,015)	(2,125)
Fund Balances - Beginning	104,647	24,590	42,725
Fund Balances - Ending	<u>\$ 198,717</u>	<u>\$ 22,575</u>	<u>\$ 40,600</u>

District Clerk Records Management and Preservation Fund	Sheriff Forfeiture Fund	District Attorney Forfeiture Fund	Juvenile Grant Fund	EERP Early Retiree Retirement Plan Fund	Tax Assessor Special Inventory Tax Fee Fund
\$ -	\$ -	\$ -	\$ 425,276	\$ -	\$ -
3,533	-	-	-	-	446
-	25,097	65,506	-	-	-
5	13	33	24	-	-
-	13,030	2,695	-	-	-
<u>3,538</u>	<u>38,140</u>	<u>68,234</u>	<u>425,300</u>	<u>-</u>	<u>446</u>
-	-	-	-	2,838	-
-	-	-	-	-	446
7,192	-	25,957	426,301	-	-
-	15,486	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,192</u>	<u>15,486</u>	<u>25,957</u>	<u>426,301</u>	<u>2,838</u>	<u>446</u>
<u>(3,654)</u>	<u>22,654</u>	<u>42,277</u>	<u>(1,001)</u>	<u>(2,838)</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
(3,654)	22,654	42,277	(1,001)	(2,838)	-
15,981	34,994	98,087	105,858	2,838	19
<u>\$ 12,327</u>	<u>\$ 57,648</u>	<u>\$ 140,364</u>	<u>\$ 104,857</u>	<u>\$ -</u>	<u>\$ 19</u>

**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	District Clerk Rider Fund	District Attorney Prosecutors Supplement Fund	Pretrial Intervention Program Fund
<b>REVENUES:</b>			
<i>Intergovernmental</i>	\$ 11,000	\$ 23,648	\$ -
<i>Charges for Services</i>	-	-	23,365
<i>Fines and Forfeitures</i>	-	-	-
<i>Interest</i>	-	-	14
<i>Other</i>	-	-	-
Total Revenues	<u>11,000</u>	<u>23,648</u>	<u>23,379</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	-	-	-
<i>Financial</i>	-	-	-
<i>Judicial</i>	4,644	23,649	68,249
<i>Public Safety</i>	-	-	-
<i>Correction and Rehabilitation</i>	-	-	-
<i>Health and Welfare</i>	-	-	-
<i>Culture and Education</i>	-	-	-
<i>Public Transportation</i>	-	-	-
Total Expenditures	<u>4,644</u>	<u>23,649</u>	<u>68,249</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,356</u>	<u>(1)</u>	<u>(44,870)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers In</i>	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	6,356	(1)	(44,870)
Fund Balances - Beginning	-	1	63,527
Fund Balances - Ending	<u>\$ 6,356</u>	<u>\$ -</u>	<u>\$ 18,657</u>

County Jury Fee Fund	Justice Courts Technology Fund	County and District Courts Technology Fund	Sheriff Inmate Medical Fund	DOJ Equitable Sharing Fund	Total Nonmajor Special Revenue Funds (See Exhibit A-5)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 473,499
2,890	29,708	2,238	2,360	-	413,002
-	-	-	-	102,039	192,642
-	5	1	7	24	269
-	-	-	-	-	15,785
<u>2,890</u>	<u>29,713</u>	<u>2,239</u>	<u>2,367</u>	<u>102,063</u>	<u>1,095,197</u>
-	-	-	-	-	94,662
-	-	-	-	-	446
5,178	33,726	2,472	-	-	664,090
-	-	-	-	-	87,229
-	-	-	231	-	231
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,178</u>	<u>33,726</u>	<u>2,472</u>	<u>231</u>	<u>-</u>	<u>846,658</u>
<u>(2,288)</u>	<u>(4,013)</u>	<u>(233)</u>	<u>2,136</u>	<u>102,063</u>	<u>248,539</u>
-	-	-	-	3,726	18,233
-	-	-	-	3,726	18,233
(2,288)	(4,013)	(233)	2,136	105,789	266,772
2,288	25,378	3,962	21,013	-	788,188
<u>\$ -</u>	<u>\$ 21,365</u>	<u>\$ 3,729</u>	<u>\$ 23,149</u>	<u>\$ 105,789</u>	<u>\$ 1,054,960</u>

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### **Budgetary Comparison Schedules**

**WALKER COUNTY, TEXAS**  
**DISTRICT ATTORNEY HOT CHECK FEE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-3**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 19,800	\$ 19,800	\$ 15,136	\$ (4,664)
Other Income:				
<i>Sale of Fixed Assets</i>	-	-	60	60
Total Other Income	-	-	60	60
Total Revenue	19,800	19,800	15,196	(4,604)
<b>EXPENDITURES:</b>				
Judicial:				
Hot Checks:				
<i>Salary, Other Pay, and Benefits</i>	17,102	17,102	10,693	6,409
<i>Operations</i>	2,698	2,698	2,390	308
Total Hot Check	19,800	19,800	13,083	6,717
Total Judicial	19,800	19,800	13,083	6,717
Total Expenditures	19,800	19,800	13,083	6,717
Net Change in Fund Balance	-	-	2,113	2,113
Fund Balance - Beginning	446	446	446	-
Fund Balance - Ending	\$ 446	\$ 446	\$ 2,559	\$ 2,113

**WALKER COUNTY, TEXAS**  
**COURT REPORTER SERVICE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-4**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Court Reporter Fees</i>	\$ 15,000	\$ 15,947	\$ 14,601	\$ (1,346)
Total Charges for Services	15,000	15,947	14,601	(1,346)
Total Revenues	15,000	15,947	14,601	(1,346)
<b>EXPENDITURES:</b>				
Judicial:				
Court Reporter Services:				
<i>Operations</i>	15,000	15,947	15,947	-
Total Court Reporter Services	15,000	15,947	15,947	-
Total Judicial	15,000	15,947	15,947	-
Total Expenditures	15,000	15,947	15,947	-
Net Change in Fund Balance	-	-	(1,346)	(1,346)
Fund Balance - Beginning	1,346	1,346	1,346	-
Fund Balance - Ending	\$ 1,346	\$ 1,346	\$ -	\$ (1,346)



**WALKER COUNTY, TEXAS**  
**COUNTY LAW LIBRARY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-5**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Law Library</i>	\$ 34,400	\$ 34,400	\$ 34,005	\$ (395)
Total Charges for Services	34,400	34,400	34,005	(395)
<i>Interest</i>	60	60	25	(35)
Total Revenues	34,460	34,460	34,030	(430)
<b>EXPENDITURES:</b>				
Judicial:				
Law Library:				
<i>Salary, Other Pay, and Benefits</i>	9,399	9,399	8,624	775
<i>Operations</i>	37,588	37,588	29,068	8,520
<i>Contingency</i>	14,000	14,000	-	14,000
Total Law Library	60,987	60,987	37,692	23,295
Total Judicial	60,987	60,987	37,692	23,295
Total Expenditures	60,987	60,987	37,692	23,295
Net Change in Fund Balance	(26,527)	(26,527)	(3,662)	22,865
Fund Balance - Beginning	80,179	80,179	80,179	-
Fund Balance - Ending	\$ 53,652	\$ 53,652	\$ 76,517	\$ 22,865

**WALKER COUNTY, TEXAS**  
**COURT HOUSE SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-6**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Court House Security</i>	\$ 44,000	\$ 44,000	\$ 39,891	\$ (4,109)
Total Charges for Services	44,000	44,000	39,891	(4,109)
<i>Interest</i>	-	-	4	4
Total Revenues	44,000	44,000	39,895	(4,105)
<b>EXPENDITURES:</b>				
Public Safety:				
Courthouse Security:				
<i>Salary, Other Pay, and Benefits</i>	59,668	59,668	59,579	89
<i>Operations</i>	-	-	-	-
Total Courthouse Security	59,668	59,668	59,579	89
Total Public Safety	59,668	59,668	59,579	89
Total Expenditures	59,668	59,668	59,579	89
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,668)	(15,668)	(19,684)	(4,016)
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	14,507	14,507	14,507	-
Total Other Financing Sources (Uses)	14,507	14,507	14,507	-
Net Change in Fund Balance	(1,161)	(1,161)	(5,177)	(4,016)
Fund Balance - Beginning	19,225	19,225	19,225	-
Fund Balance - Ending	\$ 18,064	\$ 18,064	\$ 14,048	\$ (4,016)

**WALKER COUNTY, TEXAS**  
**JUSTICE COURTS SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-7**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Justice Court Security</i>	\$ 8,000	\$ 8,000	\$ 7,352	\$ (648)
Total Charges for Services	8,000	8,000	7,352	(648)
<i>Interest</i>	40	40	8	(32)
Total Revenues	8,040	8,040	7,360	(680)
<b>EXPENDITURES:</b>				
Public Safety:				
Justice Courts Security:				
<i>Operations</i>	25,000	25,000	12,164	12,836
Total Justice Courts Security	25,000	25,000	12,164	12,836
Total Public Safety	25,000	25,000	12,164	12,836
Total Expenditures	25,000	25,000	12,164	12,836
Net Change in Fund Balance	(16,960)	(16,960)	(4,804)	12,156
Fund Balance - Beginning	26,362	26,362	26,362	-
Fund Balance - Ending	\$ 9,402	\$ 9,402	\$ 21,558	\$ 12,156

**WALKER COUNTY, TEXAS**  
**ELECTIONS EQUIPMENT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-8**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
<i>Other</i>	\$ 4,000	\$ 4,000	\$ 7,173	\$ 3,173
Total Other Governmental Funds	4,000	4,000	7,173	3,173
Total Intergovernmental	4,000	4,000	7,173	3,173
<i>Interest</i>	-	-	12	12
Total Revenues	4,000	4,000	7,185	3,185
<b>EXPENDITURES:</b>				
General Government:				
Elections Equipment:				
<i>Operations</i>	54,310	54,310	24,800	29,510
Total Elections Equipment	54,310	54,310	24,800	29,510
Total General Government	54,310	54,310	24,800	29,510
Total Expenditures	54,310	54,310	24,800	29,510
Net Change in Fund Balance	(50,310)	(50,310)	(17,615)	32,695
Fund Balance - Beginning	50,019	50,019	50,019	-
Fund Balance - Ending	\$ (291)	\$ (291)	\$ 32,404	\$ 32,695

**WALKER COUNTY, TEXAS**

TAX ASSESSOR ELECTIONS SERVICE CONTRACT FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2014

**EXHIBIT C-9**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Intergovernmental</i>	\$ -	\$ 3,875	\$ 6,402	\$ 2,527
<i>Charges for Services</i>	3,500	3,500	151	(3,349)
<i>Interest</i>	-	-	4	4
Total Revenues	3,500	7,375	6,557	(818)
<b>EXPENDITURES:</b>				
General Government:				
Elections Services Contracts:				
<i>Salary, Other Pay, and Benefits</i>	3,605	-	-	-
<i>Operations</i>	-	7,480	7,480	-
Total Elections Service Contracts	3,605	7,480	7,480	-
Total General Government	3,605	7,480	7,480	-
Total Expenditures	3,605	7,480	7,480	-
Net Change in Fund Balance	(105)	(105)	(923)	(818)
Fund Balance - Beginning	11,024	11,024	11,024	-
Fund Balance - Ending	\$ 10,919	\$ 10,919	\$ 10,101	\$ (818)

**WALKER COUNTY, TEXAS****COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION FUND****SPECIAL REVENUE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2014****EXHIBIT C-10**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 50,000	\$ 50,000	\$ 100,430	\$ 50,430
Total Charges for Services	50,000	50,000	100,430	50,430
<i>Interest</i>	40	40	21	(19)
Total Revenues	50,040	50,040	100,451	50,411
<b>EXPENDITURES:</b>				
General Government:				
County Clerk-Records Preservation:				
<i>Salary, Other Pay, and Benefits</i>	52,658	52,658	11,565	41,093
<i>Operations</i>	4,600	4,600	944	3,656
Total County Clerk-Records Preservation	57,258	57,258	12,509	44,749
Total General Government	57,258	57,258	12,509	44,749
Total Expenditures	57,258	57,258	12,509	44,749
Net Changes in Fund Balance	(7,218)	(7,218)	87,942	95,160
Fund Balance - Beginning	53,679	53,679	53,679	-
Fund Balance - Ending	\$ 46,461	\$ 46,461	\$ 141,621	\$ 95,160

**WALKER COUNTY, TEXAS**  
**COUNTY CLERK RECORDS ARCHIVE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-11**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 50,000	\$ 50,000	\$ 103,426	\$ 53,426
Total Charges for Services	50,000	50,000	103,426	53,426
<i>Interest</i>	20	20	46	26
Total Revenues	50,020	50,020	103,472	53,452
<b>EXPENDITURES:</b>				
General Government:				
County Clerk Archive:				
<i>Operations</i>	-	9,403	9,402	1
<i>Contingency</i>	25,000	15,597	-	15,597
Total County Clerk Archive	25,000	25,000	9,402	15,598
Total General Government	25,000	25,000	9,402	15,598
Total Expenditures	25,000	25,000	9,402	15,598
Net Changes in Fund Balance	25,020	25,020	94,070	69,050
Fund Balance - Beginning	104,647	104,647	104,647	-
Fund Balance - Ending	\$ 129,667	\$ 129,667	\$ 198,717	\$ 69,050

**WALKER COUNTY, TEXAS**  
**COUNTY RECORDS MANAGEMENT AND PRESERVATION FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-12**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 22,800	\$ 22,800	\$ 22,223	\$ (577)
Total Charges for Services	22,800	22,800	22,223	(577)
<i>Interest</i>	25	25	9	(16)
Total Revenues	22,825	22,825	22,232	(593)
<b>EXPENDITURES:</b>				
General Government:				
County Records Management:				
<i>Operations</i>	30,000	30,000	24,247	5,753
Total County Records Management	30,000	30,000	24,247	5,753
Total General Government	30,000	30,000	24,247	5,753
Total Expenditures	30,000	30,000	24,247	5,753
Net Change in Fund Balances	(7,175)	(7,175)	(2,015)	5,160
Fund Balance - Beginning	24,590	24,590	24,590	-
Fund Balance - Ending	\$ 17,415	\$ 17,415	\$ 22,575	\$ 5,160



**WALKER COUNTY, TEXAS**  
**COUNTY RECORDS PRESERVATION II FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-13**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 11,000	\$ 11,000	\$ 11,247	\$ 247
Total Charges for Services	11,000	11,000	11,247	247
<i>Interest</i>	-	-	14	14
Total Revenues	11,000	11,000	11,261	261
<b>EXPENDITURES:</b>				
General Government:				
County Records Preservation II Fund:				
<i>Operations</i>	53,401	40,014	-	40,014
<i>Capital Expenditures</i>	-	13,387	13,386	1
Total County Records Preservation II Fund	53,401	53,401	13,386	40,015
Total General Government	53,401	53,401	13,386	40,015
Total Expenditures	53,401	53,401	13,386	40,015
Net Change in Fund Balance	(42,401)	(42,401)	(2,125)	40,276
Fund Balance - Beginning	42,725	42,725	42,725	-
Fund Balance - Ending	\$ 324	\$ 324	\$ 40,600	\$ 40,276

**WALKER COUNTY, TEXAS**
**DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**
**EXHIBIT C-14**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Records Preservation</i>	\$ 3,400	\$ 3,400	\$ 3,533	\$ 133
Total Charges for Services	<u>3,400</u>	<u>3,400</u>	<u>3,533</u>	<u>133</u>
<i>Interest</i>	<u>10</u>	<u>10</u>	<u>5</u>	<u>(5)</u>
Total Revenues	<u>3,410</u>	<u>3,410</u>	<u>3,538</u>	<u>128</u>
<b>EXPENDITURES:</b>				
Judicial:				
District Clerk Records Preservation:				
<i>Operations</i>	-	2,205	2,205	-
<i>Salary, Other Pay, and Benefits</i>	-	3,331	3,304	27
<i>Capital Expenditures</i>	-	1,683	1,683	-
<i>Contingency</i>	<u>19,577</u>	<u>12,358</u>	<u>-</u>	<u>12,358</u>
Total District Clerk Records Preservation	<u>19,577</u>	<u>19,577</u>	<u>7,192</u>	<u>12,385</u>
Total Judicial	<u>19,577</u>	<u>19,577</u>	<u>7,192</u>	<u>12,385</u>
Total Expenditures	<u>19,577</u>	<u>19,577</u>	<u>7,192</u>	<u>12,385</u>
Net Change in Fund Balance	(16,167)	(16,167)	(3,654)	12,513
Fund Balance - Beginning	<u>15,981</u>	<u>15,981</u>	<u>15,981</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (186)</u>	<u>\$ (186)</u>	<u>\$ 12,327</u>	<u>\$ 12,513</u>

**WALKER COUNTY, TEXAS**  
**SHERIFF FORFEITURE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-15**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 25,097	\$ 25,097
<i>Interest</i>	-	-	13	13
Other Income:				
<i>Other</i>	-	5,000	13,030	8,030
Total Other Income	-	5,000	13,030	8,030
Total Revenues	-	5,000	38,140	33,140
<b>EXPENDITURES:</b>				
Public Safety:				
Sheriff Forfeiture:				
<i>Operations</i>	-	5,308	4,608	700
<i>Capital Expenditures</i>	-	-	10,878	(10,878)
<i>Contingency</i>	9,933	9,625	-	9,625
Total Sheriff Forfeiture	9,933	14,933	15,486	(553)
Total Public Safety	9,933	14,933	15,486	(553)
Total Expenditures	9,933	14,933	15,486	(553)
Net Change in Fund Balance	(9,933)	(9,933)	22,654	32,587
Fund Balance - Beginning	34,994	34,994	34,994	-
Fund Balance - Ending	\$ 25,061	\$ 25,061	\$ 57,648	\$ 32,587

**WALKER COUNTY, TEXAS**  
**DISTRICT ATTORNEY FORFEITURE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-16**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 65,506	\$ 65,506
<i>Interest</i>	-	-	33	33
Other Income:				
<i>Other</i>	-	-	2,695	2,695
Total Other Income	-	-	2,695	2,695
 Total Revenues	-	-	68,234	68,234
<b>EXPENDITURES:</b>				
Judicial:				
District Attorney Forfeitures:				
<i>Operations</i>	-	16,714	15,992	722
<i>Capital Expenditures</i>	-	9,605	9,605	-
<i>Contingency</i>	33,776	7,457	360	7,097
Total District Attorney Forfeitures	33,776	33,776	25,957	7,819
Total Judicial	33,776	33,776	25,957	7,819
Total Expenditures	33,776	33,776	25,957	7,819
Net Change in Fund Balance	(33,776)	(33,776)	42,277	76,053
Fund Balance - Beginning	98,087	98,087	98,087	-
Fund Balance - Ending	\$ 64,311	\$ 64,311	\$ 140,364	\$ 76,053

**WALKER COUNTY, TEXAS**  
**JUVENILE GRANT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-17**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State Funds:				
<i>State Grant Funds</i>	\$ 7,868	\$ 7,868	\$ 7,448	\$ (420)
<i>Other State Funds</i>	429,777	431,458	417,828	(13,630)
Total State Funds	437,645	439,326	425,276	(14,050)
Total Intergovernmental	437,645	439,326	425,276	(14,050)
<i>Interest</i>	-	-	24	24
Total Revenues	437,645	439,326	425,300	(14,026)
<b>EXPENDITURES:</b>				
Judicial:				
TJPC-A-94-236				
<i>Salary, Other Pay, and Benefits</i>	349,612	349,612	343,430	6,182
Total TJPC-A-94-236	349,612	349,612	343,430	6,182
Title IV-E Funds				
<i>Operations</i>	-	1,025	1,024	1
Total Title IV-E Funds	-	1,025	1,024	1
Juvenile Grants				
<i>Operations</i>	44,764	44,764	37,318	7,446
Total Juvenile Grants	44,764	44,764	37,318	7,446
Medical Service Fund				
<i>Operations</i>	35,401	37,082	37,081	1
Total Medical Service Fund	35,401	37,082	37,081	1
HGAC Services Grant				
<i>Operations</i>	7,868	7,868	7,448	420
Total HGAC Services Grant	7,868	7,868	7,448	420
Total Judicial	437,645	440,351	426,301	14,050
Total Expenditures	437,645	440,351	426,301	14,050
Net Change in Fund Balance	-	(1,025)	(1,001)	24
Fund Balance - Beginning	105,858	105,858	105,858	-
Fund Balance - Ending	\$ 105,858	\$ 104,833	\$ 104,857	\$ 24

**WALKER COUNTY, TEXAS**

EERP EARLY RETIREE RETIREMENT PLAN FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2014

**EXHIBIT C-18**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Interest</i>	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES:</b>				
General Government:				
ERRP-Early Retiree Retirement Program				
<i>Salary, Other Pay, and Benefits</i>	-	2,838	2,838	-
Total ERRP-Early Retiree Retirement Program	-	2,838	2,838	-
Total General Government	-	2,838	2,838	-
Total Expenditures	-	2,838	2,838	-
Net Change in Fund Balance	-	(2,838)	(2,838)	-
Fund Balance - Beginning	2,838	2,838	2,838	-
Fund Balance - Ending	\$ 2,838	\$ -	\$ -	\$ -

**WALKER COUNTY, TEXAS**

TAX ASSESSOR SPECIAL INVENTORY TAX FEE FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2014

**EXHIBIT C-19**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 1,023	\$ 1,023	\$ 446	\$ (577)
Total Revenues	1,023	1,023	446	(577)
<b>EXPENDITURES:</b>				
Financial:				
Special Inventory Tax:				
<i>Operations</i>	1,042	1,488	446	1,042
Total Special Inventory Tax	1,042	1,488	446	1,042
Total Financial	1,042	1,488	446	1,042
Total Expenditures	1,042	1,488	446	1,042
Net Change in Fund Balance	(19)	(465)	-	465
Fund Balance - Beginning	19	19	19	-
Fund Balance - Ending	\$ -	\$ (446)	\$ 19	\$ 465

**WALKER COUNTY, TEXAS**  
**DISTRICT CLERK RIDER FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-20**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ 12,000	\$ 12,000	\$ 11,000	\$ (1,000)
Total State Funds	12,000	12,000	11,000	(1,000)
 Total Intergovernmental	12,000	12,000	11,000	(1,000)
 Total Revenues	12,000	12,000	11,000	(1,000)
<b>EXPENDITURES:</b>				
Judicial:				
Rider Prosecution Fund:				
<i>Salary, Other Pay, and Benefits</i>	4,820	4,820	4,644	176
<i>Contingency</i>	5,000	5,000	-	5,000
Total Rider Prosecution Fund	9,820	9,820	4,644	5,176
 Total Judicial	9,820	9,820	4,644	5,176
 Total Expenditures	9,820	9,820	4,644	5,176
 Net Change in Fund Balances	2,180	2,180	6,356	4,176
 Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ 2,180	\$ 2,180	\$ 6,356	\$ 4,176



**WALKER COUNTY, TEXAS**

DISTRICT ATTORNEY PROSECUTORS SUPPLEMENT FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2014

**EXHIBIT C-21**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ 22,500	\$ 23,649	\$ 23,648	\$ (1)
Total State Funds	22,500	23,649	23,648	(1)
Total Intergovernmental	22,500	23,649	23,648	(1)
Total Revenues	22,500	23,649	23,648	(1)
<b>EXPENDITURES:</b>				
Judicial:				
CDA Supplement:				
<i>Operations</i>	22,500	23,649	23,649	-
Total CDA Supplement	22,500	23,649	23,649	-
Total Judicial	22,500	23,649	23,649	-
Total Expenditures	22,500	23,649	23,649	-
Net Change in Fund Balance	-	-	(1)	(1)
Fund Balance - Beginning	1	1	1	-
Fund Balance - Ending	\$ 1	\$ 1	\$ -	\$ (1)

**WALKER COUNTY, TEXAS**  
**PRETRIAL INTERVENTION PROGRAM FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-22**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services:				
<i>Pretrial Intervention</i>	\$ 30,000	\$ 30,000	\$ 23,365	\$ (6,635)
Total Charges for Services	30,000	30,000	23,365	(6,635)
<i>Interest</i>	45	45	14	(31)
Total Revenues	30,045	30,045	23,379	(6,666)
<b>EXPENDITURES:</b>				
Judicial:				
Pretrial Intervention:				
<i>Salary, Other Pay, and Benefits</i>	40,451	40,679	40,679	-
<i>Operations</i>	40,000	39,772	27,570	12,202
Total Pretrial Intervention	80,451	80,451	68,249	12,202
Total Judicial	80,451	80,451	68,249	12,202
Total Expenditures	80,451	80,451	68,249	12,202
Net Change in Fund Balance	(50,406)	(50,406)	(44,870)	5,536
Fund Balance - Beginning	63,527	63,527	63,527	-
Fund Balance - Ending	\$ 13,121	\$ 13,121	\$ 18,657	\$ 5,536

**WALKER COUNTY, TEXAS**  
**COUNTY JURY FEE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-23**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for Services	\$ 2,800	\$ 2,890	\$ 2,890	\$ -
Total Revenues	2,800	2,890	2,890	-
<b>EXPENDITURES:</b>				
Judicial:				
County Jury:				
Operations	2,800	5,178	5,178	-
Total County Jury	2,800	5,178	5,178	-
Total Judicial	2,800	5,178	5,178	-
Total Expenditures	2,800	5,178	5,178	-
Net Change Fund Balance	-	(2,288)	(2,288)	-
Fund Balance - Beginning	2,288	2,288	2,288	-
Fund Balance - Ending	\$ 2,288	\$ -	\$ -	\$ -

**WALKER COUNTY, TEXAS**  
**JUSTICE COURTS TECHNOLOGY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-24**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 30,000	\$ 30,000	\$ 29,708	\$ (292)
<i>Interest</i>	175	175	5	(170)
Total Revenues	30,175	30,175	29,713	(462)
<b>EXPENDITURES:</b>				
Judicial:				
Justice Court Technology:				
<i>Operations</i>	37,500	41,216	33,726	7,490
<i>Contingency</i>	5,000	1,284	-	1,284
Total Justice Court Technology	42,500	42,500	33,726	8,774
Total Judicial	42,500	42,500	33,726	8,774
Total Expenditures	42,500	42,500	33,726	8,774
Net Change in Fund Balance	(12,325)	(12,325)	(4,013)	8,312
Fund Balance - Beginning	25,378	25,378	25,378	-
Fund Balance - Ending	\$ 13,053	\$ 13,053	\$ 21,365	\$ 8,312

**WALKER COUNTY, TEXAS**

COUNTY AND DISTRICT COURTS TECHNOLOGY FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2014

**EXHIBIT C-25**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 2,900	\$ 2,900	\$ 2,238	\$ (662)
<i>Interest</i>	-	-	1	1
Total Revenues	2,900	2,900	2,239	(661)
<b>EXPENDITURES:</b>				
Judicial:				
County and District Courts Technology:				
<i>Operations</i>	11,547	11,547	2,472	9,075
Total County and District Courts Technology	11,547	11,547	2,472	9,075
Total Judicial	11,547	11,547	2,472	9,075
Total Expenditures	11,547	11,547	2,472	9,075
Net Change in Fund Balance	(8,647)	(8,647)	(233)	8,414
Fund Balance - Beginning	3,962	3,962	3,962	-
Fund Balance - Ending	<u>\$ (4,685)</u>	<u>\$ (4,685)</u>	<u>\$ 3,729</u>	<u>\$ 8,414</u>

**WALKER COUNTY, TEXAS**  
**SHERIFF INMATE MEDICAL FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-26**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Charges for Services</i>	\$ 1,500	\$ 1,500	\$ 2,360	\$ 860
<i>Interest</i>	15	15	7	(8)
Total Revenues	1,515	1,515	2,367	852
<b>EXPENDITURES:</b>				
Correction and Rehabilitation:				
Sheriff Inmate Medical:				
<i>Operations</i>	10,000	10,000	231	9,769
Total Sheriff Inmate Medical	10,000	10,000	231	9,769
Total Correction and Rehabilitation	10,000	10,000	231	9,769
Total Expenditures	10,000	10,000	231	9,769
Net Changes in Fund Balance	(8,485)	(8,485)	2,136	10,621
Fund Balance - Beginning	21,013	21,013	21,013	-
Fund Balance - Ending	\$ 12,528	\$ 12,528	\$ 23,149	\$ 10,621

**WALKER COUNTY, TEXAS**  
**DOJ EQUITABLE SHARING FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-27**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 102,039	\$ 102,039
<i>Interest</i>	-	-	24	24
Total Revenues	-	-	102,063	102,063
<b>EXPENDITURES:</b>				
Public Safety:				
DOJ Equitable Sharing				
<i>Operations</i>	-	-	-	-
Total DOJ Equitable Sharing	-	-	-	-
Total Public Safety	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	102,063	102,063
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers In</i>	-	3,727	3,726	(1)
Total Other Financing Sources (Uses)	-	3,727	3,726	(1)
Net Change in Fund Balance	-	3,727	105,789	102,062
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ 3,727	\$ 105,789	\$ 102,062

**Debt Service Fund**



**WALKER COUNTY, TEXAS**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-28**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Ad Valorem Taxes:				
<i>Current Taxes</i>	\$ 1,216,102	\$ 1,216,102	\$ 1,364,104	\$ 148,002
<i>Delinquent Taxes</i>	20,000	20,000	24,801	4,801
Total Ad Valorem Taxes	<u>1,236,102</u>	<u>1,236,102</u>	<u>1,388,905</u>	<u>152,803</u>
 <i>Penalty and Interest</i>	 10,000	 10,000	 22,108	 12,108
 <i>Interest</i>	 300	 300	 186	 (114)
 Total Revenues	 <u>1,246,402</u>	 <u>1,246,402</u>	 <u>1,411,199</u>	 <u>164,797</u>
 <b>EXPENDITURES:</b>				
Debt Service:				
<i>Principal Retirement</i>	800,000	800,000	800,000	-
<i>Interest and Fiscal Charges</i>	576,668	576,668	576,668	-
Total Debt Service	<u>1,376,668</u>	<u>1,376,668</u>	<u>1,376,668</u>	<u>-</u>
 Total Expenditures	 <u>1,376,668</u>	 <u>1,376,668</u>	 <u>1,376,668</u>	 <u>-</u>
 Net Change in Fund Balance	 (130,266)	 (130,266)	 34,531	 164,797
 Fund Balance - Beginning	 141,977	 141,977	 141,977	 -
Fund Balance - Ending	<u>\$ 11,711</u>	<u>\$ 11,711</u>	<u>\$ 176,508</u>	<u>\$ 164,797</u>

**Projects Fund**

**WALKER COUNTY, TEXAS**  
**JAIL CONSTRUCTION FUND**  
**CAPITAL PROJECTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT C-29**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Interest</i>	\$ -	\$ -	\$ 2,399	\$ 2,399
<b>Total Revenues</b>	-	-	2,399	2,399
<b>EXPENDITURES:</b>				
Correction and Rehabilitation:				
Jail Project:				
<i>Salary, Other Pay, and Benefits</i>	26,331	52,081	52,081	-
<i>Operations</i>	-	101,356	87,049	14,307
<i>Capital Expenditures</i>	6,317,551	6,215,391	5,256,496	958,895
<b>Total Jail Project</b>	<u>6,343,882</u>	<u>6,368,828</u>	<u>5,395,626</u>	<u>973,202</u>
<b>Total Correction and Rehabilitation</b>	<u>6,343,882</u>	<u>6,368,828</u>	<u>5,395,626</u>	<u>973,202</u>
<b>Total Expenditures</b>	<u>6,343,882</u>	<u>6,368,828</u>	<u>5,395,626</u>	<u>973,202</u>
<b>Net Change in Fund Balance</b>	(6,343,882)	(6,368,828)	(5,393,227)	975,601
<b>Fund Balance - Beginning</b>	<u>6,368,829</u>	<u>6,368,829</u>	<u>6,368,829</u>	-
<b>Fund Balance - Ending</b>	<u>\$ 24,947</u>	<u>\$ 1</u>	<u>\$ 975,602</u>	<u>\$ 975,601</u>

## **Fiduciary Funds**

**WALKER COUNTY, TEXAS****EXHIBIT C-30****COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
SEPTEMBER 30, 2014**

	County Officials Trust & Agency Funds	Walker County Public Safety Communications Center	Sheriff Commissar y Fund	Adult Probation	LEOSE Training Fund	Total Agency Funds (See Exhibit A-7)
<b>ASSETS:</b>						
<i>Cash and Cash Equivalents</i>	\$ 3,055,304	\$ 263,116	\$ 28,077	\$ 315,899	\$ 25,626	\$ 3,688,022
<i>Accounts Receivable</i>	-	1,327	-	-	-	1,327
<i>Due from Other Governments</i>	-	5,585	-	-	-	5,585
<b>Total Assets</b>	<u>\$ 3,055,304</u>	<u>\$ 270,028</u>	<u>\$ 28,077</u>	<u>\$ 315,899</u>	<u>\$ 25,626</u>	<u>\$ 3,694,934</u>
<b>LIABILITIES:</b>						
<i>Accounts Payable</i>	\$ -	\$ 406	\$ 214	\$ 9,361	\$ 281	\$ 10,262
<i>Due to Others</i>	1,681,161	-	27,863	306,538	-	2,015,562
<i>Due to Other Governments</i>	1,374,143	269,622	-	-	25,345	1,669,110
<b>Total Liabilities</b>	<u>\$ 3,055,304</u>	<u>\$ 270,028</u>	<u>\$ 28,077</u>	<u>\$ 315,899</u>	<u>\$ 25,626</u>	<u>\$ 3,694,934</u>

**WALKER COUNTY, TEXAS****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES****ALL AGENCY FUNDS****FOR THE YEAR ENDED SEPTEMBER 30, 2014****EXHIBIT C-31**

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
<b><u>COUNTY OFFICIALS TRUST AND</u></b>				
<b><u>AGENCY FUNDS:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 2,407,929	\$ 2,229,390	\$ 1,582,015	\$ 3,055,304
Cash (Restricted)	-	-	-	-
Total Assets	\$ 2,407,929	\$ 2,229,390	\$ 1,582,015	\$ 3,055,304
<b>Liabilities:</b>				
Due to Others	\$ 1,403,338	\$ 895,406	\$ 617,583	\$ 1,681,161
Due to Other Governments	1,004,591	897,564	528,012	1,374,143
Total Liabilities	\$ 2,407,929	\$ 1,792,970	\$ 1,145,595	\$ 3,055,304
<b><u>WALKER COUNTY PUBLIC SAFETY</u></b>				
<b><u>COMMUNICATIONS CENTER:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 308,294	\$ 1,276,741	\$ 1,321,919	\$ 263,116
Accounts Receivable	714	164,600	163,987	1,327
Due from Other Governments	-	5,585	-	5,585
Total Assets	\$ 309,008	\$ 1,446,926	\$ 1,485,906	\$ 270,028
<b>Liabilities:</b>				
Accounts Payable	\$ 5,636	\$ 559,724	\$ 564,954	\$ 406
Due to Other Governments	303,372	-	33,750	269,622
Total Liabilities	\$ 309,008	\$ 559,724	\$ 598,704	\$ 270,028
<b><u>SHERIFF COMMISSARY FUND:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 25,632	\$ 21,652	\$ 19,207	\$ 28,077
Total Assets	\$ 25,632	\$ 21,652	\$ 19,207	\$ 28,077
<b>Liabilities:</b>				
Accounts Payable	\$ 248	\$ 19,173	\$ 19,207	\$ 214
Due to Others	25,384	2,479	-	27,863
Total Liabilities	\$ 25,632	\$ 21,652	\$ 19,207	\$ 28,077
<b><u>ADULT PROBATION:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 392,841	\$ 1,601,185	\$ 1,678,127	\$ 315,899
Accounts Receivable	-	-	-	-
Total Assets	\$ 392,841	\$ 1,601,185	\$ 1,678,127	\$ 315,899
<b>Liabilities:</b>				
Accounts Payable	\$ 7,319	\$ 161,597	\$ 159,555	\$ 9,361
Due to Others	385,522	-	78,984	306,538
Total Liabilities	\$ 392,841	\$ 161,597	\$ 238,539	\$ 315,899
<b><u>AGENCY FUND - LEOSE TRAINING FUND</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 20,412	\$ 8,855	\$ 3,641	\$ 25,626
Accounts Receivable	-	-	-	-
Total Assets	\$ 20,412	\$ 8,855	\$ 3,641	\$ 25,626
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ 3,922	\$ 3,641	\$ 281
Due to Others	-	-	-	-
Due to Other Governments	20,412	4,933	-	25,345
Total Liabilities	\$ 20,412	\$ 8,855	\$ 3,641	\$ 25,626
<b><u>TOTAL AGENCY FUNDS:</u></b>				
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 3,155,108	\$ 5,137,823	\$ 4,604,909	\$ 3,688,022
Cash (Restricted)	-	-	-	-
Accounts Receivable	714	164,600	163,987	1,327
Due from Other Governments	-	5,585	-	5,585
Total Assets	\$ 3,155,822	\$ 5,308,008	\$ 4,768,896	\$ 3,694,934
<b>Liabilities:</b>				
Accounts Payable	\$ 13,203	\$ 744,416	\$ 747,357	\$ 10,262
Due to Others	1,814,244	897,885	696,567	2,015,562
Due to Other Governments	1,328,375	902,497	561,762	1,669,110
Total Liabilities	\$ 3,155,822	\$ 2,544,798	\$ 2,005,686	\$ 3,694,934

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**WALKER COUNTY, TEXAS****COMPARATIVE SCHEDULES BY SOURCE OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014 AND 2013****EXHIBIT C-32**

	<u>2014</u>	<u>2013</u>
Capital Assets:		
Land	\$ 680,552	\$ 680,552
Construction in Progress	-	13,669,169
Vehicles	4,841,044	4,721,812
Office Furniture and Fixtures	1,648,362	2,044,082
Machinery and Equipment	5,899,683	4,757,259
Buildings and Facilities	35,151,023	17,103,116
Improvements	4,406,024	4,186,518
Total Capital Assets	<u>\$ 52,626,688</u>	<u>\$ 47,162,508</u>
Investment in Capital Assets by Source:		
General Fund	\$ 7,170,112	\$ 7,160,567
Special Revenue Funds	43,488,250	38,033,615
Capital Projects Funds	1,968,326	1,968,326
Total Investment in Capital Assets	<u>\$ 52,626,688</u>	<u>\$ 47,162,508</u>



# WALKER COUNTY, TEXAS

# EXHIBIT C-33

## SCHEDULE OF DEPRECIATION EXPENSE BY FUNCTION AND ACTIVITY OF CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS SEPTEMBER 30, 2014

Function and Activity	Buildings and Facilities	Improvements	Office Furniture and Fixtures	Vehicles	Machinery and Equipment	Total
<b>General Government:</b>						
County Judge	\$ -	\$ -	\$ 950	\$ 2,646	\$ -	\$ 3,596
IT Operations - County Judge	-	3,434	95,118	-	-	98,552
County Clerk	-	-	7,470	-	-	7,470
Voter Registration	-	-	1,000	-	-	1,000
Elections	974	-	1,129	-	-	2,103
County Facilities	63,864	101,185	-	13,232	30,712	208,993
Courthouse Annex II-University Ave.	4,308	4,659	-	-	-	8,967
Annex II	75,124	2,471	-	-	20,478	98,073
Annex 340 Hwy 75 North	-	1,623	-	-	-	1,623
H.E.A.R.T.S. Complex	98,131	-	-	-	285	98,416
Non-Department/Centralized Cost	-	-	84,598	-	-	84,598
Total General Government	242,401	113,372	190,265	15,878	51,475	613,391
<b>Financial:</b>						
County Auditor	-	-	25,696	-	-	25,696
County Treasurer	-	-	1,105	-	-	1,105
Total Financial	-	-	26,801	-	-	26,801
<b>Judicial:</b>						
278th Judicial District Court	-	-	833	-	-	833
District Clerk	-	-	2,107	-	-	2,107
Criminal District Attorney	54,690	15,650	86	8,359	-	78,785
Justice of the Peace-Precinct 3	2,586	2,546	-	-	-	5,132
Justice of the Peace-Precinct 4	4,070	-	-	-	-	4,070
Juvenile Probation Support	-	-	1,268	-	-	1,268
SPU Criminal	-	-	2,193	-	-	2,193
SPU State General Allocation	-	-	5,960	7,602	-	13,562
SPU Juvenile Division	-	-	-	7,691	-	7,691
Juvenile Title IV-E	-	-	57	-	-	57
Total Judicial	61,346	18,196	12,504	23,652	-	115,698
<b>Public Safety:</b>						
Sheriff's Office	108,041	-	1,502	151,756	9,817	271,116
Constable-Precinct 1	-	-	-	6,605	-	6,605
Constable-Precinct 2	-	-	-	6,569	-	6,569
Constable-Precinct 3	-	-	-	12,811	-	12,811
Constable-Precinct 4	-	-	-	10,715	-	10,715
Weigh Station Utilities Services	5,732	16,381	-	-	2,451	24,564
Emergency Operations	168,721	-	-	7,639	117,361	293,721
Walker County EMS - Emergency Services	-	-	1,080	118,866	21,362	141,308
Total Public Safety	282,494	16,381	2,582	314,961	150,991	767,409
<b>Correction and Rehabilitation</b>						
County Jail	735,454	3,220	6,534	26,194	61,419	832,821
Probation Support	46,100	-	-	-	-	46,100
Adult Basic Supervision	-	-	-	-	680	680
Total Correction and Rehabilitation	781,554	3,220	6,534	26,194	62,099	879,601
<b>Health and Welfare:</b>						
Planning and Development	-	-	-	14,916	-	14,916
Litter Control General Fund	-	-	-	20	1,321	1,341
Total Health and Welfare	-	-	-	14,936	1,321	16,257
<b>Culture and Education:</b>						
Texas AgriLife Extension Service	-	-	-	-	1,621	1,621
Total Culture and Education	-	-	-	-	1,621	1,621
<b>Public Transportation:</b>						
General	-	-	-	5,822	3,485	9,307
Precinct 1	-	18,300	-	6,209	35,175	59,684
Precinct 2	433	2,493	-	9,744	58,371	71,041
Precinct 3	-	8,381	-	6,180	26,160	40,721
Precinct 4	12,471	26,020	-	13,712	22,469	74,672
Total Public Transportation	12,904	55,194	-	41,667	145,660	255,425
<b>Total Capital Assets</b>	<b>\$ 1,380,699</b>	<b>\$ 206,363</b>	<b>\$ 238,686</b>	<b>\$ 437,288</b>	<b>\$ 413,167</b>	<b>\$ 2,676,203</b>

**WALKER COUNTY, TEXAS****SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014****EXHIBIT C-34**

Function and Activity	Capital Assets October 1, 2013	Additions	Transfers, Adjustments, and Disposition	Capital Assets September 30, 2014
<b>General Government:</b>				
County Judge	\$ -	\$ -	\$ 22,734	\$ 22,734
IT Operations - County Judge	625,282	11,045	6,238	642,565
Commissioner's Court	6,952	9,503	(9,503)	6,952
County Clerk	37,583	-	12,522	50,105
Voter Registration	-	9,998	-	9,998
Elections	118,720	-	19,484	138,204
County Facilities	4,166,101	48,876	(41,697)	4,173,280
Courthouse Annex-Sam Houston Ave.	1,690,499	-	-	1,690,499
Courthouse Annex II-University Ave.	179,336	-	-	179,336
Annex 340 Hwy 75 North	258,707	-	-	258,707
Annex 344 Hwy 75 North	386,894	-	-	386,894
H.E.A.R.T.S. Complex	1,968,326	-	-	1,968,326
Non-Departmental/Centralized Cost	472,078	-	(30,366)	441,712
General Governmental Projects	-	66,089	(66,089)	-
District Court Preservation	-	13,386	(13,386)	-
Total General Government	9,910,478	158,897	(100,063)	9,969,312
<b>Financial:</b>				
County Auditor	267,325	66,700	(80,804)	253,221
County Treasurer	-	11,049	-	11,049
Total Financial	267,325	77,749	(80,804)	264,270
<b>Judicial:</b>				
12th Judicial District	5,244	5,712	-	10,956
Criminal District Attorney	390,471	59,569	(41,147)	408,893
Justice of the Peace-Precinct 2	104,358	-	(1)	104,357
Justice of the Peace-Precinct 3	113,017	-	-	113,017
Justice of the Peace-Precinct 4	81,409	-	-	81,409
SPU Criminal	113,390	76,024	(108,693)	80,721
SPU State General Allocation	-	-	76,024	76,024
SPU Civil Division	70,894	-	29,800	100,694
SPU Juvenile Division	85,956	-	-	85,956
SPU Support	62,292	-	(46,552)	15,740
Juvenile Title IV-E	-	-	5,789	5,789
District Court Records Preservation	-	1,683	19,386	21,069
County Jail	-	-	20,620	20,620
Total Judicial	1,027,031	142,988	(44,774)	1,125,245
<b>Public Safety:</b>				
Sheriff's Office	3,220,366	204,043	(143,897)	3,280,512
Constable-Precinct 1	45,025	-	-	45,025
Constable-Precinct 2	32,845	-	-	32,845
Constable-Precinct 3	35,969	42,161	-	78,130
Constable-Precinct 4	54,831	-	-	54,831
Department of Public Safety	14,226	-	-	14,226
Weigh Station	400,893	-	-	400,893
Emergency Management	4,217,624	-	(131,734)	4,085,890
EMS	1,127,933	60,000	219,928	1,407,861
Central 911 Dispatch	635,927	-	(635,927)	-
Total Public Safety	9,785,639	306,204	(691,630)	9,400,213
<b>Correction and Rehabilitation:</b>				
County Jail	18,761,878	5,393,226	(4,207)	24,150,897
Probation Support	922,008	-	-	922,008
Adult Probation	61,112	-	-	61,112
Total Correction and Rehabilitation	19,744,998	5,393,226	(4,207)	25,134,017
<b>Health and Welfare:</b>				
Utility Department	159,331	-	(19,484)	139,847
Litter Control General Fund	34,200	-	-	34,200
Total Health and Welfare	193,531	-	(19,484)	174,047
<b>Culture and Education:</b>				
TexasAgriLife Extension Service	8,104	-	-	8,104
Total Culture and Education	8,104	-	-	8,104
<b>Public Transportation:</b>				
General	754,061	48,796	1	802,858
Precinct 1	1,259,309	213,505	48,182	1,520,996
Precinct 2	1,132,804	-	(1)	1,132,803
Precinct 3	1,446,888	-	24,595	1,471,483
Precinct 4	1,632,340	-	(9,000)	1,623,340
Total Public Transportation	6,225,402	262,301	63,777	6,551,480
<b>Total Capital Assets</b>	<b>\$ 47,162,508</b>	<b>\$ 6,341,365</b>	<b>\$ (877,185)</b>	<b>\$ 52,626,688</b>

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## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends	123
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	129
<i>These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.</i>	
Debt Capacity	134
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	137
<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	139
<i>These schedules contain information about the County's operations and resources to help reader understand how the County's financial information relates to the services the County provides and the activities it performs.</i>	

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

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

**TABLE E-1**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 6,979,556	\$ 7,290,739	\$ 8,418,965	\$ 11,143,016	\$ 13,024,741	\$ 12,704,554	\$ 13,032,866	\$ 12,439,349	\$ 12,086,797	\$ 11,004,750
Restricted	616,222	1,624,434	893,725	3,414,486	1,232,050	1,336,137	83,707	-	116,489	83,580
Unrestricted	6,889,220	8,998,584	11,014,631	9,864,761	7,784,884	7,364,026	7,234,637	5,270,066	4,122,953	5,487,590
Total governmental activities net position	\$ 14,484,998	\$ 17,913,757	\$ 20,327,321	\$ 24,422,263	\$ 22,041,675	\$ 21,404,717	\$ 20,351,210	\$ 17,709,415	\$ 16,326,239	\$ 16,575,920
<b>Business-type activities</b>										
Net investment in capital assets	\$ 328,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,031,984	-	-	-	-	-	-	-	-	-
Total business-type activities net position	\$ 1,360,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Primary government</b>										
Net investment in capital assets	\$ 7,308,073	\$ 7,290,739	\$ 8,418,965	\$ 11,143,016	\$ 13,024,741	\$ 12,704,554	\$ 13,032,866	\$ 12,439,349	\$ 12,086,797	\$ 11,004,750
Restricted	616,222	1,624,434	893,725	3,414,486	1,232,050	1,336,137	83,707	-	116,489	83,580
Unrestricted	7,921,204	8,998,584	11,014,631	9,864,761	7,784,884	7,364,026	7,234,637	5,270,066	4,122,953	5,487,590
Total primary government net position	\$ 15,845,499	\$ 17,913,757	\$ 20,327,321	\$ 24,422,263	\$ 22,041,675	\$ 21,404,717	\$ 20,351,210	\$ 17,709,415	\$ 16,326,239	\$ 16,575,920

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

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

**TABLE E-2**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 1,971,406	\$ 2,338,585	\$ 2,196,767	\$ 2,284,682	\$ 3,000,402	\$ 3,759,057	\$ 3,495,070	\$ 4,863,509	\$ 6,320,712	\$ 5,046,049
Financial	1,408,258	1,614,681	1,612,653	2,065,268	2,186,499	1,951,551	2,344,939	1,496,460	1,057,993	2,010,372
Judicial	4,914,252	5,317,466	5,698,418	7,613,070	8,457,490	9,071,422	9,150,956	8,912,108	8,780,081	9,289,170
Public Safety	7,023,610	9,086,967	9,569,292	10,290,778	10,775,866	10,617,796	10,244,585	7,622,032	7,749,329	8,034,882
Correction and Rehabilitation	-	-	-	-	-	-	-	1,940,555	2,397,990	3,240,101
Health and Welfare	430,247	514,364	515,571	573,404	603,749	666,885	1,151,364	580,721	620,634	687,926
Culture and Education	-	-	-	-	-	-	-	184,623	279,181	246,614
Public Transportation	3,590,764	3,814,065	4,097,826	4,632,488	4,596,948	4,744,706	5,018,699	5,347,720	4,921,612	4,559,913
Intergovernmental Expenditure	181,392	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	145,280	116,254	101,016	85,581	62,340	38,128	11,750	672,971	637,620
Total Governmental Activities	\$ 19,519,929	\$ 22,831,408	\$ 23,806,781	\$ 27,560,706	\$ 29,706,535	\$ 30,873,757	\$ 31,443,741	\$ 30,959,478	\$ 32,800,503	\$ 33,752,647
Business-type activities:										
EMS	\$ 1,591,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government	\$ 21,111,543	\$ 22,831,408	\$ 23,806,781	\$ 27,560,706	\$ 29,706,535	\$ 30,873,757	\$ 31,443,741	\$ 30,959,478	\$ 32,800,503	\$ 33,752,647
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	\$ 244,053	\$ 261,883	\$ 494,850	\$ 878,401	\$ 930,385	\$ 829,984	\$ 412,098	\$ 859,145	\$ 5,438,239	\$ 842,054
Financial	434,043	627,417	667,264	305,531	330,732	330,896	834,039	450,135	503,007	544,054
Judicial	756,198	819,936	801,510	610,773	650,617	681,587	805,272	658,268	530,432	769,676
Public Safety	1,489,846	3,317,369	3,195,179	3,063,739	3,351,915	3,543,133	3,274,199	2,525,266	253,021	2,810,452
Correction and Rehabilitation	-	-	-	-	-	-	-	172,042	160,918	199,606
Health and Welfare	107,773	109,974	139,150	97,707	88,115	110,969	112,731	170,754	109,604	162,037
Culture and Education	-	-	-	-	-	-	-	8,369	-	-
Public Transportation	1,363,990	1,659,932	1,778,231	1,402,777	2,285,532	2,129,055	2,184,655	2,009,110	83,040	2,040,526
Operating grants and contributions	3,517,099	4,134,299	4,797,661	6,310,443	6,903,805	7,488,881	7,690,227	5,823,400	6,363,325	6,284,264
Capital grants and contributions	86,192	227,734	-	4,773,084	54,254	-	-	-	-	40,301
Total Governmental Activities	\$ 7,999,194	\$ 11,158,544	\$ 11,873,845	\$ 17,442,455	\$ 14,595,355	\$ 15,114,505	\$ 15,313,221	\$ 12,676,489	\$ 13,441,586	\$ 13,692,970
Business-type activities:										
Charges for service	\$ 1,423,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	4,480	-	-	-	-	-	-	-	-	-
EMS	\$ 1,427,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government	\$ 9,427,179	\$ 11,158,544	\$ 11,873,845	\$ 17,442,455	\$ 14,595,355	\$ 15,114,505	\$ 15,313,221	\$ 12,676,489	\$ 13,441,586	\$ 13,692,970
Net (expense)/revenue										
Governmental activities	\$ (11,520,735)	\$ (11,672,864)	\$ (11,932,936)	\$ (10,118,251)	\$ (15,111,180)	\$ (15,759,252)	\$ (16,130,520)	\$ (18,282,989)	\$ (19,358,917)	\$ (20,059,677)
Business-type activities	(163,629)	-	-	-	-	-	-	-	-	-
Total primary government net expense	\$ (11,684,364)	\$ (11,672,864)	\$ (11,932,936)	\$ (10,118,251)	\$ (15,111,180)	\$ (15,759,252)	\$ (16,130,520)	\$ (18,282,989)	\$ (19,358,917)	\$ (20,059,677)

TABLE E-2

<b>General Revenues and Other Changes in Net Position</b>										
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities:										
Taxes:										
Property taxes	\$ 9,792,822	\$ 10,146,889	\$ 10,469,685	\$ 10,460,117	\$ 11,522,727	\$ 12,625,076	\$ 12,842,095	\$ 13,019,116	\$ 15,468,449	\$ 16,804,691
Sales taxes	1,912,387	2,068,095	2,197,937	2,260,752	2,423,490	2,343,620	2,442,426	2,488,739	2,696,082	3,114,639
Other taxes	14,586	14,280	14,527	14,326	24,399	21,982	25,190	26,669	367,715	20,494
Vehicle Registration	990,030	979,757	992,143	970,798	-	-	-	-	-	-
Alcoholic beverage taxes	77,361	70,246	77,238	69,668	89,173	92,676	137,417	92,974	70,775	113,186
Investment earnings	222,759	461,856	594,969	437,532	152,407	38,938	15,303	13,696	35,570	17,952
Transfers	(313,331)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	238,396
Total governmental activities	\$ 12,696,614	\$ 13,741,123	\$ 14,346,499	\$ 14,213,193	\$ 14,212,196	\$ 15,122,292	\$ 15,462,431	\$ 15,641,194	\$ 18,638,591	\$ 20,309,358
Business-type activities:										
Investment earnings	\$ 1,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	313,331	-	-	-	-	-	-	-	-	-
Total business-type activities	\$ 314,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government	\$ 13,011,434	\$ 13,741,123	\$ 14,346,499	\$ 14,213,193	\$ 14,212,196	\$ 15,122,292	\$ 15,462,431	\$ 15,641,194	\$ 18,638,591	\$ 20,309,358
Change in Net Position										
Governmental activities	\$ 1,175,879	\$ 2,068,259	\$ 2,413,563	\$ 4,094,942	\$ (898,984)	\$ (636,960)	\$ (668,089)	\$ (2,641,795)	\$ (720,326)	\$ 249,681
Prior Period Adjustment (EMS Receivables)	(459,919)	(116,092)	126,155	-	-	-	-	-	-	-
Business-type activities	151,191	-	-	-	-	-	-	-	-	-
Total primary government	\$ 867,151	\$ 1,952,167	\$ 2,539,718	\$ 4,094,942	\$ (898,984)	\$ (636,960)	\$ (668,089)	\$ (2,641,795)	\$ (720,326)	\$ 249,681

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



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

**TABLE E-3**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Other Taxes</b>	<b>Alcoholic Beverage Tax</b>	<b>Total</b>
2005	\$ 9,792,822	\$ 1,912,387	\$ 14,586	\$ 77,361	\$ 11,797,156
2006	10,146,889	2,068,095	14,280	70,246	12,299,510
2007	10,469,685	2,197,937	14,527	77,238	12,759,387
2008	10,460,117	2,260,752	14,326	69,668	12,804,863
2009	11,522,727	2,423,490	24,399	89,173	14,059,789
2010	12,625,076	2,343,620	21,982	92,676	15,083,354
2011	12,842,095	2,442,426	25,190	137,416	15,447,127
2012	13,019,116	2,488,739	26,669	92,974	15,627,498
2013	15,468,449	2,696,082	367,715	70,775	18,603,021
2014	16,804,691	3,114,639	20,494	113,186	20,053,010

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

**TABLE E-4**

1)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Nonspendable - Prepaid Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,383	\$ 34,434	\$ 33,227	\$ 30,081
Committed for Projects	-	-	-	-	-	-	1,362,950	721,980	862,695	1,054,938
Assigned - One Time Allocation	-	-	-	-	-	-	1,076,540	1,433,682	1,231,385	1,580,532
Unassigned	-	-	-	-	-	-	4,040,071	3,327,237	3,887,335	5,006,369
Unreserved	3,506,504	4,693,770	5,162,815	5,082,124	5,586,097	5,636,281	-	-	-	-
<b>Total General Fund</b>	<b>\$ 3,506,504</b>	<b>\$ 4,693,770</b>	<b>\$ 5,162,815</b>	<b>\$ 5,082,124</b>	<b>\$ 5,586,097</b>	<b>\$ 5,636,281</b>	<b>\$ 6,512,944</b>	<b>\$ 5,517,333</b>	<b>\$ 6,014,642</b>	<b>\$ 7,671,920</b>
<b>All other governmental funds</b>										
Reserved	\$ 616,220	\$ 644,738	\$ 816,931	\$ 3,348,611	\$ 1,179,475	\$ 1,288,853	\$ -	\$ -	\$ -	\$ -
Restricted - Debt Service	-	-	-	-	-	-	97,168	9	141,977	176,508
Restricted - Other Governmental Funds	-	-	-	-	-	-	686,705	783,523	819,058	1,054,960
Restricted - Capital Projects	-	-	-	-	-	-	-	18,888,014	6,368,829	975,602
Committed for Public Transportation	-	-	-	-	-	-	954,656	1,208,584	1,008,717	1,391,850
Committed for Public Safety	-	-	-	-	-	-	637,029	402,593	547,155	1,125,825
Unassigned	-	-	-	-	-	-	376,094	-	-	-
Unreserved, reported in:										
Special revenue funds	1,944,605	3,665,474	4,871,812	4,133,784	2,371,763	2,631,726	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 2,560,825</b>	<b>\$ 4,310,212</b>	<b>\$ 5,688,743</b>	<b>\$ 7,482,395</b>	<b>\$ 3,551,238</b>	<b>\$ 3,920,579</b>	<b>\$ 2,751,652</b>	<b>\$ 21,282,723</b>	<b>\$ 8,885,736</b>	<b>\$ 4,724,745</b>

**Notes**

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

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

**TABLE E-5**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues</b>										
Property Taxes	\$ 16,774,474	\$ 15,003,377	\$ 12,895,031	\$ 12,759,820	\$ 12,568,933	\$ 11,510,947	\$ 10,700,202	\$ 10,329,957	\$ 10,035,873	\$ 9,715,552
Other Taxes	3,248,319	3,134,572	2,608,382	2,605,032	2,458,278	2,537,062	2,344,746	3,281,845	3,132,378	2,994,364
Licenses and Permits	161,392	133,457	105,837	112,025	96,904	84,288	97,664	76,639	71,525	66,650
Intergovernmental	6,340,871	6,480,749	6,072,422	7,730,809	7,419,809	7,601,448	10,955,219	4,838,025	4,390,433	3,882,902
Charges for Services	5,610,425	5,026,172	5,178,624	5,741,943	5,899,127	5,716,805	5,486,902	4,618,519	4,594,614	2,249,524
Fines	1,530,692	1,561,876	1,178,873	1,451,893	1,315,714	1,413,686	1,510,048	1,856,488	1,635,806	1,459,933
Investment Earnings	17,952	35,570	22,838	15,303	38,938	152,407	437,532	594,969	461,856	222,758
Other	399,198	297,423	224,846	298,440	403,525	452,249	418,255	503,441	374,180	282,670
<b>Total revenues</b>	<b>\$ 34,083,323</b>	<b>\$ 31,673,196</b>	<b>\$ 28,286,853</b>	<b>\$ 30,715,265</b>	<b>\$ 30,201,228</b>	<b>\$ 29,468,892</b>	<b>\$ 31,950,568</b>	<b>\$ 26,099,883</b>	<b>\$ 24,696,665</b>	<b>\$ 20,874,353</b>
<b>Expenditures</b>										
<b>Current:</b>										
General Government										
Financial	\$ 2,461,340	\$ 2,881,971	\$ 2,822,719	\$ 1,908,570	\$ 1,874,541	\$ 1,852,065	\$ 1,841,400	\$ 1,407,377	\$ 1,709,624	\$ 1,237,394
Judicial	1,980,073	1,535,474	1,499,540	2,006,059	1,920,995	1,835,543	1,727,346	1,609,829	1,588,581	1,404,136
Public Safety	9,176,097	9,324,929	9,000,862	9,110,130	9,014,958	8,515,885	7,591,874	5,668,645	5,260,421	4,857,656
Corrections and Rehabilitation	6,287,674	6,164,325	6,038,477	8,383,465	9,483,904	9,836,567	8,806,703	8,113,094	7,907,717	5,857,333
Health and Welfare	2,352,182	2,088,515	2,191,908	-	-	-	-	-	-	-
Culture and Education	581,167	593,720	484,466	948,792	554,724	522,896	511,311	459,356	438,663	361,589
Public Transportation	244,993	186,050	184,623	-	-	-	-	-	-	-
Intergovernmental/Contractual	4,344,487	4,634,876	4,720,409	4,729,129	4,241,268	3,990,104	4,231,038	3,750,869	3,705,404	3,214,207
Capital Outlay	1,440,990	1,226,231	1,206,060	1,174,386	1,134,146	1,069,738	1,034,739	959,487	937,601	913,884
Debt service:	6,341,365	13,595,819	2,111,121	1,676,803	1,072,856	3,073,396	4,331,888	1,573,733	598,335	886,346
Principal Retirement	800,000	685,000	628,135	631,672	535,091	619,306	548,379	604,867	842,592	705,051
Interest and Fiscal Charges	576,668	655,964	13,913	53,105	73,065	98,972	95,220	129,033	156,799	182,526
<b>Total expenditures</b>	<b>\$ 36,587,036</b>	<b>\$ 43,572,874</b>	<b>\$ 30,882,233</b>	<b>\$ 30,622,111</b>	<b>\$ 29,905,548</b>	<b>\$ 31,414,472</b>	<b>\$ 30,719,898</b>	<b>\$ 24,276,290</b>	<b>\$ 23,155,737</b>	<b>\$ 19,620,122</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ (2,503,713)</b>	<b>\$ (11,899,678)</b>	<b>\$ (2,595,380)</b>	<b>\$ 93,154</b>	<b>\$ 295,680</b>	<b>\$ (1,945,580)</b>	<b>\$ 1,230,670</b>	<b>\$ 1,823,593</b>	<b>\$ 1,540,928</b>	<b>\$ 1,254,231</b>
<b>Other financing sources (uses)</b>										
Transfers in	\$ 2,015,985	\$ 1,578,561	\$ 1,655,069	\$ 1,334,051	\$ 1,644,023	\$ 1,420,689	\$ 1,537,639	\$ 1,635,416	\$ 2,241,215	\$ 284,560
Transfers out	(2,015,985)	(1,578,561)	(1,655,069)	(1,334,051)	(1,644,023)	(1,420,689)	(1,537,639)	(1,635,416)	(880,713)	(597,890)
Issuance of Certificate of Obligation	-	-	20,000,000	-	123,843	-	482,311	23,985	35,226	280,491
Premium of Issue of Debt	-	-	130,840	-	-	-	-	-	-	-
<b>sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,130,840</b>	<b>\$ -</b>	<b>\$ 123,843</b>	<b>\$ -</b>	<b>\$ 482,311</b>	<b>\$ 23,985</b>	<b>\$ 1,395,728</b>	<b>\$ (32,839)</b>
<b>Net change in fund balances</b>	<b>\$ (2,503,713)</b>	<b>\$ (11,899,678)</b>	<b>\$ 17,535,460</b>	<b>\$ 93,154</b>	<b>\$ 419,523</b>	<b>\$ (1,945,580)</b>	<b>\$ 1,712,981</b>	<b>\$ 1,847,578</b>	<b>\$ 2,936,656</b>	<b>\$ 1,221,392</b>
<b>Decrease in fund balances EMS</b>	<b>4.55%</b>	<b>4.47%</b>	<b>2.24%</b>	<b>2.37%</b>	<b>2.11%</b>	<b>2.53%</b>	<b>2.44%</b>	<b>3.23%</b>	<b>4.43%</b>	<b>4.74%</b>
<b>Debt service as a percentage of noncapital expenditures</b>										

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

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

**TABLE E-6**

Fiscal Year	Property Tax(1)	Sales Tax	Other Taxes	Alcoholic Beverage Tax	Total Other Taxes	Total Taxes
2005	\$ 9,715,552	\$ 1,912,387	\$ 14,586	\$ 77,361	\$ 2,004,334	\$ 11,719,886
2006	10,035,873	2,068,095	14,280	70,246	2,152,621	12,188,494
2007	10,329,957	2,197,937	14,527	77,238	2,289,702	12,619,659
2008	10,700,202	2,260,752	14,326	69,668	2,344,746	13,044,948
2009	11,510,947	2,423,490	24,399	89,173	2,537,062	14,048,009
2010	12,568,933	2,343,620	21,982	92,676	2,458,278	15,027,211
2011	12,759,820	2,442,426	25,190	137,416	2,605,032	15,364,852
2012	12,895,031	2,488,739	26,669	92,974	2,608,382	15,503,413
2013	15,003,377	2,696,082	367,715	70,775	3,134,572	18,137,949
2014	16,774,474	3,114,639	20,494	113,186	3,248,319	20,022,793

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

# WALKER COUNTY, TEXAS

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

TABLE E-7

Fiscal Year Ended Sept. 30	Real Property Residential Property	Commercial Property	Agricultural & Open Acreage	Total Real	Personal Property Total	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Direct Tax Rate	Total Value as a Percentage of Actual Value
2005	\$ 808,790,080	\$ 372,293,180	\$ 445,167,436	\$ 1,626,250,696	\$ 300,254,898	\$ 384,738,808	\$ 1,541,766,786	0.6250	80.03%
2006	899,413,974	404,446,520	528,747,595	1,832,608,089	312,268,070	474,762,275	1,870,113,884	0.5997	77.87%
2007	998,400,584	450,987,080	636,081,552	2,085,469,216	333,779,362	589,787,362	1,829,461,314	0.5667	75.62%
2008	1,083,675,165	490,998,701	827,663,738	2,402,337,601	332,671,138	751,063,719	1,983,945,023	0.5450	72.54%
2009	1,156,006,988	534,606,069	939,348,329	2,629,961,386	362,013,554	852,752,876	2,139,222,064	0.5450	71.50%
2010	1,213,042,379	560,486,831	940,934,856	2,714,473,066	399,324,045	903,321,290	2,210,475,821	0.5770	70.99%
2011	1,231,615,944	576,050,871	942,965,493	2,750,632,308	392,922,681	878,985,625	2,264,589,364	0.5793	72.04%
2012	1,330,376,385	585,938,223	1,056,767,654	2,973,082,262	421,298,210	955,191,070	2,439,189,402	0.5636	71.86%
2013	1,374,522,267	610,777,713	1,058,790,264	3,044,090,244	410,009,296	984,974,372	2,469,125,168	0.6355	71.49%
2014	1,412,141,370	725,269,156	1,201,576,526	3,338,987,052	435,062,598	1,204,347,015	2,569,702,635	0.6778	68.09%

### TAXABLE ASSESSED VALUE BY GROUPING LAST SEVEN FISCAL YEARS

StateCode	Description	Grouping	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
A	Single Family Residence	residential	\$ 1,171,963,250	\$ 1,119,049,757	\$ 1,096,500,415	\$ 1,019,194,065	\$ 1,001,871,339	\$ 977,153,378	\$ 930,774,965	\$ 867,480,994
B	Multifamily Residence	residential	240,178,120	255,472,510	233,875,970	212,421,879	211,171,040	178,853,610	152,900,200	130,909,590
C	Vacant Lot	land	81,439,934	81,767,312	93,750,505	90,377,875	88,540,840	90,455,940	82,564,011	75,908,609
D1	Qualified Ag Land	land	1,108,156,711	911,121,052	874,865,866	800,701,069	798,546,287	791,261,545	696,031,268	523,181,703
D2	Non Qualified Land	land	11,979,881	65,901,900	88,151,283	51,886,549	52,847,729	57,630,844	49,068,459	36,991,240
E	Farm or Ranch Improv	commercial	377,940,875	311,709,173	304,499,853	299,170,151	292,208,361	280,598,771	280,976,171	232,571,710
F1	Commercial Real	commercial	323,489,681	280,310,140	263,245,850	258,115,930	252,701,530	240,566,988	217,270,660	206,279,660
F2	Industrial Real Property	commercial	23,838,600	18,758,400	18,192,520	18,764,790	15,585,940	13,440,310	12,751,870	12,135,710
G1	Oil and Gas	minerals	4,663,359	4,582,581	6,033,800	7,186,881	9,409,435	10,823,964	11,974,918	12,782,580
G3	Minerals-Non Producing	minerals	275,360	276,680	280,680	280,680	284,060	284,060	284,060	284,060
J1	Water Systems	personal	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
J2	Gas Distribution System	personal	1,531,050	1,328,950	1,483,120	1,424,250	1,434,290	1,402,330	1,444,820	1,519,980
J3	Electric Company	personal	38,883,940	39,602,830	53,687,160	33,991,630	32,425,920	31,723,310	30,385,990	27,129,750
J4	Telephone Company	personal	11,128,710	12,680,250	16,647,590	16,696,730	18,138,180	19,378,840	22,366,010	22,336,320
J5	Railroad	personal	16,640,630	14,891,740	13,876,060	12,053,960	11,209,160	10,442,880	7,763,270	7,428,640
J6	Pipeline Company	personal	28,260,590	26,112,300	25,696,480	19,739,420	15,325,720	15,902,070	16,922,720	14,369,010
J7	Cable Television Co	personal	5,659,900	5,910,520	3,049,230	3,108,650	2,969,980	2,885,300	2,613,730	2,597,850
J8	Other type of Utility	personal	31,800	31,800	31,800	31,800	31,800	31,800	31,800	212,000
L1	Commercial Personal	personal	118,823,670	113,080,610	113,485,550	193,157,700	232,557,780	118,728,270	123,302,530	110,307,480
L2	Industrial Personal	personal	153,479,910	132,878,470	126,233,030	44,107,500	11,132,160	82,799,150	47,077,150	62,152,450
M1	Tangible Other	personal	44,088,289	46,904,675	49,752,480	52,040,250	52,533,620	52,884,250	53,670,390	56,412,470
N	Intangible Property	personal	-	15,110	9,710	9,710	9,710	10,000	1,869,020	1,888,050
O	Residential Inventory	personal	2,665,130	1,817,150	2,261,020	2,153,860	2,467,100	4,061,980	3,352,500	4,909,920
S	Special Inventory Tax	personal	10,926,260	9,891,630	8,766,500	6,935,660	9,400,840	10,653,350	9,607,690	9,446,380
Less										
	Productivity Loss (Ag and Timber Use)		(1,061,987,752)	(864,873,036)	(829,788,729)	(753,891,998)	(775,445,300)	(744,534,217)	(649,250,466)	(476,533,360)
	Homestead Cap (10% cap on residential homesteads)		(4,844,955)	(3,921,326)	(11,967,776)	(7,534,476)	(15,587,539)	(26,567,273)	(37,861,456)	(42,416,412)
	Tax Ceiling and Over 65 and disabled exemption		(61,884,961)	(59,008,162)	(56,299,468)	(54,192,145)	(46,170,943)	(45,423,831)	(45,555,372)	(44,214,462)
	Other Exemptions /Deductions		(75,629,347)	(57,171,848)	(57,135,097)	(63,347,006)	(66,137,508)	(63,227,555)	(18,396,425)	(26,623,128)
	Total Exemptions		(1,204,347,015)	(984,974,372)	(955,191,070)	(878,965,625)	(903,321,290)	(852,752,876)	(751,063,719)	(589,787,362)
			\$ 3,774,049,650	\$ 3,454,099,540	\$ 3,394,380,472	\$ 3,143,554,989	\$ 3,113,797,111	\$ 2,991,974,940	\$ 2,735,008,742	\$ 2,419,248,676

Taxable Assessed Value	\$ 2,569,702,635	\$ 2,469,125,168	\$ 2,439,189,402	\$ 2,284,589,364	\$ 2,210,475,821	\$ 2,139,222,064	\$ 1,983,945,023	\$ 1,829,481,314	\$ 1,667,787,362	\$ 1,519,980,994
Total Direct Tax Rate	\$0.6778	\$0.6355	\$0.5536	\$0.5793	\$0.5770	\$0.5450	\$0.5450	\$0.5667	\$0.5667	\$0.5667

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

TABLE E-8

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

County:	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating	0.6209	0.5712	0.5391	0.5485	0.5485	0.5132	0.5136	0.5284	0.5456	0.5709
Debt Service	0.0569	0.0643	0.0145	0.0308	0.0285	0.0318	0.0314	0.0383	0.0541	0.0541
Total	0.6778	0.6355	0.5536	0.5793	0.5770	0.5450	0.5450	0.5667	0.5997	0.6250
Huntsville ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.3567	1.4850	1.4850
Debt Service	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1750	0.1750
Total	1.2100	1.2100	1.2100	1.2100	1.2100	1.2100	1.2100	1.5267	1.6600	1.6600
Richards ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.3700	1.5000	1.5000
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.3700	1.5000	1.5000
New Waverly ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.0234	0.9734	1.2414	1.4000	1.3500
Debt Service	0.2000	0.2205	0.2205	0.2300	0.2300	0.2300	0.2300	0.2008	0.2008	0.2310
Total	1.2400	1.2605	1.2605	1.2700	1.2700	1.2534	1.2034	1.4422	1.6008	1.5810
City of Huntsville										
Operating	0.2920	0.2639	0.2381	0.2134	0.2249	0.2108	0.2436	0.2381	0.2391	0.2447
Debt Service	0.1286	0.1567	0.1534	0.1873	0.1758	0.1899	0.1699	0.1811	0.1928	0.1928
Total	0.4206	0.4206	0.3915	0.4007	0.4007	0.4007	0.4135	0.4192	0.4319	0.4375
City of New Waverly										
Operating	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2088	0.2300	0.2409	0.2371
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2088	0.2300	0.2409	0.2371
City of Riverside										
Operating	0.0817	0.0894	0.0818	0.0551	0.1101	0.0803	0.0836	0.0617	0.0584	0.0580
Debt Service	0.1107	0.1136	0.1270	0.1585	0.0963	0.1537	0.1644	0.1983	0.2245	0.2460
Total	0.1924	0.2030	0.2088	0.2136	0.2064	0.2340	0.2480	0.2600	0.2829	0.3040
Hospital District										
Operating	0.1590	0.1554	0.1568	0.1530	0.1534	0.1537	0.1600	0.1720	0.1825	0.1922
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	0.1590	0.1554	0.1568	0.1530	0.1534	0.1537	0.1600	0.1720	0.1825	0.1922
Fire District #1										
Operating	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0300	0.0300
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0300	0.0300
Fire District #2										
Operating	0.1000	0.1000	0.1000	0.1000	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	0.1000	0.1000	0.1000	0.1000	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
<b>Totals</b>										
Operating Total	4.4336	4.3599	4.2958	4.2500	4.2469	4.1514	4.3530	5.2893	5.7115	5.6979
Debt Service Total	0.6662	0.7251	0.6954	0.7766	0.7008	0.7754	0.7657	0.7885	0.8472	0.8989
Total	5.0998	5.0850	4.9812	5.0266	4.9475	4.9268	5.1187	6.0788	6.5587	6.5968

TABLE E-9

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

For the Fiscal Year Ending 09/30/14		For the Fiscal Year Ending 09/30/05	
Taxpayer	Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Entergy Texas Inc	\$ 30,043,320	\$ 21,720,000	1.40%
Weatherford US LP	27,791,220	17,173,020	1.10%
Diamond URS Huntsville LLC	21,013,610	15,860,950	1.00%
Sycamore Ave Associates, LLC A Delaware LLC	18,746,530	15,675,105	1.00%
Universiy House Huntsville LLC	18,709,220	13,489,090	0.90%
Vesper Forum LLC	15,337,140	13,418,320	0.90%
Huntsville Place LP	14,297,660	9,495,370	0.60%
Union Pacific Railroad Co	13,830,860	8,722,440	0.60%
Vesper Encore Huntsville LLC A Delaware LLC	12,305,450	7,590,591	0.50%
UFP New Waverly LLC	11,319,333	2,806,910	0.20%
Totals	\$ 183,394,343	\$ 125,951,796	8.20%

Source: Walker County Appraisal District

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

Fiscal Year Ended September 30	(1) Total Tax Levy for Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 9,639,424	\$ 9,225,511	95.7%	\$ 312,783	\$ 9,538,294	99.0%
2006	9,946,615	9,552,183	96.0%	273,104	9,825,287	98.8%
2007	10,263,776	9,870,789	96.2%	266,400	10,137,189	98.8%
2008	10,685,761	10,242,043	95.9%	265,161	10,507,204	98.3%
2009	11,463,445	11,025,712	96.2%	292,119	11,317,831	98.7%
2010	12,424,610	12,058,566	97.1%	282,431	12,340,997	99.3%
2011	12,780,350	12,258,890	95.9%	244,893	12,503,783	97.8%
2012	13,150,958	12,453,061	94.7%	240,697	12,693,758	96.5%
2013	15,064,354	14,497,257	96.2%	283,422	14,780,679	98.1%
2014	16,604,466	16,158,039	97.3%	329,101	16,487,140	99.3%

(1) Original Tax Levy



TABLE E-11

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

Fiscal Year	General		Capital Leases	Total	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable		Per Capita	Percentage Personal Income
	Bonds						Value of Property			
2005	\$ 3,679,107	\$ 56,154	\$ 3,735,261	\$	386,683	\$ 3,348,578	0.22%		53.20	0.57%
2006	2,899,161	28,736	2,927,897		367,383	2,560,514	0.15%		39.71	0.80%
2007	2,347,016	-	2,347,016		407,840	1,939,176	0.11%		30.18	1.10%
2008	2,290,362	-	2,290,362		401,479	1,888,883	0.10%		29.40	1.22%
2009	1,671,056	-	1,671,056		401,510	1,269,546	0.06%		19.61	n/a
2010	1,259,808	-	1,259,808		427,477	832,331	0.04%		12.27	n/a
2011	628,135	-	628,135		473,262	154,873	0.01%		2.28	n/a
2012	20,124,352	-	20,124,352		32,807	20,091,545	0.82%		293.26	n/a
2013	19,432,864	-	19,432,864		141,977	19,290,887	0.78%		280.27	n/a
2014	18,626,376	-	18,626,376		176,508	18,449,868	0.72%		266.48	n/a

**WALKER COUNTY, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2014**

	1] Debt Outstanding	2] Estimated Percentage Applicable	3] Estimated Share of Overlapping Debt
<u>Governmental Unit</u>			
Huntsville I.S.D.	\$ 36,215,491	100%	\$ 36,215,491
New Waverly I.S.D.	11,542,317	100%	11,542,317
City of Huntsville	13,643,477	100%	13,643,477
City of New Waverly	300,000	100%	300,000
City of Riverside	-	100%	-
Subtotal Overlapping Debt			<u>\$ 61,701,285</u>
Walker County direct debt			\$ 18,626,376
Total direct and overlapping debt			<u><u>\$ 80,327,661</u></u>

Source: Entities as listed

1] Debt Outstanding provided by the Taxing Jurisdiction

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

3] Note. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county.

This schedule estimates the portion of the debt of these entities that is borne by the residents and businesses of Walker County.

This process recognizes that, when considering the government's ability to issue debt and repay long term debt, the entire debt cost borne by the residents and businesses should be taken into account. However, this does not imply that

every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

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

**TABLE E-13**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit (Taxable Property)	\$ 154,176,679	\$ 167,011,388	\$ 182,946,131	\$ 198,394,502	\$ 213,922,206	\$ 221,047,582	\$ 226,458,936	\$ 243,918,940	\$ 246,912,516	\$ 377,401,965
Total net debt applicable to limit	3,348,578	2,560,514	1,939,176	1,888,883	1,269,546	832,331	154,873	19,967,193	19,173,023	19,173,023
Legal debt margin	\$ 150,828,101	\$ 164,450,874	\$ 181,006,955	\$ 196,505,619	\$ 212,652,660	\$ 220,215,251	\$ 226,304,063	\$ 223,951,747	\$ 227,739,493	\$ 358,228,942
Total net debt applicable to the limit as a percentage of debt limit	2.17%	1.53%	1.06%	0.95%	0.59%	0.38%	0.07%	8.19%	7.77%	5.08%

**Legal Debt Margin Calculation for Fiscal Year 2014**

Assessed Value	\$ 2,569,702,635
Add back: exempt real property	1,204,317,015
Total assessed value	<u>\$ 3,774,019,650</u>
Debt limit (10% of total assessed value)	\$ 377,401,965
Debt applicable to limit:	
General obligation debt	18,626,376
Less: Amount set aside for repayment of general obligation debt	<u>176,508</u>
Total net debt applicable to limit	<u>18,449,868</u>
Legal debt margin	<u>\$ 358,952,097</u>

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

**TABLE E-14**

Fiscal Year	(1) Population	(2) Income (amounts expressed in thousands)	(2) Per Capita Personal Income	(3) Median Age	School Enrollment	Unemployment Rate
2005	62,945	\$ 1,159,211	\$ 18,470	n/a	7,520	5.1%
2006	64,480	1,217,000	19,223	n/a	7,116	4.9%
2007	64,245	1,304,000	20,374	n/a	7,014	5.0%
2008	64,239	1,367,000	21,385	n/a	6,572	5.8%
2009	64,739	1,547,453	23,130	n/a	7,186	7.8%
2010	67,861	1,569,000	23,503	n/a	7,191	7.2%
2011	67,861	1,722,000	25,267	n/a	7,127	8.7%
2012	68,087	1,796,000	26,297	n/a	7,270	6.5%
2013	68,408	1,886,000	27,543	n/a	7,281	6.6%
2014	68,817	1,931,000	28,055	n/a	6,898	5.1%

Note 1. Based on information available from Texas State Data and Office of the State Demographer available at [www.txscd.utsa.edu](http://www.txscd.utsa.edu) for Walker County.

Note 2. Based on information available from Bureau of Economic Analysis U.S. Dept. of Commerce at [www.bea.gov/regional/bearfacts](http://www.bea.gov/regional/bearfacts) for Walker County.  
Total personal income and per capita income is as of December 31 of each year.

Note 3. Based on information available at [www.city-data.com](http://www.city-data.com) for Walker County.

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

	2014			2005		
	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>
	Texas Department of Criminal Justice	6,081	1	46.20%		
	Sam Houston State University	2,106	2	16.00%		
	Huntsville Independent School District	995	3	7.56%		
	Huntsville Memorial Hospital	569	4	4.32%		
	Wal-Mart	485	5	3.68%		
	Walker County	405	7	3.08%		
	Region VI Education Service Center	300	6	2.28%		
	City of Huntsville	270	8	2.05%		
	Weatherford Completion Center	255	9	1.94%		
	Universal Forest Products	200	10	1.52%		
						Information not available

Note. Total employees in Walker County in September 2014 was 26,393.

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

# WALKER COUNTY, TEXAS

## FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

TABLE E-16

Function	Full-time Equivalent Employees as of September 30									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating										
General Government										
Elected	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Employees	27.0	26.0	25.5	15.5	15.5	13.5	13.5	13.5	12.0	12.5
Financial										
Elected	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Appointed	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Employees	21.0	21.0	21.0	30.0	31.0	31.0	31.0	28.0	27.5	24.5
Judicial										
Elected	7.5	7.5	7.5	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Employees	44.5	43.0	43.0	42.0	41.0	40.0	40.0	40.0	40.0	39.0
Public Safety										
Elected	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Employees-Certified	31.0	30.5	30.0	35.5	35.5	35.5	35.5	35.5	34.5	0.0
Employees-Non-Certified	8.5	8.5	8.0	34.5	34.5	34.5	34.5	34.5	32.0	0.0
Employee-Certified/Noncertified	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	65.0
Employees - EMS	39.0	39.0	39.0	33.0	33.0	32.0	32.0	32.0	30.5	25.0
Corrections and Rehabilitation										
Employees-Certified	40.5	33.5	33.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employees-Non-Certified	3.5	3.5	3.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Health and Welfare										
Employees	7.5	6.5	6.5	10.5	10.5	10.0	10.0	10.0	9.0	6.0
Culture and Education										
Employees	4.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public Transportation										
Elected	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Employees	34.0	34.0	33.5	32.5	32.5	31.0	31.0	31.0	30.5	30.5
Legislatively Designated										
Judicial	0.0	0.0	0.0	1.0	1.0	1.5	1.5	1.5	1.5	1.5
Public Safety	0.0	0.0	0.0	3.0	2.0	2.0	2.0	1.0	1.0	1.0
General Government	0.0	0.0	0.0	2.0	2.0	3.0	3.0	2.0	1.5	1.5
Grants/State Funding										
Juvenile Probation	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Adult Probation	29.0	29.0	29.0	29.0	29.0	32.0	32.0	31.0	32.0	32.0
SPU Criminal/Civil/Juvenile	45.0	45.0	45.0	45.0	48.0	51.4	43.0	32.0	29.0	29.0
Total	363.0	352.0	350.0	343.5	345.5	347.4	339.0	322.0	311.0	297.5

Notes. In FY 2006, the County added a transfer function in the Emergency Ambulance service.

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

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

**TABLE E-17**

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

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

**WALKER COUNTY, TEXAS**  
CAPITAL ASSET STATISTICS BY FUNCTION

TABLE E-18

Function	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Public Safety:									
Sheriff Office:									
Stations	1	1	1	1	1	1	1	1	1
Patrol Units	35	35	35	35	34	33	33	33	29
Jail:	1	1	1	1	1	1	1	1	1
Number of beds (1)	268	162	162	162	162	162	162	162	162
Road & Bridge:									
Miles of roads	537	537	537	537	552	531	530	530	530
Courts:									
District Courts	2	2	2	2	2	2	2	2	2
County Court at Law	1	1	1	1	1	1	1	1	1
JP Courts	4	4	4	4	4	4	4	4	4

Note: In FY2006, Walker County began reporting this information. Reporting is from that date forward.  
(1) The jail beds increased due to the opening of the new jail facility during 2014.



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# HLSK

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

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

Members of the Commissioners' Court:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Walker County, Texas (County), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Walker County, Texas' basic financial statements and have issued our report thereon dated March 24, 2015.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully,

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

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

**Conroe, Texas  
March 24, 2015**

# HLSK

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

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

Members of the Commissioners' Court:

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

We have audited Walker County, Texas' (County) compliance with the types of compliance requirements described in the Texas Uniform Grant Management Standards that could have a direct and material effect on each of Walker County, Texas' major state programs for the year ended September 30, 2014. Walker County, Texas' major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditors' Responsibility**

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

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

### **Opinion on Each Major State Program**

In our opinion, Walker County, Texas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2014.

## Report on Internal Control Over Compliance

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

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

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

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

Respectfully,

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

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

Conroe, Texas  
March 24, 2015

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

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

**WALKER COUNTY, TEXAS**

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

**PRIOR YEAR FINDINGS**

None reported

**WALKER COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**EXHIBIT D-1**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Expenditures</b>	<b>Pass-Through Amount to Subrecipients</b>
<b><u>STATE AWARDS</u></b>			
<b>Passed Through Office of Court Administration:</b>			
<i>Task Force on Indigent Defense</i>	212-14-236	\$ 117,429	\$ -
<b>Passed Through Juvenile Probation Commission:</b>			
<i>State Aid Contract</i>	A-2014-236	343,430	-
<i>Commitment Reduction</i>	C-2014-236	37,318	-
<i>Mental Health Services</i>	N-2014-236	37,081	-
<b>Total Passed Through Juvenile Probation Commission</b>		<b>417,829</b>	<b>-</b>
<b>Passed Through Office of Governor:</b>			
<i>Prosecution of Prison Crimes - Criminal</i>	SF-11-A10-14918-14	1,366,690	-
<i>Capital Trial Reimbursement</i>	2746501	56,462	-
<i>County Essentials Program - District Attorney Office Security</i>	CE-13-A10-27439-01	49,964	-
<b>Total Passed Through Office of Governor</b>		<b>1,473,116</b>	<b>-</b>
<b>Passed Through Office of State Comptroller:</b>			
<i>Judiciary Appointment - CDA</i>	227-62-0232	23,649	-
<b>Passed Through Texas Department of State Health Services:</b>			
<i>EMS - Local Project (DSHS - Equipment)</i>	2014-045249	30,000	-
<i>EXEC/PPH Potentially Preventable Hospitalizations Initiative</i>	2014-001129	62,366	-
<b>Total Passed Through Texas Department of State Health Services</b>		<b>92,366</b>	<b>-</b>
<b>Passed Through Southeast Texas Trauma Regional Advisory Council:</b>			
<i>EMS Trauma Care System</i>	2014-045249	9,021	-
<b>Passed Through Mental Health Services</b>			
<i>Regional Juvenile Mental Health Services</i>	26067-02	7,448	-
<b>Passed Through Commission on Environmental Quality:</b>			
<i>LEAF-PRO Environmental Program</i>	15-16-G12	336	-
<i>Downtown Public Spaces Improvement</i>	2012-05	15,990	-
<i>Community Tress &amp; Urban Forestry</i>		1,080	-
<b>Total Passed Through Commission on Environmental Quality</b>		<b>17,406</b>	<b>-</b>
<b>Passed Through Office of the Secretary of State:</b>			
<i>Chapter 19 Voter Funds</i>	-	15,146	-
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<b>2,173,410</b>	<b>-</b>
<b><u>STATE ALLOCATIONS</u></b>			
<i>SPU - State Allocation</i>	08-A10-14918-14	\$ 265,123	\$ -
<i>SPU - Civil</i>	08-A10-14918-14	2,120,377	-
<i>SPU - Longevity Pay - Criminal</i>	08-A10-14918-14	32,150	-
<i>SPU - Juvenile</i>	08-A10-14918-14	766,317	-
<i>SPU - Longevity Pay - Juvenile</i>	08-A10-14918-14	2,570	-
<i>Constitutional Judge Salary Supplement</i>	SB 600	15,435	-
<i>CCL Judge Supplement</i>	SB 600	84,000	-
<i>Juror Pay</i>	SB 1704	15,076	-
<i>State Longevity Pay</i>	SB 844	3,500	-
<i>Road &amp; Bridge - Lateral Road Allocation</i>	Tax Code-Chap 162	90,549	-
<i>Rider 78 and Rider 81 - Supplement for District Clerk</i>	HB 1	11,000	-
<b>TOTAL STATE ALLOCATIONS</b>		<b>3,406,097</b>	<b>-</b>
<b><u>STATE REIMBURSEMENTS</u></b>			
<i>State Funds - Capital Murder</i>	-	26,231	-
<b>TOTAL STATE REIMBURSEMENTS</b>		<b>26,231</b>	<b>-</b>
<b>TOTAL STATE AWARDS, ALLOCATIONS, AND REIMBURSEMENTS</b>		<b>\$ 5,605,738</b>	<b>\$ -</b>

The accompanying notes are an integral part of this schedule.



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## **WALKER COUNTY, TEXAS**

### **NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2014**

#### **Basis of Presentation**

The accompanying schedule of expenditures of state awards includes the state grant activity of Walker County, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Texas Uniform Grant Management Standards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **Insurance**

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

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