

WALKER COUNTY, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Prepared by:
County Auditor Department

WALKER COUNTY, TEXAS

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INTRODUCTORY SECTION

WALKER COUNTY AUDITOR

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

Huntsville, Texas 77320

March 10, 2012

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

Gentlemen:

The Comprehensive Annual Financial Report of Walker County, Texas, for the year ended September 30, 2011, is submitted herewith. This report was prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board and is in compliance with Vernon's Texas Codes Annotated (VTCA) Local Government Code. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation including all disclosures rests with the County. I believe the data as presented is accurate in all material aspects and presented in a manner designed to fairly set forth the financial position and results of operations of Walker County as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activity have been included.

Walker County's financial statements have been audited by Herford, Lynch, Sellars & Kirkham, out of their Conroe office. The goal of the independent audit was to provide reasonable assurance that the financial statements of Walker County for the year ended September 30, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that Walker County's financial statements for the fiscal year ended September 30, 2011 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

complement MD&A and should be read in conjunction with it. Walker County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Walker County, created in 1846, covers approximately 810 square miles in the rolling hills of the East Texas Pineywoods and according to 2010 census serves a population of approximately 67,861. Walker County is located approximately 60 miles north of metropolitan Houston and 165 miles south of metropolitan Dallas/Fort Worth. Interstate 45 runs through the County.

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

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

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

Local Economic Condition and Outlook

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

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

According to the 2010 census, Walker County's population reached 67,861. 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 2011 was 8.7%, compared with the state unemployment rate of 8.4% and national unemployment rate of 8.8%. This county rate

compares to 7.2%, for the prior year according to information provided by the Texas Workforce Commission. Walker County has traditionally had very stable employment, due primarily to an economy based on employment at Sam Houston State University and Texas Department of Criminal Justice. The State's prison system is headquartered in Walker County with seven major facilities housing an estimated 13,653 inmates. Sam Houston State University, also located in Walker County, reported an enrollment of approximately 17,617 students for the fall of 2011 as compared to 17,269 for 2010.

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

In FY 2008 Walker County received a \$2,000,000 allocation from the State of Texas to construct a Veteran's Museum of Texas facility. The H.E.A.R.T.S Veteran's Museum of Texas, a local 501 c(3) organization, has built a museum collection over the last 15 years to commemorate and honor U.S. military veterans from all branches of service. In order to provide a facility to house the collection, the State Legislature authorized an allocation to Walker County through the General Land Office. The 12,500 sq. ft. facility is adjacent to the County Storm Shelter project located on a five acre site located at 445 SH 75 S, in Huntsville, TX. Recently a pavilion was constructed adjacent to the facility.

Long-term financial planning. Walker County is discussing the need for additional jail facilities and looking at alternatives. In December of 2012, the County contracted with Burns Architecture, LLS for evaluation of the existing jail and schematic design or a new jail and public hearing. Early estimates indicate that the facility could range in the \$18 to \$20 million dollar range. Discussions will continue in several months on the jail. A Financial Advisor and Bond Counsel has recently been hired.

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. A focus of Walker County in the last several years is enhanced service related to public safety and a greater level of preparedness for emergencies. An emergency notification system (Code Red) was purchased in 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 interoperability. Walker County EOC has a radio tower and radio system for contact with not only local jurisdictions but also state agencies. Walker County has adopted the NIMS system for running the EOC during an emergency. The Walker County Sheriff's Office has been able to remain above the State average on crime clearance. In 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. Additional fiber has continued to be added by each of three participating agencies.. Additional grants were received to update the radio systems in FY 2008, FY 2009 and FY 2010.

Walker County received over the last several years funding in the amount of \$3,189,725 from FEMA and ORCA to build a shelter in Walker County. The shelter was completed in early 2009. Walker County continues to maintain and update information to Walker County maps for use by emergency medical services, fire departments, and communications providers among others. As this project progresses, the citizens of Walker County are expected to see more efficient emergency services due to the standardized addressing system as well as have access to updated and more accurate maps.

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

Financial 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, 2010, as in previous years, one-time costs were funded with funds available in fund balance. There was a tax rate decrease from the \$0.5793 in FY 2011 to \$0.5536 for the fiscal year beginning October 1, 2011. Very limited pay increases were included in the FY 2012. The total budget for FY 11/12 that began October 1, 2011 is \$27,476,880 compared to the original budget of \$26,641,308 4 for the FY 10/11 year covered by this report, an increase of \$835,572, primarily a result of adding an additional Emergency Medical Services(EMS) crew and funding of contingency for the Jail Capital Project set by Commissioners Court.

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, 2010. This was the fifteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Patricia Allen, CPA, CGFM
County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Walker County
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

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



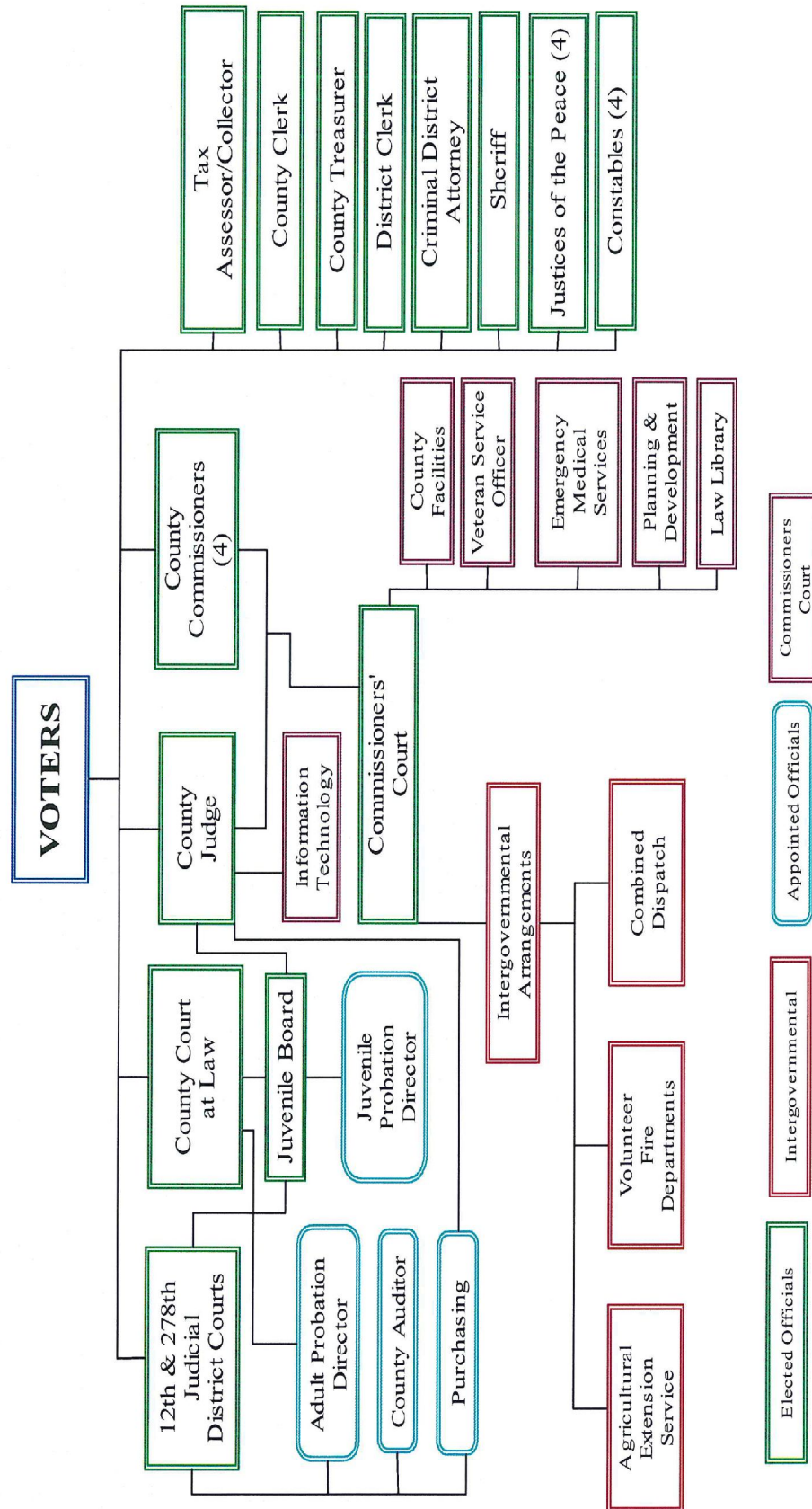
Linda C. Davidson

President

Jeffrey R. Enner

Executive Director

Walker County, Texas Organization



WALKER COUNTY, TEXAS
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2011

Elected Officials

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

Appointed Officials

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

FINANCIAL SECTION



Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

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Conroe, Texas 77304
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Members of the
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Texas Society of Certified Public Accountants
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Cleveland
111 East Boothe
Cleveland, Texas 77327
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INDEPENDENT AUDITORS' REPORT

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

Members of the Commissioners' Court:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Walker County, Texas (County), as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2011, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress for the Texas Municipal Retirement System, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of

the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Respectfully submitted,

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

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

Conroe, Texas
March 10, 2012

Management's Discussion Analysis

The following discussion and analysis of Walker County's financial performance provides an overview of the County's financial activities for the year ended September 30, 2011. 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 \$20,351,210 (net assets). Of this amount \$7,234,637 may be used to meet the ongoing obligations to citizens and creditors. The balance is restricted for debt service purposes or is invested in capital assets.
- On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$16,130,520. General revenues of \$15,462,431 (Exhibit A-2) were \$668,089 less than expenses net of program revenue. An expenditure of \$1,135,188 for postemployment benefits is included in the expenses. This is the third year the County has recorded this liability resulting in a total of \$2,697,335 recorded as the Net OPEB obligation at the end of the fiscal year. The result is a decrease in net assets from the September 30, 2010 balance of \$21,404,717 to \$20,351,210 at September 30, 2011.
- The General Fund, on a current financial resource basis (fund level), reported expenditures over revenues and other financing sources of \$96,074 as compared to a planned reduction of \$2,992,544 (Exhibits A-5 and B-1).
- As of September 30, 2011, unassigned fund balance in the General Fund was \$4,040,071. In the fiscal year ending September 30, 2011 a recent GASB Statement 54 was implemented that changes the classification of Fund Balance. The total Fund Balance for the prior year was \$5,636,281. A comparable number to the current year Unassigned Fund Balance using the GASB Statement 54 classification of Fund Balance for the prior year is \$4,149,747.
- Unassigned Fund balance as a percentage of expenditures is 26%, well exceeding the minimum requirement goal set by Commissioners' Court. The adopted budget for FY 2012 included use of fund balance for one-time expenditures. The amount included in the FY 2012 budget is classified as Fund Balance Assigned - One time allocation in the financial report and is not included in the Unassigned Fund Balance number mentioned above. See Note J. on page 48 for a discussion of the Fund Balance classifications.

Overview of the Financial Statements

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

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

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

Government-wide financial statements. The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets and the statement of activities, which are the government-wide statements, report information about the County as a whole and about its activities in a way that helps answer whether the County is in a better or worse financial position as a result of the current year's activity. The statement of net assets presents information on all of the assets and liabilities of Walker County, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial condition of Walker County is improving or deteriorating. Other non-financial factors, such as the County's property tax base and the condition of the County's infrastructure, need to be considered to assess the overall health of the County. These statements include all assets and liabilities on the accrual basis of accounting.

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

Government-wide financial statements of a government distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business activities). Walker County has no business type activities. Services provided by Walker County reported as governmental activities include general government administration, public safety, road and bridge maintenance, health and welfare, cooperative service, EMS services, public safety, and the courts system. Walker County financial statements include only the primary government and do not include other governments or component units such as a county hospital or school district.

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

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

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

Walker County's report includes thirty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, Hearts Museum 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 74.

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

The basic governmental fund financial statements can be found beginning on page 28.

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support Walker County programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is the trustee, or fiduciary, for assets which are held by the County as an agent, pending distribution to authorized recipients. The County currently maintains agency funds only. As an example, the County Clerk and District Clerk each function in a fiduciary capacity. These assets are reported in a separate statement of fiduciary assets and liabilities (Exhibit A-7).

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36 to 53 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Walker County. The County adopts an annual budget for its General Fund and special revenue funds including its Road and Bridge Fund. Required supplementary information begins on page 55 of this report. Budgetary comparison schedules have been prepared to demonstrate compliance with the budget for the General Fund (Exhibit B-1), the Grants and Contracts Fund (Exhibit B-2), Road and Bridge Fund (Exhibit B-3), and EMS Fund (Exhibit B-4). The County also presents a schedule of funding progress for its pension plan and its OPEB plan as required. Information for the Non-Major Governmental Funds begins on page 71.

Government-wide Financial Analysis

Below is condensed financial information for the fiscal year 2011 with comparative data for 2010. The following schedule focuses on the net assets of the County as a whole and gives data as of September 30th (the County's fiscal year end date) of each year.

WALKER COUNTY, TEXAS' NET ASSETS

	Governmental Activities					
	2011		2010		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Cash, Cash Equivalents, & Investments	\$ 10,567,045	37	\$ 11,359,503	39	\$ (792,458)	(7)
Receivables and Prepaids	4,113,121	15	3,547,896	12	565,225	16
Capital Assets, Net of Depreciation	13,661,001	48	13,964,362	49	(303,361)	(2)
Total Assets	28,341,167	100	28,871,761	100	(530,594)	
Current Liabilities	4,590,843	57	4,683,332	63	(92,489)	(2)
Noncurrent Liabilities	3,399,114	43	2,783,712	37	615,402	22
Total Liabilities	7,989,957	100	7,467,044	100	522,913	
Net Assets:						
Invested in Capital Assets, net of Debt	13,032,866	64	12,704,554	60	328,312	3
Restricted	83,707	-	1,336,137	6	(1,252,430)	(94)
Unrestricted	7,234,637	36	7,364,026	34	(129,389)	(2)
Total Net Assets	\$ 20,351,210	100	\$ 21,404,717	100	\$ (1,053,507)	

As mentioned earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by \$20,351,210 at September 30, 2011 as compared to \$21,404,717 at September 30, 2010. Of the County's net assets at the fiscal year end, 64% 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 represents resources that are subject to restrictions on how they may be used. Restricted net assets in the amount of \$83,707 represent County resources that are subject to restrictions, constitutional provisions, or enabling legislations regarding how they may be used. Unrestricted assets of \$7,234,637 (36% of total net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

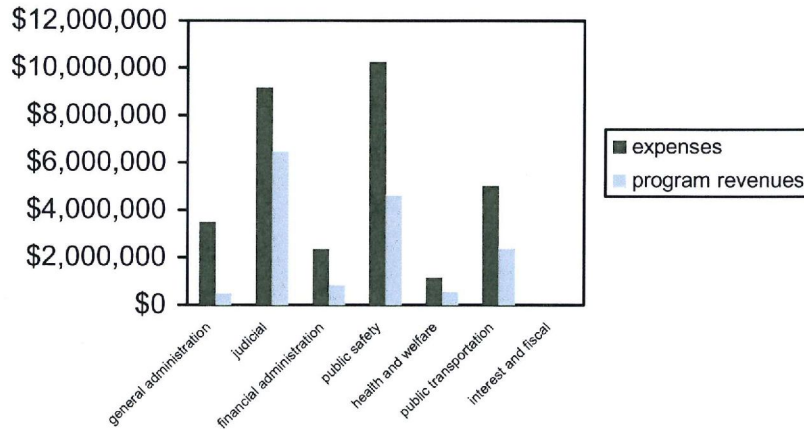
Government-wide Activities. Net assets of Walker County on a government-wide view decreased by \$668,089 for the current year. Included in the number is \$1,135,188 for postemployment benefits. Key elements of decrease are as follows.

WALKER COUNTY, TEXAS' CHANGES IN NET ASSETS

	Governmental Activities					
	2011		2010		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,622,994	25	\$ 7,625,624	25	\$ (2,630)	-
Operating Grants and Contributions	7,690,227	25	7,488,881	25	201,346	3
General Revenues:						
Property Taxes	12,842,095	42	12,625,076	42	217,019	2
Other Taxes	2,605,033	8	2,458,278	8	146,755	6
Investment Earnings	15,303	-	38,938	-	(23,635)	(61)
Total Revenues	30,775,652	100	30,236,797	100	538,855	
Expenses:						
General Administration	3,495,070	11	3,759,057	12	(263,987)	(7)
Judicial	9,150,956	29	9,071,422	30	79,534	1
Financial Administration	2,344,939	7	1,951,551	6	393,388	20
Public Safety	10,244,585	33	10,617,796	35	(373,211)	(4)
Health & Welfare	1,151,364	4	666,885	2	484,479	73
Public Transportation	5,018,699	16	4,744,706	15	273,993	6
Interest and Fiscal Charges	38,128	-	62,340	-	(24,212)	(39)
Total Expenses	31,443,741	100	30,873,757	100	569,984	
Change in Net Assets	(668,089)		(636,960)		(31,129)	
Net Assets - Beginning	21,404,717		22,041,677		(636,960)	
Reclassification of Prior Year	(385,418)		-		(385,418)	
Net Assets - Ending	\$ 20,351,210		\$ 21,404,717		\$ (1,053,507)	

Net assets decreased primarily as a result of the accrual of the OPEB obligation. In the prior fiscal year, the annual accrual was \$779,373 as compared to \$1,135,188 for the fiscal year ended September 30, 2011. The following graphic presentation depicts expenses and program revenues for fiscal year 2011 for governmental activities (government-wide).

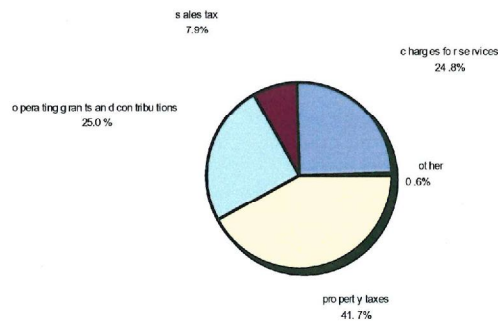
Walker County, Texas
Expenses and Program Revenues
Government-wide Governmental Activities
For the Year Ending September 30, 2011



The following graphic presents revenues by source for fiscal year 2011 for governmental activities (government-wide).

Walker County, Texas
Revenues by Source-Government-wide
Governmental Activities
For the Year Ending September 30, 2011

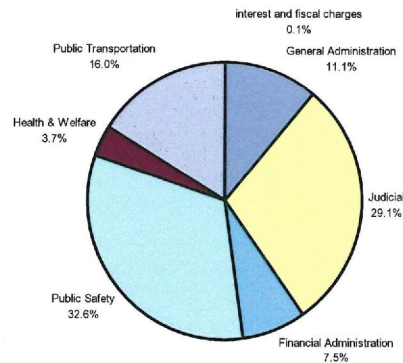
Revenues by Source-Governmental Activities



The following graphic presentation presents expenditures by function for fiscal year 2011 for governmental activities (government-wide).

**Walker County, Texas
Expenses by Function-Government-wide
Governmental Activities
For the Year Ending September 30, 2011**

Expenses by Function-Governmental Funds



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 \$9,264,596 (Exhibit A-3) compared to \$9,556,860 in the prior year. Adult Probation monies were included in the fund balance in the prior year. In the current year, these are reported in the Agency Funds. Adjusting for this change, there is a net reduction in Fund Balance of \$93,154. With the implementation of GASB Statement 54, fund balance is classified differently than in prior years. Funds that are restricted, committed, or assigned are shown separately from the Unassigned Fund Balance. Unassigned Fund Balance as of September 30, 2011 is \$4,416,165. This amount is available for day-to-day operations of the County. The General Fund showed a decrease of \$96,074, Debt Service Fund showed an increase of \$45,785, Road and Bridge Fund showed a decrease of \$67,076, Other Government Funds (combined category) showed a decrease of \$322,671, EMS showed an increase of \$637,029. The EMS balance increased as a result of the allowance for uncollectable and deferred revenue being adjusted to reflect recent experience. As part of the implementation of GASB 54, several funds previously reported as Other Governmental Funds, such as the Projects Fund and the Emergency Management Funds are reported as part of the General Fund. The Project Fund remaining money at year end is shown as Committed Fund Balance in General Fund.

As of September 30, 2010, the unreserved fund balance of the General Funds was \$5,636,281. The total Fund Balance of the General Fund at the end of the fiscal year ending September 30, 2011 is \$6,512,944, an increase due primarily to the Projects Fund being reported as part of the General Fund rather than in Other Governmental. One measure of liquidity is to compare fund balance to total fund expenditures. Using Unassigned Fund balance, the unassigned Fund Balance is approximately 26% of expenditures.

Ad Valorem and sales tax collections exceeded budget. Interest earnings continue to decline. Vacancies and unfilled positions accounted for expenditures less than budgeted. Contingency line items, a \$661,500 transfer to the Road and Bridge Fund for special projects and purchase of capital equipment including vehicles for the Sheriff Department and a Constable were paid from a budgeted reduction of the General Fund balance.

The fund balance of the Road and Bridge Fund, a fund used to account for the costs of providing road maintenance to the County, is \$954,656, down from \$1,021,732 in the prior fiscal year end. Road & Bridge Fund expenditures total \$4,682,465 compared to \$4,591,089 in FY 2010. Revenues and other financing sources total \$4,615,389 netting a \$67,076 decrease in fund balance. There was an increased use of Ad Valorem tax (\$126,849) to fund the Road and Bridge fund costs. Fine revenues showed an increase of \$107,425 following two years of declining fine revenue. Funds in all four precincts are reallocated for road and bridge expenditures in the next budget year.

The EMS Fund Balance shows an increase of \$637,029 in fund balance. The increase is a result of a decrease in Allowance for Uncollectible Accounts based on recent experience and a budgeted transfer from General Fund. In the FY 2012 budget, a crew will be added for Emergency Medical Services.

The Other Governmental Funds category fund balance decreased by \$322,671. This category includes numerous funds. As part of the implementation of GASB 54, certain funds previously reported as Other Governmental Funds are now reported in the General Fund. These funds' primary source of revenue was Transfers from the General Fund. The Weigh Station Fund had a decrease of \$152,155 in fund balance and a portion of the Juvenile Probation Fund for expenditures that are the obligation of the County decreased \$134,432. A third large decrease was \$75,000 in the Justice Technology Fund was for participation in a county-wide replacement for the Court software. In other funds in this category, decreases of \$18,955 in the Hot Check Fund, \$5,364 in the County Clerk Records Fund, \$6,984 in the County Records Management Fund, \$10,659 in the Criminal District Attorney Forfeiture Fund, \$38,559 in the District Clerk Rider Prosecution Fund were offset by increases in other funds.

General Fund Budgetary Highlights

The most significant highlight of the General Fund Budget revolves around the implementation 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 Original Budget budgeted decrease was a planned reduction of fund balance for one-time capital expenditures, budgeted projects, contingency line items and a transfer to the Road and Bridge Fund for special projects. It is the policy of the County to maintain the fund balance at 16% to 24% (2 to 3 months) of the operating budget. County policy requires that the fund balance not be drawn down to fund on-going operating costs. The actual difference between revenues and expenditures was a decrease to fund balance in the amount of \$96,074.

Differences between the original expenditure budget and final amended expenditure budget are a result of moving funds previously reported in Other Governmental Funds and the previously separately reported Projects Fund. Projects of \$1,973,848, part of the amended budget, are partially netted with decreases in the contingency line items and transfers to the Other Governmental Funds. Changes not related to GASB 54 implementation are minor, with the largest portion of the adjustment due to increases for grants and state monies received that were not included in the original budget. A budgetary comparison for the General Fund can be found in required supplementary information section beginning on page 57. The original revenue budget and expenditure budgets changes, not considering the GASB Statement 54 implementation changes, was an increase of \$168,099. Of this amount, \$125,418 is state and grant monies awarded after adoption of the budget.

Actual General Fund revenues exceeded the amended budgeted General Fund revenues, departmental expenditures were less than the amended budget and transfers were less than the amended budget during the year ended September 30, 2011. Of the total projects budgeted thru September 30, 2011, there are remaining funds of \$1,362,950 for expenditure in future years.

Capital Assets and Debt Administration

Capital Assets. Walker County's investment in capital assets on a government-wide basis as of September 30, 2011 is \$13,661,001 (net of accumulated depreciation). Included in this total is \$523,052 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					
	2011		2010		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land	\$ 523,052	4	\$ 483,180	3	\$ 39,872	8
Buildings	10,031,795	74	10,703,637	77	(671,842)	(6)
Vehicles	1,152,802	8	1,208,998	9	(56,196)	(5)
Furniture, Fixtures, Office Equipment	812,552	6	787,597	6	24,955	3
Machinery & Equipment	1,140,800	8	759,862	5	380,938	50
Construction in Progress	-	-	21,088	-	(21,088)	(100)
Totals	\$ 13,661,001	100	\$ 13,964,362	100	\$ (303,361)	

Additional information on the County's capital assets can be found in the notes on page 44 and in the other supplementary section on pages 121 to 123 of this report.

Long-term debt. As of September 30, 2011, the County debt for certificates of obligation totals \$628,135. Of this amount, \$450,000 is for capital improvements that included renovation on the courthouse and purchase of an additional facility to centralize the location of many of the county offices spread throughout the county. The remainder of the debt is for equipment. County policy requires that the term of payment must in all cases be less than the expected life of the equipment.

All debt is backed by the full faith and credit of the government, meaning that the County has pledged to levy a property tax sufficient to pay the debt. All current outstanding debt was scheduled be paid off by September 2013. In October 2011, all existing debt was paid off.

WALKER COUNTY, TEXAS' OUTSTANDING DEBT FOR CERTIFICATES OF OBLIGATION

	Governmental Activities					
	2011		2010		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Certificates of Obligation:						
Capital Projects	\$ 450,000	72	\$ 880,000	70	\$ (430,000)	(49)
Equipment	178,135	28	379,808	30	(201,673)	(53)
Totals	\$ 628,135	100	\$ 1,259,808	100	\$ (631,673)	

For the fiscal year ended September 30, 2011, payments on certificates of obligation debt totaled \$631,673.

Additional information on debt can be found in the notes to the financial statements on page 45. In addition to debt for certificates of obligation the County has recorded debt for compensated absences of \$917,043 and a long-term obligation for post employment benefits of \$2,697,335. This obligation for post employment benefits is discussed on pages 50 to 52 of this report.

Economic Factors, Budget and Rate information for FY beginning October 1, 2011

- The unemployment rate in the County for 2011 was 8.7%, as compared to the state unemployment rate of 8.4% and national unemployment rate of 9.6%. The State of Texas had a reduction in force during the fiscal year. This rate compares to 7.2% for the prior year according to information provided by the Texas Workforce Commission. Walker County has traditionally had very stable employment, due primarily to an economy based on employment at Sam Houston State University and Texas Department of Criminal Justice. The State's prison system is headquartered in Walker County with seven major facilities housing an estimated 13,653 inmates.
- The new improvement/construction value added to the tax roll for FY 2011 (tax year 2010) totaled \$39,808,610 as compared to \$72,721,530 for the prior year. \$50,000,000+ had been consistent for the last eight years. For FY 2012 (tax year 2011), taxable new growth totaled \$56,336,670.
- Commissioners' Court approved a \$27,476,880 expenditure budget for FY 2012, an increase from the \$26,641,308 budget for the 2011 fiscal year.
- Commissioners' Court approved a \$26,281,308 expenditure budget for FY 2012, a slight decrease from the \$26,389,034 budget for the 2011 fiscal year.
- The tax rate adopted for the FY 2012 budget is \$0.5536 per \$100 of valuation, down from the \$0.5793 for FY 2011.
- Walker County revenues for FY 2012 at the date of this report generally continue to be in line with exceptions. Total sales tax receipts are about the same to date in FY 2012 as compared to this time in FY 2011. Charges for service revenues as a total are in line with the budget. Ad valorem tax collections are at the approximate same percentage of levy thru February. Walker County continues to closely monitor its revenues and expenditures.

Request for Information

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

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BASIC FINANCIAL STATEMENTS

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WALKER COUNTY, TEXAS**STATEMENT OF NET ASSETS**

SEPTEMBER 30, 2011

EXHIBIT A-1

	Governmental Activities
ASSETS:	
<i>Cash and Cash Equivalents</i>	\$ 10,567,045
<i>Taxes Receivable</i>	1,039,440
<i>Accounts Receivable</i>	532,045
<i>Fines and Fees Receivable</i>	642,147
<i>Prepaid Expenses</i>	33,383
<i>Due from Others</i>	12,958
<i>Due from Other Governments</i>	1,853,148
Capital Assets Not Being Depreciated:	
<i>Land</i>	523,052
<i>Capital Assets, Net of Accumulated Depreciation</i>	13,137,949
Total Assets	<u>28,341,167</u>
LIABILITIES:	
<i>Accounts Payable</i>	1,195,253
<i>Accrued Interest Payable</i>	13,461
<i>Due to State</i>	241,657
<i>Due to Others</i>	15,010
<i>Accrued Liabilities</i>	1,332,691
<i>Unearned Revenue</i>	949,372
Noncurrent Liabilities:	
<i>Due Within One Year</i>	843,399
<i>Due in More Than One Year</i>	3,399,114
Total Liabilities	<u>7,989,957</u>
NET ASSETS:	
<i>Invested in Capital Assets, Net of Related Debt</i>	13,032,866
Restricted for:	
<i>Debt Service</i>	83,707
<i>Unrestricted</i>	7,234,637
Total Net Assets	<u>\$ 20,351,210</u>

The accompanying notes are an integral part of this statement.

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WALKER COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT A-2

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Administration	\$ 3,495,070	\$ 412,098	\$ 69,034	\$ (3,013,938)
Judicial	9,150,956	805,272	5,642,619	(2,703,065)
Financial Administration	2,344,939	834,039	-	(1,510,900)
Public Safety	10,244,585	3,274,199	1,350,806	(5,619,580)
Health and Welfare	1,151,364	112,731	439,808	(598,825)
Public Transportation	5,018,699	2,184,655	187,960	(2,646,084)
Interest and Fiscal Charges	38,128	-	-	(38,128)
Total Governmental Activities	31,443,741	7,622,994	7,690,227	(16,130,520)
Total Primary Government	\$ 31,443,741	\$ 7,622,994	\$ 7,690,227	(16,130,520)
General Revenues:				
Property Taxes				12,842,095
Sales Taxes				2,442,426
Mixed Beverage and Other Taxes				162,607
Investment Earnings				15,303
Total General Revenues				15,462,431
Change in Net Assets				(668,089)
Net Assets - Beginning				21,404,717
Reclassification of Prior Year				(385,418)
Net Assets - Ending				\$ 20,351,210

The accompanying notes are an integral part of this statement.

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

SEPTEMBER 30, 2011

	General Fund	Debt Service Fund	Hearts Museum Project Fund
ASSETS:			
<i>Cash and Cash Equivalents</i>	\$ 7,843,864	\$ 473,262	\$ -
<i>Taxes Receivable</i>	1,039,440	-	-
<i>Accounts Receivable</i>	77,336	-	-
<i>Prepaid Expenditures</i>	33,383	-	-
<i>Due from Others</i>	7,589	-	-
<i>Due from Other Funds</i>	985,971	-	-
<i>Due from Other Governments</i>	567,172	-	-
Total Assets	<u>\$ 10,554,755</u>	<u>\$ 473,262</u>	<u>\$ -</u>
LIABILITIES:			
Current Liabilities:			
<i>Accounts Payable</i>	\$ 654,032	\$ -	\$ -
<i>Due to State</i>	241,657	-	-
<i>Due to Other Funds</i>	-	-	-
<i>Due to Others</i>	4,152	-	-
<i>Accrued Liabilities</i>	1,246,068	-	-
<i>Deferred Revenue</i>	1,895,902	-	-
Total Liabilities	<u>4,041,811</u>	<u>-</u>	<u>-</u>
FUND BALANCES:			
<i>Nonspendable - Prepaid Expenditures</i>	33,383	-	-
<i>Restricted for Debt Service</i>	-	97,168	-
<i>Restricted for Special Revenue Funds</i>	-	-	-
<i>Committed for Projects</i>	1,362,950	-	-
<i>Committed for Public Transportation</i>	-	-	-
<i>Committed for Public Safety</i>	-	-	-
<i>Assigned-One-Time Allocation</i>	1,076,540	-	-
<i>Unassigned</i>	4,040,071	376,094	-
Total Fund Balances	<u>6,512,944</u>	<u>473,262</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 10,554,755</u>	<u>\$ 473,262</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

Grants and Contracts Fund	Road and Bridge Fund	EMS Fund	Other Governmental Funds	Total Governmental Funds
\$ 7,670	\$ 1,130,080	\$ 301,029	\$ 811,140	\$ 10,567,045
-	-	-	-	1,039,440
-	-	454,709	-	532,045
-	-	-	-	33,383
413	4,589	-	367	12,958
-	-	-	-	985,971
1,282,000	-	-	3,976	1,853,148
<u>\$ 1,290,083</u>	<u>\$ 1,134,669</u>	<u>\$ 755,738</u>	<u>\$ 815,483</u>	<u>\$ 15,023,990</u>
\$ 248,841	\$ 180,013	\$ 57,690	\$ 54,678	\$ 1,195,254
-	-	-	-	241,657
985,971	-	-	-	985,971
-	-	-	10,858	15,010
55,271	-	-	31,352	1,332,691
-	-	61,019	31,890	1,988,811
<u>1,290,083</u>	<u>180,013</u>	<u>118,709</u>	<u>128,778</u>	<u>5,759,394</u>
-	-	-	-	33,383
-	-	-	-	97,168
-	-	-	686,705	686,705
-	-	-	-	1,362,950
-	954,656	-	-	954,656
-	-	637,029	-	637,029
-	-	-	-	1,076,540
-	-	-	-	4,416,165
<u>-</u>	<u>954,656</u>	<u>637,029</u>	<u>686,705</u>	<u>9,264,596</u>
<u>\$ 1,290,083</u>	<u>\$ 1,134,669</u>	<u>\$ 755,738</u>	<u>\$ 815,483</u>	<u>\$ 15,023,990</u>

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WALKER COUNTY, TEXAS

EXHIBIT A-4

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011**

Total fund balances - governmental funds balance sheet \$ 9,264,596

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

Capital assets used in governmental activities are not reported in the funds.	13,661,001
Property taxes receivable unavailable to pay current period expenditures are deferred in the funds.	1,039,440
Payables for bond interest which are not due in the current period are not reported in the funds.	(13,461)
Payables for bonds which are not due in the current period are not reported in the funds.	(628,135)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(917,043)
Obligations for OPEB which are not due in the current period are not reported in the funds.	(2,697,335)
Court fines receivables unavailable to pay current period expenditures are deferred in the funds.	<u>642,147</u>

Total net assets of governmental activities - Statement of Net Assets \$ 20,351,210

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, 2011

	General Fund	Debt Service Fund	Hearts Museum Project
REVENUES:			
<i>Property Taxes</i>	\$ 10,471,628	\$ 676,328	\$ -
<i>Property Tax Penalty & Interest</i>	160,686	11,265	-
<i>In Lieu of Tax</i>	25,190	-	-
<i>Sales Tax</i>	2,442,426	-	-
<i>Mixed Beverage</i>	137,416	-	-
<i>Licenses and Permits</i>	112,025	-	-
<i>Intergovernmental</i>	619,159	-	-
<i>Charges for Services</i>	1,813,548	-	-
<i>Fines and Forfeitures</i>	87,430	-	-
<i>Interest Income</i>	12,492	476	73
<i>Other</i>	217,597	-	-
Total Revenues	<u>16,099,597</u>	<u>688,069</u>	<u>73</u>
EXPENDITURES:			
Current:			
<i>General Administration</i>	1,903,460	-	-
<i>Judicial</i>	3,895,237	-	-
<i>Financial Administration</i>	1,942,702	-	-
<i>Public Safety</i>	5,393,119	-	-
<i>Health and Welfare</i>	685,589	-	59,237
<i>Public Transportation</i>	284,068	-	-
<i>Intergovernmental Expenditures</i>	1,174,386	-	-
Debt Service:			
<i>Principal Retirement</i>	-	631,672	-
<i>Interest and Fiscal Charges</i>	-	53,105	-
Total Expenditures	<u>15,278,561</u>	<u>684,777</u>	<u>59,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>821,036</u>	<u>3,292</u>	<u>(59,164)</u>
Other Financing Sources and (Uses):			
<i>Transfers In</i>	119,724	42,493	-
<i>Transfers Out</i>	(1,036,834)	-	-
Total Other Financing Sources and (Uses)	<u>(917,110)</u>	<u>42,493</u>	<u>-</u>
Net Change in Fund Balances	(96,074)	45,785	(59,164)
Fund Balances - Beginning	6,609,018	427,477	59,164
Reclassification of Prior Year	-	-	-
Fund Balances - Ending	<u>\$ 6,512,944</u>	<u>\$ 473,262</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

Grants and Contracts Fund	Road and Bridge Fund	EMS Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,418,827	\$ -	\$ -	\$ 12,566,783
-	21,086	-	-	193,037
-	-	-	-	25,190
-	-	-	-	2,442,426
-	-	-	-	137,416
-	-	-	-	112,025
6,427,645	198,210	27,648	458,147	7,730,809
-	883,226	2,737,873	307,296	5,741,943
-	1,283,277	-	81,186	1,451,893
48	1,152	23	1,039	15,303
-	68,493	11,923	427	298,440
<u>6,427,693</u>	<u>3,874,271</u>	<u>2,777,467</u>	<u>848,095</u>	<u>30,715,265</u>
-	-	-	24,039	1,927,499
5,198,846	-	-	279,290	9,373,373
-	-	-	63,357	2,006,059
878,798	-	2,449,770	624,310	9,345,997
350,000	-	-	-	1,094,826
-	4,682,465	-	48,661	5,015,194
-	-	-	-	1,174,386
-	-	-	-	631,672
-	-	-	-	53,105
<u>6,427,644</u>	<u>4,682,465</u>	<u>2,449,770</u>	<u>1,039,657</u>	<u>30,622,111</u>
<u>49</u>	<u>(808,194)</u>	<u>327,697</u>	<u>(191,562)</u>	<u>93,154</u>
-	783,611	309,332	78,891	1,334,051
(44,724)	(42,493)	-	(210,000)	(1,334,051)
<u>(44,724)</u>	<u>741,118</u>	<u>309,332</u>	<u>(131,109)</u>	<u>-</u>
(44,675)	(67,076)	637,029	(322,671)	93,154
44,675	1,021,732	-	1,394,794	9,556,860
-	-	-	(385,418)	(385,418)
<u>\$ -</u>	<u>\$ 954,656</u>	<u>\$ 637,029</u>	<u>\$ 686,705</u>	<u>\$ 9,264,596</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, 2011**

Net changes in fund balances - total governmental funds \$ 93,154

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

Capital outlays are not reported as expenses in the SOA.	1,762,609
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,984,292)
Trade in or disposal of capital assets increase net assets in the SOA but not in the funds.	(81,678)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	82,275
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(1,135,188)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	631,672
(Increase) decrease in accrued interest from the beginning of the period to the end of the period.	14,974
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(90,320)
Uncollected court fines are not recorded as revenue in the funds.	38,705

Change in net assets for governmental activities - Statement of Activities \$ (668,089)

The accompanying notes are an integral part of this statement.

WALKER COUNTY, TEXAS

EXHIBIT A-7

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUND

SEPTEMBER 30, 2011

ASSETS:*Cash and Cash Equivalents*

\$ 3,006,876

Total Assets

\$ 3,006,876**LIABILITIES:***Accounts Payable*

\$ 72,474

Due to Other Governments

93,591

*Due to Others*2,840,811

Total Liabilities

\$ 3,006,876

The accompanying notes are an integral part of this statement.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

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

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

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

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

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

Management's Discussion and Analysis

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

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2011

Government-wide Financial Statements

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

Statement of Net Assets

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

Statement of Activities

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

Budgetary Comparison Schedules

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

Government-wide and Fund Accounting

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

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

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

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

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

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

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

The County reports the following major governmental funds:

General Fund

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

Debt Service

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

Heart Museum Projects

The Heart Museum Projects fund is used to account for the acquisition of fixed assets or construction of major capital projects.

Road & Bridge

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

Grants & Contracts

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

Emergency Medical Service

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

In addition, the County reports the following fund types:

Fiduciary Funds

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

b. Measurement Focus, Basis of Accounting

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

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2011

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 the consists solely of agency funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

3. Receivables

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

4. Due to and Due From Other Funds

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

5. Capital Assets

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

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

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

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.

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	20-40
Buildings	10-30
Building Improvements	10-30
Vehicles	5-7
Furniture and Fixtures	5-7
Machinery and Equipment	7-15

6. Accrued Compensated Absences

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

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

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

7. Debt Service

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

8. Estimates

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

B. Compliance and Accountability

Budgets

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

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

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2011

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

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

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

C. Deposits and Investments

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

Cash Deposits

The County's cash and cash equivalents at September 30, 2011 are summarized as follows:

	Carrying Amount
Cash Deposits	\$ 181,676
Investments considered cash and cash equivalents:	
Texas Local Government Investment Pool	7,007,661
DWS Government Cash Institutional Shares	2,347,005
Cooperative Liquid Assets Securities System Trust (Texas Class)	1,030,703
Total Cash and Cash Equivalents	\$ 10,567,045

Investments

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

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the 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.

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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

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

Analysis of Specific Deposit and Investment Risks

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. It is the County's policy to focus on safety and liquidity. The current policy is to invest only in investment pools. At year end, the County was not significantly exposed to credit risk. As of September 30, 2011, the government's investment in all money market investment accounts were rated at least AAAM by Standard & Poor's.

b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

D. Receivables

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2011 are as follows:

	<u>General</u>	<u>Other Governmental</u>	<u>EMS</u>	<u>Total</u>
Receivables:				
Taxes	\$ 1,039,440	\$ -	\$ -	\$ 1,039,440
Other Governments	567,172	1,285,976	-	1,853,148
Fines and Fees	642,147	-	-	642,147
Accounts	77,336	-	1,297,273	1,374,609
Less: Allowance for Uncollectibles	-	-	(842,564)	(842,564)
Net Total Receivables	\$ 2,326,095	\$ 1,285,976	\$ 454,709	\$ 4,066,780

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of September 30, 2011 the various components of deferred revenue reported in the governmental funds are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes (General Fund)	\$ 1,039,440	\$ -
EMS Accounts	-	61,019
Revenue Received Subject to Lawsuit	-	856,463
Grant funds received prior to meeting all eligibility requirements	-	31,890
Total Deferred/Unearned Revenue for Governmental Funds	\$ 1,039,440	\$ 949,372

E. Property Taxes

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

1. 2010 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 2011 fiscal year (2010 tax year), the County levied property taxes of \$0.5793 per \$100 of assessed valuation. The 2010 rates resulted in total tax levies of approximately \$12.81 million based on a total adjusted valuation of approximately \$2.26 billion. The total tax rate in the 2010 tax year was prorated as follows:

	<u>2010 Rate</u>
Walker County, Texas	
General Fund/Road and Bridge	\$ 0.5485
Debt Service Fund	0.0308
Total Tax Rate	\$ 0.5793

2. Walker County Appraisal District

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

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

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest imposed.

F. Interfund Receivables and Payables

At September 30, 2011, 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 Fund	\$ 985,971	Short-term Loan

G. Capital Assets

Capital asset activity for the year ended September 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital Assets, not being Depreciated:				
Land	\$ 483,180	\$ 39,872	\$ -	\$ 523,052
Construction in Progress	21,088	-	(21,088)	-
Total Capital Assets, not being Depreciated	504,268	39,872	(21,088)	523,052
Capital Assets, being Depreciated:				
Vehicles	4,153,524	404,742	-	4,558,266
Office furniture and fixtures	2,289,844	228,959	-	2,518,803
Machinery and equipment	3,757,957	697,628	(99,795)	4,355,790
Buildings, facilities, and improvements	20,882,008	391,408	(7,950)	21,265,466
Total Capital Assets, being Depreciated	31,083,333	1,722,737	(107,745)	32,698,325
Less Accumulated Depreciation for:				
Vehicles	(2,944,526)	(460,938)	-	(3,405,464)
Office furniture and fixtures	(1,502,247)	(204,004)	-	(1,706,251)
Machinery and equipment	(2,998,095)	(256,100)	39,205	(3,214,990)
Buildings, facilities, and improvements	(10,178,371)	(1,063,250)	7,950	(11,233,671)
Total Accumulated Depreciation	(17,623,239)	(1,984,292)	47,155	(19,560,376)
Total Capital Assets, being Depreciated, net	13,460,094	(261,555)	(60,590)	13,137,949
Capital Assets, net	\$ 13,964,362	\$ (221,683)	\$ (81,678)	\$ 13,661,001

Depreciation was charged to functions as follows:

General Administrative	\$ 441,535
Judicial	27,163
Financial Administrative	10,280
Public Safety	1,052,722
Health and Welfare	107,136
Road and Bridge	316,097
Other	29,359
Total Depreciation Expense	\$ 1,984,292

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

H. Long-Term Debt

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Long-term bonded debt and certificates of obligation at September 30, 2011 are listed below:

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Outstanding Debt</u>	<u>Original Issue</u>
Certificates of Obligation:					
Gen Chipspreader Etnyre	3.47%	6/16/2008	6/16/2013	\$ 94,519	\$ 224,838
Series 2002 Capital Projects	4.60%	3/15/2002	3/15/2012	450,000	3,100,000
2009 Case C30B Excavator	2.60%	3/1/2010	3/1/2013	83,616	123,843
Totals				\$ 628,135	\$ 3,448,681

A summary of long-term liability transactions of the County for the year ended September 30, 2011, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Certificates of Obligation	\$ 1,259,808	\$ -	\$ (631,673)	\$ 628,135	\$ 537,718
Compensated Absences *	826,723	751,655	(661,335)	917,043	305,681
OPEB Obligations *	1,562,147	1,239,172	(103,984)	2,697,335	-
Total Long-term Liabilities	\$ 3,648,678	\$ 1,990,827	\$ (1,396,992)	\$ 4,242,513	\$ 843,399

* 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 and Special Revenue Funds

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

	<u>Certificates of Obligation</u>		
<u>Year Ending September 30,</u>	<u>Principal Value</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	\$ 537,718	\$ 25,084	\$ 562,802
2013	90,417	2,764	93,181
Totals	\$ 628,135	\$ 27,848	\$ 655,983

I. Leases

Operating Leases

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

Walker County Health Center

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

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

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

Total Cost of Health Center	\$ 250,000
Accumulated Depreciation	231,250
Carrying Cost of Health Center	<u>\$ 18,750</u>
Current Year Depreciation	\$ 12,500

Buildings at 115 Highway 75 North

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

Total Cost of COME Center	\$ 20,000
Accumulated Depreciation	18,500
Carrying Cost of COME Center	<u>\$ 1,500</u>
Current Year Depreciation	\$ 1,000

Building at SH 75 North, Suite 100

The County has leased approximately 3,000 square feet to the Special Prosecution Unit (SPU) for \$14,040 annually. An agency funded by state grant money, the SPU budget pays for janitorial services, insurance, and utilities in addition to the lease. The County is responsible for repairs to the facility. 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	138,750
Carrying Cost of Building	<u>\$ 11,250</u>
Current Year Depreciation	\$ 7,500

344 Highway 75 North, Suite 200

The County leases office space to the Special Prosecution Unit (SPU) at \$16,200 annually. SPU is responsible for janitorial services, insurance and utilities in addition to the lease. The County is responsible for repairs to the facility. The original contract period was April 1, 2008 through August 31, 2008, with successive one year renewals.

Total Cost of Building	\$ 150,000
Accumulated Depreciation	138,950
Carrying Cost of Building	<u>\$ 11,050</u>
Current Year Depreciation	\$ 7,500

340 Highway 75 North, Suite A

The County leases office space to the Special Prosecution Unit (SPU) at \$31,200 annually. SPU is responsible for janitorial services, insurance and utilities in addition to the lease. 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	\$ 250,000
Accumulated Depreciation	231,250
Carrying Cost of Building	<u>\$ 18,750</u>
Current Year Depreciation	\$ 12,500

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

Office Space at 1301 Sam Houston Avenue

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

Total Cost of Courthouse Annex	\$	15,626
Accumulated Depreciation		<u>7,031</u>
Carrying Cost of Courthouse Annex	\$	<u>8,595</u>
Current Year Depreciation	\$	781

Powell Family Home

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

1313 University Avenue

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

Total Cost of Building	\$	86,163
Accumulated Depreciation		<u>18,309</u>
Carrying Cost of Building	\$	<u>67,854</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, 2010, and terminated on September 30, 2011. The contract allows for successive one month renewals and currently is in the renewal period.

Total Cost of Building	\$	54,444
Accumulated Depreciation		<u>50,361</u>
Carrying Cost of Building	\$	<u>4,083</u>
Current Year Depreciation	\$	2,722

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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, 2010 and terminated November 30, 2010 and allowed for successive three month renewals. Final termination of the contract was November 2011.

Total Cost of Building	\$	17,429
Accumulated Depreciation		7,843
Carrying Cost of Building	\$	<u>9,586</u>
Current Year Depreciation	\$	871

J. Fund Equity

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

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

Beginning fund balances for the County's governmental funds have been restated to reflect the above classifications.

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

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

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, 2011:

Transfers From	Transfers To	Amount
General Fund	Nonmajor Governmental Funds	\$ 76,471
General Fund	Road and Bridge Fund	648,611
General Fund	Grant Fund	2,420
General Fund	EMS Fund	309,332
Grant Fund	General Fund	44,724
Road and Bridge Fund	Debt Service Fund	42,493
Nonmajor Governmental Funds	Road and Bridge Fund	135,000
Nonmajor Governmental Funds	General Fund	75,000
Total		\$ 1,334,051

L. Pension Plan

1. Plan Description

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

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

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

2. Contributions

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. It was 10.92% for the months of the accounting year in 2011, and 10.56% for the months of the accounting year in 2010. 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, 2011, 2010 and 2009, the pension cost for the TCDRS plan and the actual contributions made were \$1,635,829, \$1,530,834, and \$1,445,018, respectively. Because all contributions are made as required, no pension obligation existed at September 30, 2011.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

Annual Pension Cost. The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010 was 20 years.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the plan was 80.46 percent funded. The actuarial accrued liability for benefits was \$36,954,035, and the actuarial value of assets was \$29,733,487, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,220,548. The covered payroll (annual payroll of active employees covered by the plan) was \$14,508,894, and the ratio of the UAAL to the covered payroll was 49.77 percent.

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

M. Other Postemployment Benefits Plan

1. Plan Description

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

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

2. Funding Policy.

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

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

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

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

3. Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County had its first OPEB actuarial valuation performed for the fiscal year beginning October 1, 2009 as required by GASB. The annual OPEB cost for the fiscal year ending September 30, 2011, is as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Annual OPEB cost:			
Annual Required Contribution (ARC)	\$ 1,217,583	\$ 867,125	\$ 841,869
Interest on Prior Year Net OPEB Obligation	71,033	35,225	-
Adjustment to Annual Required Contribution	(65,811)	(32,635)	-
Annual OPEB Cost (Expense) End of Year	<u>1,222,805</u>	<u>869,715</u>	<u>841,869</u>
Employer Contributions	(97,151)	(67,966)	(59,095)
Retiree Contributions	(6,833)	(6,009)	-
Total Contributions	<u>(103,984)</u>	<u>(73,975)</u>	<u>(59,095)</u>
Net OPEB Obligation Increase (Decrease)	1,118,821	795,740	782,774
Net OPEB Obligation - October 1	<u>1,578,514</u>	<u>782,774</u>	<u>-</u>
Net OPEB Obligation - September 30	<u>\$ 2,697,335</u>	<u>\$ 1,578,514</u>	<u>\$ 782,774</u>
Percentage of Annual OPEB Cost Contributed	8.50%	8.51%	7.02%

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 are as follows:

<u>Fiscal Year Ending</u>	<u>Employer Annual required OPEB Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
September 30, 2011	\$ 1,217,583	8.50%	\$ 2,697,335
September 30, 2010	867,125	8.51%	1,578,514
September 30, 2009	841,869	7.02%	782,774

4. Funded Status and Funding Progress

The funded status of the plan based on an actuarial update using age-adjusted premiums as of December 31, 2010, was as follows:

<u>Actuarial Value Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payrol (b-a)/(c)</u>
\$ -	\$ 9,956,635	\$ 9,956,635	0.00%	\$ 14,508,894	68.62%

Under the reporting parameters, the County's retiree health plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$9,956,635 at December 31, 2010.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2011

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	<u>12/31/2009</u>	<u>12/31/2010</u>
Actuarial cost method	Projected unit credit cost method	Projected unit credit cost method
Amortization method	Level as a percentage of payroll	Level as a percentage of payroll
Amortization period	Open 30 year period	Open 30 year period
Investment rate of return	4.5%, net of expenses	4.5%, net of expenses
Payroll growth rate	3.00%	3.00%

The Schedule of 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.

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

N. Commitments and Contingencies

1. 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.

2. Litigation

The County is currently involved in a lawsuit concerning whether an apartment complex is qualified for tax exempt status and, consequently, not liable for the payment of ad valorem taxes. The County has received \$853,203 in ad valorem tax payments under protest. This case is currently under appeal. The County has made the determination that due to the uncertainty of the outcome of this case, that the monies received will be recorded as deferred revenues until an appeal ruling is received.

The County is contingently liable with respect to lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would not materially affect the financial position of the County as of September 30, 2011.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

O. Risk Management

The County is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the fiscal year 2011, the County purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding Insurance coverage for any of the past three fiscal years.

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

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REQUIRED SUPPLEMENTARY INFORMATION

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WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-1
Page 1 of 7

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Ad Valorem Taxes:				
<i>Current Taxes</i>	\$ 9,976,987	\$ 9,976,987	\$ 10,267,270	\$ 290,283
<i>Delinquent Taxes</i>	220,000	220,000	204,358	(15,642)
Total Ad Valorem Taxes	10,196,987	10,196,987	10,471,628	274,641
 <i>Penalty and Interest</i>	160,000	160,000	160,686	686
 Other Taxes:				
<i>Sales Taxes</i>	2,367,800	2,367,800	2,442,426	74,626
<i>In Lieu of Tax</i>	20,000	20,000	25,190	5,190
<i>Mixed Beverage Tax</i>	86,604	86,604	137,416	50,812
Total Other Taxes	2,474,404	2,474,404	2,605,032	130,628
 Licenses and Permits:				
<i>Building and Utility Permits</i>	81,000	81,000	112,025	31,025
Total Licenses and Permits	81,000	81,000	112,025	31,025
 Fines and Forfeitures:				
<i>Bond Forfeiture</i>	-	-	10,500	10,500
<i>License and Weight - Operations</i>	67,359	76,930	76,930	-
Total Fines and Forfeitures	67,359	76,930	87,430	10,500
 Intergovernmental:				
Federal Funds:				
<i>Local Law Enforcement</i>	9,547	9,547	26,319	16,772
<i>State Criminal Alien Assistance</i>	-	-	10,373	10,373
Total Federal Funds	9,547	9,547	36,692	27,145
 State Funds:				
<i>State Grant Funds</i>	43,000	93,125	86,424	(6,701)
<i>Other State Funds</i>	146,290	212,012	329,382	117,370
Total State Funds	189,290	305,137	415,806	110,669
 Other Governmental Funds:				
<i>Appraisal District</i>	7,000	7,000	30,313	23,313
<i>Other</i>	104,882	126,591	136,348	9,757
Total Other Governmental Funds	111,882	133,591	166,661	33,070
 Total Intergovernmental	310,719	448,275	619,159	170,884
 Charges for Services:				
<i>General Administrative</i>	38,000	38,000	81,068	43,068
<i>IT</i>	12,000	12,000	12,000	-
<i>County Clerk</i>	350,000	350,000	373,620	23,620
<i>County Court-at-Law</i>	39,500	39,500	41,772	2,272
<i>12th and 278th District Courts</i>	40,200	40,200	44,471	4,271
<i>District Clerk</i>	120,000	120,000	115,316	(4,684)
<i>District Attorney</i>	1,200	1,200	1,505	305
<i>Justice of the Peace-Precinct 1</i>	71,900	71,900	119,159	47,259
<i>Justice of the Peace-Precinct 2</i>	68,000	68,000	59,590	(8,410)
<i>Justice of the Peace-Precinct 3</i>	21,700	21,700	22,949	1,249
<i>Justice of the Peace-Precinct 4</i>	80,000	80,000	91,417	11,417
<i>County Auditor</i>	38,700	38,700	40,917	2,217
<i>County Treasurer</i>	-	-	10,634	10,634
<i>County Collections</i>	5,300	5,300	6,440	1,140
<i>Vehicle Registration</i>	304,500	304,500	345,485	40,985
<i>Voter Registration</i>	300	300	187	(113)
<i>County Facilities</i>	77,260	77,260	82,350	5,090

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-1
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	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
County Jail	126,600	126,600	136,305	9,705
Sheriff's Office	19,900	19,900	14,976	(4,924)
Sheriff's Estray	2,200	2,200	2,290	90
Constables Central Service	190,000	190,000	176,988	(13,012)
Constable - Precinct 1	-	-	1,275	1,275
Constable - Precinct 2	-	-	345	345
Constable - Precinct 3	-	-	92	92
Constable - Precinct 4	-	-	6,423	6,423
Utility Department	-	-	706	706
Probation Support	-	-	6,427	6,427
Juvenile Probation Support	-	-	234	234
Emergency Management	13,500	13,500	18,607	5,107
Total Charges for Services	1,620,760	1,620,760	1,813,548	192,788
Interest	33,100	33,100	12,492	(20,608)
Other Income:				
Sale of Fixed Assets	-	-	18,838	18,838
Miscellaneous	56,200	77,172	198,759	121,587
Total Other	56,200	77,172	217,597	140,425
Total Revenue	15,000,529	15,168,628	16,099,597	930,969
EXPENDITURES:				
General Administration:				
County Judge:				
Salary, Other Pay, and Benefits	161,646	166,446	164,048	2,398
Operations	14,586	13,986	13,868	118
Total County Judge	176,232	180,432	177,916	2,516
IT:				
Salary, Other Pay, and Benefits	193,093	193,093	192,278	815
Operations	84,438	85,576	81,300	4,276
Total IT	277,531	278,669	273,578	5,091
Commissioners' Court:				
Salary, Other Pay, and Benefits	51,135	46,935	46,335	600
Operations	11,032	11,032	10,338	694
Total Commissioners' Court	62,167	57,967	56,673	1,294
Non-Departmental:				
Salary, Other Pay, and Benefits	108,321	136,301	134,650	1,651
Operations	572,741	590,707	493,189	97,518
Capital Expenditures	-	13,231	13,231	-
Total Non-Departmental	681,062	740,239	641,070	99,169
Elections:				
Salary, Other Pay, and Benefits	47,620	66,620	64,359	2,261
Operations	29,796	43,005	38,637	4,368
Total Elections	77,416	109,625	102,996	6,629
HAVA Grant:				
Operations	-	15,913	14,416	1,497
Total HAVA Grant	-	15,913	14,416	1,497
Voter Registration:				
Salary, Other Pay, and Benefits	38,348	44,275	44,060	215
Operations	10,649	11,023	6,062	4,961
Total Voter Registration	48,997	55,298	50,122	5,176

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-1
Page 3 of 7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Facilities:				
<i>Salary, Other Pay, and Benefits</i>	254,715	255,915	253,764	2,151
<i>Operations</i>	261,645	277,379	272,864	4,515
Total County Facilities	516,360	533,294	526,628	6,666
Contingency	941,225	3,379	-	3,379
Total General Administration	2,780,990	1,974,816	1,843,399	131,417
Judicial:				
County Court-at-Law:				
<i>Salary, Other Pay, and Benefits</i>	363,073	363,073	351,165	11,908
<i>Operations</i>	100,738	195,738	186,526	9,212
Total County Court-at-Law	463,811	558,811	537,691	21,120
Courts-Central Costs:				
<i>Salary, Other Pay, and Benefits</i>	12,120	12,120	10,556	1,564
<i>Operations</i>	326,665	77,803	61,326	16,477
Total Courts-Central Costs	338,785	89,923	71,882	18,041
12th District Court:				
<i>Salary, Other Pay, and Benefits</i>	163,483	163,483	151,686	11,797
<i>Operations</i>	117,900	222,900	196,261	26,639
Total 12th District Court	281,383	386,383	347,947	38,436
278th District Court:				
<i>Salary, Other Pay, and Benefits</i>	181,256	181,656	181,589	67
<i>Operations</i>	112,027	201,627	190,164	11,463
Total 278th District Court	293,283	383,283	371,753	11,530
District Clerk:				
<i>Salary, Other Pay, and Benefits</i>	357,258	357,258	353,936	3,322
<i>Operations</i>	53,983	53,983	51,798	2,185
Total District Clerk	411,241	411,241	405,734	5,507
Criminal District Attorney:				
<i>Salary, Other Pay, and Benefits</i>	1,183,087	1,183,087	1,156,349	26,738
<i>Operations</i>	27,964	46,247	43,514	2,733
Total Criminal District Attorney	1,211,051	1,229,334	1,199,863	29,471
Justice of the Peace-Precinct 1:				
<i>Salary, Other Pay, and Benefits</i>	177,515	177,515	174,059	3,456
<i>Operations</i>	13,333	13,333	12,023	1,310
Total Justice of the Peace-Precinct 1	190,848	190,848	186,082	4,766
Justice of the Peace-Precinct 2:				
<i>Salary, Other Pay, and Benefits</i>	170,547	170,547	153,497	17,050
<i>Operations</i>	10,191	10,191	5,837	4,354
Total Justice of the Peace-Precinct 2	180,738	180,738	159,334	21,404
Justice of the Peace-Precinct 3:				
<i>Salary, Other Pay, and Benefits</i>	176,443	183,630	172,553	11,077
<i>Operations</i>	9,954	19,517	16,962	2,555
Total Justice of the Peace-Precinct 3	186,397	203,147	189,515	13,632

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-1
Page 4 of 7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Justice of the Peace-Precinct 4:				
<i>Salary, Other Pay, and Benefits</i>	216,551	216,551	214,098	2,453
<i>Operations</i>	17,082	18,282	17,433	849
Total Justice of the Peace-Precinct 4	233,633	234,833	231,531	3,302
 Total Judicial	 3,791,170	 3,868,541	 3,701,332	 167,209
Financial Administration:				
County Clerk:				
<i>Salary, Other Pay, and Benefits</i>	425,982	425,982	394,044	31,938
<i>Operations</i>	125,707	127,376	117,176	10,200
Total County Clerk	551,689	553,358	511,220	42,138
Purchasing:				
<i>Salary, Other Pay, and Benefits</i>	161,259	161,259	133,576	27,683
<i>Operations</i>	21,691	21,691	17,182	4,509
Total Purchasing	182,950	182,950	150,758	32,192
County Auditor:				
<i>Salary, Other Pay, and Benefits</i>	542,402	542,402	505,051	37,351
<i>Operations</i>	63,612	63,612	62,578	1,034
Total County Auditor	606,014	606,014	567,629	38,385
County Treasurer:				
<i>Salary, Other Pay, and Benefits</i>	282,797	279,322	256,225	23,097
<i>Operations</i>	43,729	47,204	43,717	3,487
Total County Treasurer	326,526	326,526	299,942	26,584
County Collections:				
<i>Salary, Other Pay, and Benefits</i>	92,158	92,258	92,236	22
<i>Operations</i>	19,720	19,620	15,844	3,776
Total County Collections	111,878	111,878	108,080	3,798
Vehicle Registration:				
<i>Salary, Other Pay, and Benefits</i>	304,263	304,263	292,666	11,597
<i>Operations</i>	9,410	10,410	9,907	503
Total Vehicle Registration	313,673	314,673	302,573	12,100
 Total Financial Administration	 2,092,730	 2,095,399	 1,940,202	 155,197
Public Safety:				
County Jail:				
<i>Salary, Other Pay, and Benefits</i>	1,628,110	1,628,110	1,594,853	33,257
<i>Operations</i>	460,767	475,767	417,308	58,459
<i>Capital Expenditures</i>	36,305	36,305	35,376	929
Total County Jail	2,125,182	2,140,182	2,047,537	92,645
Sheriff's Department:				
<i>Salary, Other Pay, and Benefits</i>	2,062,215	2,062,215	2,038,017	24,198
<i>Operations</i>	286,510	373,703	353,815	19,888
<i>Capital Expenditures</i>	173,185	179,192	156,355	22,837
Total Sheriff's Department	2,521,910	2,615,110	2,548,187	66,923
Estray:				
<i>Operations</i>	6,000	6,000	4,439	1,561
Total Estray	6,000	6,000	4,439	1,561

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-1
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Constable Central:				
<i>Salary, Other Pay, and Benefits</i>	40,262	40,262	38,142	2,120
<i>Operations</i>	9,329	9,329	2,093	7,236
Total Constable Central	49,591	49,591	40,235	9,356
Constable-Precinct 1:				
<i>Salary, Other Pay, and Benefits</i>	65,478	65,618	65,614	4
<i>Operations</i>	5,640	5,500	4,951	549
Total Constable-Precinct 1	71,118	71,118	70,565	553
Constable-Precinct 2:				
<i>Salary, Other Pay, and Benefits</i>	65,478	65,478	65,146	332
<i>Operations</i>	6,123	6,123	4,795	1,328
Total Constable-Precinct 2	71,601	71,601	69,941	1,660
Constable-Precinct 3:				
<i>Salary, Other Pay, and Benefits</i>	65,478	65,688	65,684	4
<i>Operations</i>	6,164	7,454	6,863	591
Total Constable-Precinct 3	71,642	73,142	72,547	595
Constable-Precinct 4:				
<i>Salary, Other Pay, and Benefits</i>	65,478	65,918	65,907	11
<i>Operations</i>	9,494	12,554	11,830	724
<i>Capital Expenditures</i>	33,350	34,170	34,130	40
Total Constable-Precinct 4	108,322	112,642	111,867	775
Department of Public Safety:				
<i>Salary, Other Pay, and Benefits</i>	48,638	48,638	47,994	644
<i>Operations</i>	2,215	2,215	533	1,682
Total Department of Public Safety	50,853	50,853	48,527	2,326
Department of Public Safety-Weigh Station:				
<i>Operations</i>	25,187	25,187	17,999	7,188
Total Department of Public Safety-Weigh Station	25,187	25,187	17,999	7,188
Probation Support:				
<i>Salary, Other Pay, and Benefits</i>	43,427	43,427	37,319	6,108
<i>Operations</i>	53,297	53,297	44,275	9,022
Total Probation Support	96,724	96,724	81,594	15,130
Juvenile Probation Support:				
<i>Operations</i>	-	10,507	10,507	-
Total Juvenile Probation Support	-	10,507	10,507	-
Emergency Operations:				
<i>Salary, Other Pay, and Benefits</i>	-	13,300	13,262	38
Total Emergency Operations	-	13,300	13,262	38
Emergency Management:				
<i>Salary, Other Pay, and Benefits</i>	56,614	51,194	49,240	1,954
<i>Operations</i>	71,566	91,986	91,883	103
<i>Contingency</i>	30,000	-	-	-
Total Emergency Management	158,180	143,180	141,123	2,057
Total Public Safety	5,356,310	5,479,137	5,278,330	200,807

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-1
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
Veterans Service:				
<i>Salary, Other Pay, and Benefits</i>	25,420	25,420	21,034	4,386
<i>Operations</i>	2,873	2,873	845	2,028
Total Veterans Service	28,293	28,293	21,879	6,414
Utility Department:				
<i>Salary, Other Pay, and Benefits</i>	309,129	309,129	304,565	4,564
<i>Operations</i>	114,087	100,174	97,259	2,915
<i>Capital Expenditures</i>	-	46,925	46,925	-
Total Utility Department	423,216	456,228	448,749	7,479
Social Services:				
<i>Operations</i>	23,800	23,800	9,471	14,329
Total Social Services	23,800	23,800	9,471	14,329
Historical Commission:				
<i>Operations</i>	5,600	6,082	5,478	604
Total Historical Commission	5,600	6,082	5,478	604
Texas AgriLife Extension Service:				
<i>Salary, Other Pay, and Benefits</i>	138,058	138,058	135,731	2,327
<i>Operations</i>	23,937	23,937	22,929	1,008
Total Texas AgriLife Extension Service:	161,995	161,995	158,660	3,335
Litter Control:				
<i>Operations</i>	-	12,889	191	12,698
Total Litter Control	-	12,889	191	12,698
Total Health and Welfare	642,904	689,287	644,428	44,859
Intergovernmental/Service Contracts:				
Intra-County Services				
Financial Administration:				
<i>Appraisal District</i>	320,593	320,593	320,593	-
Health and Welfare:				
<i>Tri-County MHMR</i>	28,730	28,730	28,730	-
<i>Rita B. Huff Humane Society</i>	24,000	24,000	24,000	-
<i>Senior Citizen's Center</i>	10,000	10,000	10,000	-
<i>Soil Conservation</i>	500	500	500	-
<i>Boys & Girls Organization</i>	15,000	15,000	15,000	-
YMCA	15,000	15,000	15,000	-
Public Safety:				
<i>Walker County Public Safety Communications Center</i>	400,000	400,000	400,000	-
<i>City of Huntsville Fire Department</i>	246,487	246,487	246,487	-
<i>Crabbs Prairie Fire Department</i>	7,200	7,200	7,200	-
<i>Riverside Fire Department</i>	9,100	16,300	16,300	-
<i>Pine Prairie Fire Department</i>	7,200	7,200	7,200	-
<i>New Waverly Fire Department</i>	24,900	24,900	24,900	-
<i>Thomas Lake Fire Department</i>	7,200	7,200	7,200	-
<i>Dodge Fire Department</i>	7,200	7,200	7,200	-
<i>General Administration</i>	10,983	10,983	8,502	2,481
<i>ROW Hwy</i>	-	4,038	4,038	-
<i>Fire Operations</i>	25,200	32,699	31,536	1,163
Total Intra-County Services	1,159,293	1,178,030	1,174,386	3,644
Total Intergovernmental/Service Contracts	1,159,293	1,178,030	1,174,386	3,644

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-1
Page 7 of 7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Projects:				
General Administration:				
Computer Software	-	9,225	-	9,225
Contingency Funds	-	85,143	-	85,143
Phone System Not Capital	-	3,024	3,003	21
Project-Web Site	-	27,228	24,729	2,499
Move to Courthouse Annex	-	1,540	1,540	-
Parking/Drive Improvements	-	35,271	-	35,271
Projects-IT	-	17,830	9,748	8,082
County Facilities Projects	-	33,121	15,343	17,778
IT Server	-	5,698	5,698	-
Judicial:				
Furniture-County Clerk	-	3,825	-	3,825
Bldg Improv-CDA Bldg	-	33,430	-	33,430
Court Software Upgrade-Odyssey	300,000	300,000	193,905	106,095
Financial Administration:				
Software Enhancements-PQ PO	-	13,625	-	13,625
Projects Software Inc. USLTSG	-	49,915	2,500	47,415
Public Safety:				
Grant Match/Volunteer Depts	-	150,000	-	150,000
Add'l Fire Department Funding	-	9,477	9,477	-
EMS Equipment/Other Projects	-	115,208	-	115,208
Emerg Mgmt Projects	-	15,000	-	15,000
Building-Shelter Storage	-	114,000	105,313	8,687
Weight Station Improvements	-	9,571	-	9,571
Health and Welfare:				
P&D Mapping Software	-	1,500	1,289	211
Nuisance Abatement Program	-	13,000	-	13,000
Land	-	39,872	39,872	-
Generator-Senior Center	60,000	60,000	-	60,000
Public Transportation:				
Special Allocation-Roads	-	200,000	199,274	726
Tree Removal Project	-	300,000	-	300,000
Machinery & Equipment	-	327,345	84,793	242,552
Total Projects	360,000	1,973,848	696,484	1,277,364
Total Expenditures	16,183,397	17,259,058	15,278,561	1,980,497
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,182,868)	(2,090,430)	821,036	2,911,466
Other Financial Sources (Uses):				
Transfers In	75,000	134,720	119,724	(14,996)
Transfers Out	(1,262,841)	(1,036,834)	(1,036,834)	-
Total Other Financing Sources (Uses)	(1,187,841)	(902,114)	(917,110)	(14,996)
Net Change in Fund Balances	(2,370,709)	(2,992,544)	(96,074)	2,896,470
Fund Balances at Beginning of Year	6,609,018	6,609,018	6,609,018	-
Fund Balances at End of Year	\$ 4,238,309	\$ 3,616,474	\$ 6,512,944	\$ 2,896,470

WALKER COUNTY, TEXAS
GRANTS AND CONTRACTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-2
Page 1 of 2

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Intergovernmental:				
Federal Funds:				
Local Law Enforcement	\$ 117,551	\$ 117,551	\$ 97,916	\$ (19,635)
Homeland Security Grant	296,137	296,137	228,170	(67,967)
CDBG Grant	350,000	350,000	350,000	-
Generator Grant	556,368	556,368	552,712	(3,656)
Total Federal Funds	1,320,056	1,320,056	1,228,798	(91,258)
State Funds:				
Other State Funds	5,231,164	5,534,013	5,198,847	(335,166)
Total State Funds	5,231,164	5,534,013	5,198,847	(335,166)
Total Intergovernmental	6,551,220	6,854,069	6,427,645	(426,424)
Interest	-	-	48	48
Total Revenues	6,551,220	6,854,069	6,427,693	(426,376)
EXPENDITURES:				
Judicial:				
Special Prosecution Unit:				
Salary, Other Pay, and Benefits	3,498,853	3,480,703	3,277,680	203,023
Operations	1,732,311	2,053,310	1,921,166	132,144
Total Special Prosecution Unit	5,231,164	5,534,013	5,198,846	335,167
Total Judicial	5,231,164	5,534,013	5,198,846	335,167
Public Safety:				
JAG Grant:				
Operations	33,373	33,373	27,653	5,720
Sub-recipient Operations	44,497	44,497	39,258	5,239
Capital Expenditures	23,350	23,350	23,350	-
Total JAG Grant	101,220	101,220	90,261	10,959
Homeland Security Grant:				
Operations	296,137	296,137	228,170	67,967
Total Homeland Security Grant	296,137	296,137	228,170	67,967
Fuel Reductions Grant:				
Operations	16,331	16,331	7,655	8,676
Total Fuel Reductions Grant	16,331	16,331	7,655	8,676
Generator Grant:				
Operations	556,368	556,368	552,712	3,656
Total Generator Grant	556,368	556,368	552,712	3,656
Total Public Safety	970,056	970,056	878,798	91,258

WALKER COUNTY, TEXAS
GRANTS AND CONTRACTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-2
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare:				
CDBG Grant:				
<i>Operations</i>	350,000	350,000	350,000	-
Total CDBG Grant	350,000	350,000	350,000	-
Total Health and Welfare	350,000	350,000	350,000	-
 Total Expenditures	 6,551,220	 6,854,069	 6,427,644	 426,425
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	49	49
Other Financing Sources (Uses):				
<i>Transfer Out</i>	-	(44,720)	(44,724)	(4)
Total Other Financing Sources (Uses)	-	(44,720)	(44,724)	(4)
Net Change in Fund Balances	-	(44,720)	(44,675)	45
Fund Balances at Beginning of Year	44,675	44,675	44,675	-
Fund Balances at End of Year	<u>\$ 44,675</u>	<u>\$ (45)</u>	<u>\$ -</u>	<u>\$ 45</u>

WALKER COUNTY, TEXAS**ROAD AND BRIDGE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2011****EXHIBIT B-3****Page 1 of 2**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Ad Valorem Taxes:				
<i>Current Taxes</i>	\$ 1,392,011	\$ 1,392,011	\$ 1,392,011	\$ -
<i>Delinquent Taxes</i>	24,000	24,000	26,816	2,816
Total Ad Valorem Taxes	1,416,011	1,416,011	1,418,827	2,816
<i>Penalty and Interest</i>	16,000	16,000	21,086	5,086
Fine and Forfeitures:				
<i>License and Weight - Operations</i>	320,400	320,400	320,923	523
<i>Other Fines and Forfeitures</i>	956,000	956,000	962,354	6,354
Total Fines and Forfeitures	1,276,400	1,276,400	1,283,277	6,877
Intergovernmental:				
<i>Other State Funds</i>	54,000	54,000	54,131	131
Total State Funds	54,000	54,000	54,131	131
Other Governmental Funds:				
<i>U.S. Forest Service</i>	134,860	134,860	133,829	(1,031)
<i>Other</i>	-	10,250	10,250	-
Total Other Governmental Funds	134,860	145,110	144,079	(1,031)
Total Intergovernmental	188,860	199,110	198,210	(900)
Charges for Services:				
<i>Charges for Services</i>	885,000	885,000	883,226	(1,774)
Total Charges for Services	885,000	885,000	883,226	(1,774)
<i>Interest</i>	1,100	1,100	1,152	52
Other Income:				
<i>Sale of Fixed Assets</i>	-	10,360	10,360	-
<i>Miscellaneous</i>	-	58,133	58,133	-
Total Other Income	-	68,493	68,493	-
Total Revenues	3,783,371	3,862,114	3,874,271	12,157
EXPENDITURES:				
Public Transportation:				
General Road and Bridge:				
<i>Contingency</i>	400,000	-	-	-
<i>Operations</i>	70,000	85,843	79,395	6,448
Total General Road and Bridge	470,000	85,843	79,395	6,448
Road and Bridge-Precinct 1:				
<i>Salary, Other Pay, and Benefits</i>	496,580	496,580	440,690	55,890
<i>Operations</i>	531,307	805,607	526,812	278,795
<i>Capital Expenditures</i>	245,000	45,000	-	45,000
Total Road and Bridge-Precinct 1	1,272,887	1,347,187	967,502	379,685
Road and Bridge-Precinct 2:				
<i>Salary, Other Pay, and Benefits</i>	551,443	551,443	482,802	68,641
<i>Operations</i>	502,501	619,551	406,382	213,169
<i>Capital Expenditures</i>	-	41,340	41,340	-
Total Road and Bridge-Precinct 2	1,053,944	1,212,334	930,524	281,810

WALKER COUNTY, TEXAS
ROAD AND BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT B-3
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Road and Bridge-Precinct 3:				
<i>Salary, Other Pay, and Benefits</i>	527,651	527,651	515,472	12,179
<i>Operations</i>	574,858	865,774	810,260	55,514
Total Road and Bridge-Precinct 3	1,102,509	1,393,425	1,325,732	67,693
Road and Bridge-Precinct 4:				
<i>Salary, Other Pay, and Benefits</i>	542,943	542,943	538,077	4,866
<i>Operations</i>	540,188	717,920	651,583	66,337
Total Road and Bridge-Precinct 4	1,083,131	1,260,863	1,189,660	71,203
Weigh Station Projects:				
<i>Capital Expenditures</i>	40,400	247,777	159,931	87,846
Total Weigh Station Projects	40,400	247,777	159,931	87,846
Litter Control:				
<i>Salary, Other Pay, and Benefits</i>	13,524	14,616	14,615	1
<i>Operations</i>	8,476	15,106	15,106	-
Total Litter Control	22,000	29,722	29,721	1
Total Public Transportation	5,044,871	5,577,151	4,682,465	894,686
Total Expenditures	5,044,871	5,577,151	4,682,465	894,686
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,261,500)	(1,715,037)	(808,194)	906,843
Other Financing Sources (Uses):				
<i>Issuance of Debt</i>	200,000	-	-	-
<i>Transfers In</i>	661,500	783,611	783,611	-
<i>Transfers Out</i>	-	(42,493)	(42,493)	-
Total Other Financing Sources (Uses)	861,500	741,118	741,118	-
Net Change in Fund Balances	(400,000)	(973,919)	(67,076)	906,843
Fund Balances at Beginning of Year	1,021,732	1,021,732	1,021,732	-
Fund Balances at End of Year	\$ 621,732	\$ 47,813	\$ 954,656	\$ 906,843

WALKER COUNTY, TEXAS

EXHIBIT B-4

EMS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ 28,236	\$ 28,236	\$ 27,648	\$ (588)
Total State Funds	28,236	28,236	27,648	(588)
Total Intergovernmental	28,236	28,236	27,648	(588)
Charges for Services:				
<i>Emergency Medical Services</i>	1,525,000	1,525,000	2,149,279	624,279
<i>Emergency Medical Services Transfer</i>	596,000	596,000	588,594	(7,406)
Total Charges for Services	2,121,000	2,121,000	2,737,873	616,873
<i>Interest</i>	-	-	23	23
Other Income:				
<i>Miscellaneous</i>	-	8,904	11,923	3,019
Total Other Income	-	8,904	11,923	3,019
Total Revenues	2,149,236	2,158,140	2,777,467	619,327
EXPENDITURES:				
Public Safety:				
Emergency Medical Services:				
<i>Salary, Other Pay, and Benefits</i>	1,658,954	1,706,954	1,705,981	973
<i>Operations</i>	318,264	350,233	348,078	2,155
<i>Capital Expenditures</i>	56,473	56,473	55,296	1,177
Total Emergency Medical Services	2,033,691	2,113,660	2,109,355	4,305
Emergency Medical Services Transfer:				
<i>Salary, Other Pay, and Benefits</i>	368,269	320,269	307,821	12,448
<i>Operations</i>	36,562	33,543	32,594	949
Total Emergency Medical Services Transfer	404,831	353,812	340,415	13,397
Total Public Safety	2,438,522	2,467,472	2,449,770	17,702
Total Expenditures	2,438,522	2,467,472	2,449,770	17,702
Excess (Deficiency) of Revenues Over (Under) Expenditures	(289,286)	(309,332)	327,697	637,029
Other Financing Sources (Uses):				
<i>Transfers In</i>	289,286	309,332	309,332	-
Total Other Financing Sources (Uses)	289,286	309,332	309,332	-
Net Change in Fund Balances	-	-	637,029	637,029
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ 637,029	\$ 637,029

WALKER COUNTY, TEXAS*REQUIRED SUPPLEMENTARY INFORMATION**SCHEDULE OF FUNDING PROGRESS**TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM**SEPTEMBER 30, 2011**(UNAUDITED)*

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2006	\$ 21,164,930	\$ 25,325,388	\$ 4,160,458	83.57%	\$ 10,818,015	38.46%
12/31/2007	23,820,411	28,284,920	4,464,509	84.22%	11,728,338	38.07%
12/31/2008	24,395,551	30,713,356	6,317,805	79.43%	13,284,133	47.56%
12/31/2009	27,942,035	34,321,448	6,379,413	81.41%	13,995,554	45.58%
12/31/2010	29,733,487	36,954,035	7,220,548	80.46%	14,508,895	49.77%

*REQUIRED SUPPLEMENTARY INFORMATION**SCHEDULE OF FUNDING PROGRESS**OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)**SEPTEMBER 30, 2011**(UNAUDITED)*

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

WALKER COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2011

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, 2011

	<u>Weigh Station Projects Fund</u>	<u>US Forest Fire Suppression Fund</u>	<u>Hot Check Fund</u>	<u>Court Reporter Service</u>
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ -	\$ 76,324	\$ 39,877	\$ 2,296
<i>Due from Others</i>	-	-	255	-
<i>Due from Other Governments</i>	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 76,324</u>	<u>\$ 40,132</u>	<u>\$ 2,296</u>
LIABILITIES:				
Current Liabilities:				
<i>Accounts Payable</i>	\$ -	\$ -	\$ 3,183	\$ -
<i>Due to Others</i>	-	-	10,858	-
<i>Accrued Liabilities</i>	-	-	-	-
<i>Deferred Revenue</i>	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>14,041</u>	<u>-</u>
FUND BALANCES:				
<i>Restricted for Special Revenue Funds</i>	-	76,324	26,091	2,296
Total Fund Balances	<u>-</u>	<u>76,324</u>	<u>26,091</u>	<u>2,296</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 76,324</u>	<u>\$ 40,132</u>	<u>\$ 2,296</u>

Law Library Fund	Court House Security Fund	Justice Courts Security Fund	Election Equipment Fund	Elections Services Contract Fund
\$ 73,322	\$ 16,251	\$ 38,820	\$ 45,469	\$ 5,991
-	-	-	-	-
-	-	-	-	-
<u>\$ 73,322</u>	<u>\$ 16,251</u>	<u>\$ 38,820</u>	<u>\$ 45,469</u>	<u>\$ 5,991</u>
\$ 2,744	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
70,578	16,251	38,820	45,469	5,991
<u>70,578</u>	<u>16,251</u>	<u>38,820</u>	<u>45,469</u>	<u>5,991</u>
<u>\$ 73,322</u>	<u>\$ 16,251</u>	<u>\$ 38,820</u>	<u>\$ 45,469</u>	<u>\$ 5,991</u>

WALKER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2011

	County Clerk Records Fund	County Records Managment Fund	County Records II Fund	District Clerk Records Fund
ASSETS:				
<i>Cash and Cash Equivalents</i>	\$ 50,822	\$ 42,364	\$ 19,047	\$ 12,652
<i>Due from Others</i>	-	-	-	-
<i>Due from Other Governments</i>	-	-	-	-
Total Assets	<u>\$ 50,822</u>	<u>42,364</u>	<u>\$ 19,047</u>	<u>\$ 12,652</u>
LIABILITIES:				
Current Liabilities:				
<i>Accounts Payable</i>	\$ 943	\$ -	\$ -	\$ -
<i>Due to Others</i>	-	-	-	-
<i>Accrued Liabilities</i>	-	-	-	-
<i>Deferred Revenue</i>	-	-	-	-
Total Liabilities	<u>943</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:				
<i>Restricted for Special Revenue Funds</i>	<u>49,879</u>	<u>42,364</u>	<u>19,047</u>	<u>12,652</u>
Total Fund Balances	<u>49,879</u>	<u>42,364</u>	<u>19,047</u>	<u>12,652</u>
Total Liabilities and Fund Balances	<u>\$ 50,822</u>	<u>\$ 42,364</u>	<u>\$ 19,047</u>	<u>\$ 12,652</u>

Sheriff Forfeiture Fund	Criminal District Attorney Forfeiture Fund	Juvenile Grant Fund	Special Inventory Tax Fund	District Clerk Rider Prosecution Fund
\$ 29,055	\$ 94,904	\$ 162,270	\$ 1,024	\$ 5,852
-	-	-	-	-
-	-	1,457	-	-
<u>\$ 29,055</u>	<u>\$ 94,904</u>	<u>\$ 163,727</u>	<u>\$ 1,024</u>	<u>\$ 5,852</u>
\$ -	\$ 24,061	\$ 14,531	\$ -	\$ -
-	-	-	-	-
4,942	-	-	-	-
-	-	31,890	-	-
<u>4,942</u>	<u>24,061</u>	<u>46,421</u>	<u>-</u>	<u>-</u>
24,113	70,843	117,306	1,024	5,852
<u>24,113</u>	<u>70,843</u>	<u>117,306</u>	<u>1,024</u>	<u>5,852</u>
<u>\$ 29,055</u>	<u>\$ 94,904</u>	<u>\$ 163,727</u>	<u>\$ 1,024</u>	<u>\$ 5,852</u>

WALKER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2011

	Prof. Prosecutors Supplement Fund	Pretrial Intervention Fund	County Jury Fund
ASSETS:			
<i>Cash and Cash Equivalents</i>	\$ 269	\$ 21,731	\$ 2,037
<i>Due from Others</i>	112	-	-
<i>Due from Other Governments</i>	2,519	-	-
Total Assets	<u>\$ 2,900</u>	<u>\$ 21,731</u>	<u>\$ 2,037</u>
LIABILITIES:			
Current Liabilities:			
<i>Accounts Payable</i>	\$ 2,900	\$ -	\$ 2,037
<i>Due to Others</i>	-	-	-
<i>Accrued Liabilities</i>	-	-	-
<i>Deferred Revenue</i>	-	-	-
Total Liabilities	<u>2,900</u>	<u>-</u>	<u>2,037</u>
FUND BALANCES:			
<i>Restricted for Special Revenue Funds</i>	-	21,731	-
Total Fund Balances	<u>-</u>	<u>21,731</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 2,900</u>	<u>\$ 21,731</u>	<u>\$ 2,037</u>

Justice Court Technology Fund	County and District Clerk Technology Fund	Inmate Medical Fund	LEOSE Training Fund	Total Nonmajor Revenue Funds (See Exhibit C-1)
\$ 26,415	\$ 2,583	\$ 15,355	\$ 26,410	\$ 811,140
-	-	-	-	367
-	-	-	-	3,976
<u>\$ 26,415</u>	<u>\$ 2,583</u>	<u>\$ 15,355</u>	<u>\$ 26,410</u>	<u>\$ 815,483</u>
\$ 4,279	\$ -	\$ -	\$ -	\$ 54,678
-	-	-	-	10,858
-	-	-	26,410	31,352
-	-	-	-	31,890
<u>4,279</u>	<u>-</u>	<u>-</u>	<u>26,410</u>	<u>128,778</u>
22,136	2,583	15,355	-	686,705
<u>22,136</u>	<u>2,583</u>	<u>15,355</u>	<u>-</u>	<u>686,705</u>
<u>\$ 26,415</u>	<u>\$ 2,583</u>	<u>\$ 15,355</u>	<u>\$ 26,410</u>	<u>\$ 815,483</u>

WALKER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Weigh Station Projects Fund	US Forest Fire Suppression Fund	Hot Check Fund
REVENUES:			
<i>Intergovernmental</i>	\$ -	\$ 32,226	\$ -
<i>Charges for Services</i>	-	-	33,236
<i>Fines and Forfeitures</i>	31,352	-	-
<i>Interest Income</i>	154	78	-
<i>Other</i>	-	-	427
Total Revenues	<u>31,506</u>	<u>32,304</u>	<u>33,663</u>
EXPENDITURES:			
Current:			
<i>General Administration</i>	-	-	-
<i>Judicial</i>	-	-	52,618
<i>Financial Administration</i>	-	-	-
<i>Public Safety</i>	-	-	-
<i>Public Transportation</i>	48,661	-	-
Total Expenditures	<u>48,661</u>	<u>-</u>	<u>52,618</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,155)</u>	<u>32,304</u>	<u>(18,955)</u>
Other Financing Sources and (Uses):			
<i>Transfers In</i>	-	-	-
<i>Transfers Out</i>	(135,000)	-	-
Total Other Financing Sources and (Uses)	<u>(135,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(152,155)	32,304	(18,955)
Fund Balances - Beginning	152,155	44,020	45,046
Reclassification of Prior Year	-	-	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 76,324</u>	<u>\$ 26,091</u>

Court Reporter Service Fund	Law Library Fund	Court House Security Fund	Justice Courts Security Fund	Election Equipment Fund	Elections Services Contract Fund
\$ -	\$ -	\$ -	\$ -	\$ 3,673	\$ 5,991
16,347	38,868	47,845	9,264	-	-
-	-	-	-	-	-
-	73	-	37	55	-
-	-	-	-	-	-
<u>16,347</u>	<u>38,941</u>	<u>47,845</u>	<u>9,301</u>	<u>3,728</u>	<u>5,991</u>
-	-	-	-	-	-
14,051	31,653	-	378	-	-
-	-	-	-	-	-
-	-	108,065	-	-	-
-	-	-	-	-	-
<u>14,051</u>	<u>31,653</u>	<u>108,065</u>	<u>378</u>	<u>-</u>	<u>-</u>
2,296	7,288	(60,220)	8,923	3,728	5,991
-	-	76,471	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>76,471</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,296	7,288	16,251	8,923	3,728	5,991
-	63,290	-	29,897	41,741	-
-	-	-	-	-	-
<u>\$ 2,296</u>	<u>\$ 70,578</u>	<u>\$ 16,251</u>	<u>\$ 38,820</u>	<u>\$ 45,469</u>	<u>\$ 5,991</u>

WALKER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	County Clerk Records Fund	County Records Managment Fund	County Records II Fund
REVENUES:			
<i>Intergovernmental</i>	\$ -	\$ -	\$ -
<i>Charges for Services</i>	56,941	16,996	11,115
<i>Fines and Forfeitures</i>	-	-	-
<i>Interest Income</i>	56	59	12
<i>Other</i>	-	-	-
Total Revenues	<u>56,997</u>	<u>17,055</u>	<u>11,127</u>
EXPENDITURES:			
Current:			
<i>General Administration</i>	-	24,039	-
<i>Judicial</i>	-	-	-
<i>Financial Administration</i>	62,361	-	-
<i>Public Safety</i>	-	-	-
<i>Public Transportation</i>	-	-	-
Total Expenditures	<u>62,361</u>	<u>24,039</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,364)</u>	<u>(6,984)</u>	<u>11,127</u>
Other Financing Sources and (Uses):			
<i>Transfers In</i>	-	-	-
<i>Transfers Out</i>	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(5,364)	(6,984)	11,127
Fund Balances - Beginning	55,243	49,348	7,920
Reclassification of Prior Year	-	-	-
Fund Balances - Ending	<u>\$ 49,879</u>	<u>\$ 42,364</u>	<u>\$ 19,047</u>

District Clerk Records Fund	Sheriff Forfeiture Fund	Criminal District Attorney Forfeiture Fund	Adult Probation Fund	Juvenile Grant Fund	Special Inventory Tax Fund
\$ -	\$ -	\$ -	\$ -	\$ 372,243	\$ -
3,865	-	-	-	3,877	-
-	11,789	38,045	-	-	-
15	28	117	-	199	3
-	-	-	-	-	-
<u>3,880</u>	<u>11,817</u>	<u>38,162</u>	<u>-</u>	<u>376,319</u>	<u>3</u>
-	-	-	-	-	-
5,029	-	48,821	-	-	-
-	-	-	-	-	996
-	3,074	-	-	513,171	-
-	-	-	-	-	-
<u>5,029</u>	<u>3,074</u>	<u>48,821</u>	<u>-</u>	<u>513,171</u>	<u>996</u>
<u>(1,149)</u>	<u>8,743</u>	<u>(10,659)</u>	<u>-</u>	<u>(136,852)</u>	<u>(993)</u>
-	-	-	-	2,420	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,420</u>	<u>-</u>
(1,149)	8,743	(10,659)	-	(134,432)	(993)
13,801	15,370	81,502	385,418	251,738	2,017
-	-	-	(385,418)	-	-
<u>\$ 12,652</u>	<u>\$ 24,113</u>	<u>\$ 70,843</u>	<u>\$ -</u>	<u>\$ 117,306</u>	<u>\$ 1,024</u>

WALKER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	District Clerk Rider Prosecution Fund	Prof. Prosecutors Supplement Fund	Pretrial Intervention Fund
REVENUES:			
<i>Intergovernmental</i>	\$ 12,000	\$ 32,014	\$ -
<i>Charges for Services</i>	-	-	20,880
<i>Fines and Forfeitures</i>	-	-	-
<i>Interest Income</i>	22	-	6
<i>Other</i>	-	-	-
Total Revenues	<u>12,022</u>	<u>32,014</u>	<u>20,886</u>
EXPENDITURES:			
Current:			
<i>General Administration</i>	-	-	-
<i>Judicial</i>	50,581	32,014	-
<i>Financial Administration</i>	-	-	-
<i>Public Safety</i>	-	-	-
<i>Public Transportation</i>	-	-	-
Total Expenditures	<u>50,581</u>	<u>32,014</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(38,559)</u>	<u>-</u>	<u>20,886</u>
Other Financing Sources and (Uses):			
<i>Transfers In</i>	-	-	-
<i>Transfers Out</i>	-	-	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(38,559)	-	20,886
Fund Balances - Beginning	44,411	-	845
Reclassification of Prior Year	-	-	-
Fund Balances - Ending	<u>\$ 5,852</u>	<u>\$ -</u>	<u>\$ 21,731</u>

County Jury Fund	Justice Court Technology Fund	County and District Clerk Technology Fund	Inmate Medical Fund	LEOSE Training Fund	Total Nonmajor Revenue Funds (See Exhibit C-2)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458,147
3,272	38,487	1,912	4,391	-	307,296
-	-	-	-	-	81,186
-	109	1	15	-	1,039
-	-	-	-	-	427
<u>3,272</u>	<u>38,596</u>	<u>1,913</u>	<u>4,406</u>	<u>-</u>	<u>848,095</u>
-	-	-	-	-	24,039
3,272	40,873	-	-	-	279,290
-	-	-	-	-	63,357
-	-	-	-	-	624,310
-	-	-	-	-	48,661
<u>3,272</u>	<u>40,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,039,657</u>
-	(2,277)	1,913	4,406	-	(191,562)
-	-	-	-	-	78,891
-	(75,000)	-	-	-	(210,000)
<u>-</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(131,109)</u>
-	(77,277)	1,913	4,406	-	(322,671)
-	99,413	670	10,949	-	1,394,794
-	-	-	-	-	(385,418)
<u>\$ -</u>	<u>\$ 22,136</u>	<u>\$ 2,583</u>	<u>\$ 15,355</u>	<u>\$ -</u>	<u>\$ 686,705</u>

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Budgetary Comparisons Schedules

WALKER COUNTY, TEXAS

EXHIBIT C-3

WEIGH STATION PROJECTS FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fines and Forfeitures:				
<i>License and Weight-Operations</i>	\$ 40,000	\$ 40,000	\$ 31,352	\$ (8,648)
Total Fines and Forfeitures	40,000	40,000	31,352	(8,648)
<i>Interest</i>	150	150	154	4
Total Revenues	40,150	40,150	31,506	(8,644)
EXPENDITURES:				
Public Transportation:				
Weigh Station Projects:				
<i>Salary, Other Pay, and Benefits</i>	16,384	16,384	15,779	605
<i>Operations</i>	10,000	40,000	32,882	7,118
Total Weigh Station Projects	26,384	56,384	48,661	7,723
Total Public Transportation	26,384	56,384	48,661	7,723
Total Expenditures	26,384	56,384	48,661	7,723
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,766	(16,234)	(17,155)	(921)
Other Financing Sources (Uses):				
<i>Transfers Out</i>	-	(135,000)	(135,000)	-
Total Other Financing Sources (Uses)	-	(135,000)	(135,000)	-
Net Change in Fund Balances	13,766	(151,234)	(152,155)	(921)
Fund Balances at Beginning of Year	152,155	152,155	152,155	-
Fund Balances at End of Year	\$ 165,921	\$ 921	\$ -	\$ (921)

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

US FOREST FIRE SUPPRESSION FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal Funds:				
<i>Legislatively Designated Funds</i>	\$ 35,700	\$ 35,700	\$ 32,226	\$ (3,474)
Total Federal Funds	<u>35,700</u>	<u>35,700</u>	<u>32,226</u>	<u>(3,474)</u>
Total Intergovernmental	<u>35,700</u>	<u>35,700</u>	<u>32,226</u>	<u>(3,474)</u>
<i>Interest</i>	<u>20</u>	<u>20</u>	<u>78</u>	<u>58</u>
Total Revenues	<u>35,720</u>	<u>35,720</u>	<u>32,304</u>	<u>(3,416)</u>
EXPENDITURES:				
Public Safety:				
U.S. Forest Service - Fire Suppression:				
<i>Operations</i>	<u>79,716</u>	<u>79,716</u>	<u>-</u>	<u>79,716</u>
Total U.S. Forest Service - Fire Suppression	<u>79,716</u>	<u>79,716</u>	<u>-</u>	<u>79,716</u>
Total Public Safety	<u>79,716</u>	<u>79,716</u>	<u>-</u>	<u>79,716</u>
Total Expenditures	<u>79,716</u>	<u>79,716</u>	<u>-</u>	<u>79,716</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(43,996)</u>	<u>(43,996)</u>	<u>32,304</u>	<u>76,300</u>
Net Change in Fund Balances	<u>(43,996)</u>	<u>(43,996)</u>	<u>32,304</u>	<u>76,300</u>
Fund Balances at Beginning of Year	<u>44,020</u>	<u>44,020</u>	<u>44,020</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 76,324</u>	<u>\$ 76,300</u>

WALKER COUNTY, TEXAS

EXHIBIT C-5

HOT CHECK FEE FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services:	\$ 40,500	\$ 40,500	\$ 33,236	\$ (7,264)
Total Charges for Services	<u>40,500</u>	<u>40,500</u>	<u>33,236</u>	<u>(7,264)</u>
Other Income:				
Sale of Fixed Assets	-	-	427	427
Total Other Income	<u>-</u>	<u>-</u>	<u>427</u>	<u>427</u>
Total Revenue	<u>40,500</u>	<u>40,500</u>	<u>33,663</u>	<u>(6,837)</u>
EXPENDITURES:				
Judicial:				
Hot Checks:				
Salary, Other Pay, and Benefits	23,310	23,310	21,147	2,163
Operations	38,874	38,874	31,471	7,403
Total Hot Check	<u>62,184</u>	<u>62,184</u>	<u>52,618</u>	<u>9,566</u>
Total Judicial	<u>62,184</u>	<u>62,184</u>	<u>52,618</u>	<u>9,566</u>
Total Expenditures	<u>62,184</u>	<u>62,184</u>	<u>52,618</u>	<u>9,566</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(21,684)</u>	<u>(21,684)</u>	<u>(18,955)</u>	<u>2,729</u>
Net Change in Fund Balances	(21,684)	(21,684)	(18,955)	2,729
Fund Balances at Beginning of Year	45,046	45,046	45,046	-
Fund Balances at End of Year	<u>\$ 23,362</u>	<u>\$ 23,362</u>	<u>\$ 26,091</u>	<u>\$ 2,729</u>

WALKER COUNTY, TEXAS
COURT REPORTER SERVICE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services:				
<i>Court Reporter Fees</i>	\$ -	\$ 16,000	\$ 16,347	\$ 347
Total Charges for Services	-	16,000	16,347	347
Total Revenues	-	16,000	16,347	347
EXPENDITURES:				
Judicial:				
Court Reporter Services:				
<i>Salary, Other Pay, and Benefits</i>	-	10,000	10,000	-
<i>Operations</i>	-	6,000	4,051	1,949
Total Law Library	-	16,000	14,051	1,949
Total Judicial	-	16,000	14,051	1,949
Total Expenditures	-	16,000	14,051	1,949
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	2,296	2,296
Net Change in Fund Balances	-	-	2,296	2,296
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ 2,296	\$ 2,296

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

LAW LIBRARY FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services:				
<i>Law Library</i>	\$ 35,000	\$ 35,000	\$ 38,868	\$ 3,868
Total Charges for Services	<u>35,000</u>	<u>35,000</u>	<u>38,868</u>	<u>3,868</u>
<i>Interest</i>	<u>100</u>	<u>100</u>	<u>73</u>	<u>(27)</u>
Total Revenues	<u>35,100</u>	<u>35,100</u>	<u>38,941</u>	<u>3,841</u>
EXPENDITURES:				
Judicial:				
<i>Law Library:</i>				
<i>Salary, Other Pay, and Benefits</i>	5,710	5,710	5,687	23
<i>Operations</i>	<u>51,588</u>	<u>51,588</u>	<u>25,966</u>	<u>25,622</u>
Total Law Library	<u>57,298</u>	<u>57,298</u>	<u>31,653</u>	<u>25,645</u>
Total Judicial	<u>57,298</u>	<u>57,298</u>	<u>31,653</u>	<u>25,645</u>
Total Expenditures	<u>57,298</u>	<u>57,298</u>	<u>31,653</u>	<u>25,645</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(22,198)</u>	<u>(22,198)</u>	<u>7,288</u>	<u>29,486</u>
Net Change in Fund Balances	(22,198)	(22,198)	7,288	29,486
Fund Balances at Beginning of Year	63,290	63,290	63,290	-
Fund Balances at End of Year	<u>\$ 41,092</u>	<u>\$ 41,092</u>	<u>\$ 70,578</u>	<u>\$ 29,486</u>

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

COURT HOUSE SECURITY FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services:				
<i>Court House Security</i>	\$ 42,800	\$ 42,800	\$ 47,845	\$ 5,045
Total Charges for Services	<u>42,800</u>	<u>42,800</u>	<u>47,845</u>	<u>5,045</u>
Total Revenues	<u>42,800</u>	<u>42,800</u>	<u>47,845</u>	<u>5,045</u>
EXPENDITURES:				
Public Safety:				
Courthouse Security:				
<i>Salary, Other Pay, and Benefits</i>	118,856	118,856	108,062	10,794
<i>Operations</i>	415	415	3	412
Total Courthouse Security	<u>119,271</u>	<u>119,271</u>	<u>108,065</u>	<u>11,206</u>
Total Public Safety	<u>119,271</u>	<u>119,271</u>	<u>108,065</u>	<u>11,206</u>
Total Expenditures	<u>119,271</u>	<u>119,271</u>	<u>108,065</u>	<u>11,206</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(76,471)</u>	<u>(76,471)</u>	<u>(60,220)</u>	<u>16,251</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	76,471	76,471	76,471	-
Total Other Financing Sources (Uses)	<u>76,471</u>	<u>76,471</u>	<u>76,471</u>	<u>-</u>
Net Change in Fund Balances	-	-	16,251	16,251
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,251</u>	<u>\$ 16,251</u>

WALKER COUNTY, TEXAS

JUSTICE COURTS SECURITY FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services:				
<i>Justice Court Security</i>	\$ 8,000	\$ 8,000	\$ 9,264	\$ 1,264
Total Charges for Services	<u>8,000</u>	<u>8,000</u>	<u>9,264</u>	<u>1,264</u>
<i>Interest</i>	<u>40</u>	<u>40</u>	<u>37</u>	<u>(3)</u>
Total Revenues	<u>8,040</u>	<u>8,040</u>	<u>9,301</u>	<u>1,261</u>
EXPENDITURES:				
Judicial:				
Justice Court Security:				
<i>Operations</i>	15,000	15,000	378	14,622
Total Justice Court Security	<u>15,000</u>	<u>15,000</u>	<u>378</u>	<u>14,622</u>
Total Judicial	<u>15,000</u>	<u>15,000</u>	<u>378</u>	<u>14,622</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>378</u>	<u>14,622</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,960)</u>	<u>(6,960)</u>	<u>8,923</u>	<u>15,883</u>
Net Change in Fund Balances	(6,960)	(6,960)	8,923	15,883
Fund Balances at Beginning of Year	29,897	29,897	29,897	-
Fund Balances at End of Year	<u>\$ 22,937</u>	<u>\$ 22,937</u>	<u>\$ 38,820</u>	<u>\$ 15,883</u>

WALKER COUNTY, TEXAS

ELECTION EQUIPMENT FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental:				
<i>Other</i>	\$ -	\$ -	\$ 3,673	\$ 3,673
Total Other Governmental Funds	-	-	3,673	3,673
Total Intergovernmental	-	-	3,673	3,673
<i>Interest</i>	-	-	55	55
Total Revenues	-	-	3,728	3,728
EXPENDITURES:				
General Administration:				
<i>Operations</i>	12,723	12,723	-	12,723
Total General Administration	12,723	12,723	-	12,723
Total Expenditures	12,723	12,723	-	12,723
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,723)	(12,723)	3,728	16,451
Net Change in Fund Balances	(12,723)	(12,723)	3,728	16,451
Fund Balances at Beginning of Year	41,741	41,741	41,741	-
Fund Balances at End of Year	\$ 29,018	\$ 29,018	\$ 45,469	\$ 16,451

WALKER COUNTY, TEXAS
ELECTIONS SERVICES CONTRACTS
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental:				
<i>Intergovernmental</i>	\$ -	\$ -	\$ 5,991	\$ 5,991
Total Intergovernmental	-	-	5,991	5,991
Total Revenues	-	-	5,991	5,991
EXPENDITURES:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	5,991	5,991
Net Change in Fund Balances	-	-	5,991	5,991
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ 5,991	\$ 5,991

WALKER COUNTY, TEXAS
COUNTY CLERK RECORDS FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services:				
<i>Records Preservation</i>	\$ 45,000	\$ 45,000	\$ 56,941	\$ 11,941
Total Charges for Services	<u>45,000</u>	<u>45,000</u>	<u>56,941</u>	<u>11,941</u>
Interest	<u>100</u>	<u>100</u>	<u>56</u>	<u>(44)</u>
Total Revenues	<u>45,100</u>	<u>45,100</u>	<u>56,997</u>	<u>11,897</u>
EXPENDITURES:				
Financial Administration:				
Records Preservation:				
<i>Salary, Other Pay, and Benefits</i>	48,713	49,188	49,185	3
<i>Operations</i>	<u>27,920</u>	<u>27,445</u>	<u>13,176</u>	<u>14,269</u>
Total Records Preservation	<u>76,633</u>	<u>76,633</u>	<u>62,361</u>	<u>14,272</u>
Total Financial Administration	<u>76,633</u>	<u>76,633</u>	<u>62,361</u>	<u>14,272</u>
Total Expenditures	<u>76,633</u>	<u>76,633</u>	<u>62,361</u>	<u>14,272</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(31,533)</u>	<u>(31,533)</u>	<u>(5,364)</u>	<u>26,169</u>
Net Changes in Fund Balances	(31,533)	(31,533)	(5,364)	26,169
Fund Balances at Beginning of Year	55,243	55,243	55,243	-
Fund Balances at End of Year	<u>\$ 23,710</u>	<u>\$ 23,710</u>	<u>\$ 49,879</u>	<u>\$ 26,169</u>

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

COUNTY RECORDS MANAGEMENT FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services:				
<i>Records Preservation</i>	\$ 25,000	\$ 25,000	\$ 16,996	\$ (8,004)
Total Charges for Services	<u>25,000</u>	<u>25,000</u>	<u>16,996</u>	<u>(8,004)</u>
<i>Interest</i>	<u>170</u>	<u>170</u>	<u>59</u>	<u>(111)</u>
Total Revenues	<u>25,170</u>	<u>25,170</u>	<u>17,055</u>	<u>(8,115)</u>
EXPENDITURES:				
General Administration:				
Records Preservation:				
<i>Operations</i>	<u>65,000</u>	<u>65,000</u>	<u>24,039</u>	<u>40,961</u>
Total Records Preservation	<u>65,000</u>	<u>65,000</u>	<u>24,039</u>	<u>40,961</u>
Total General Administration	<u>65,000</u>	<u>65,000</u>	<u>24,039</u>	<u>40,961</u>
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>24,039</u>	<u>40,961</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(39,830)</u>	<u>(39,830)</u>	<u>(6,984)</u>	<u>32,846</u>
Net Changes in Fund Balances	<u>(39,830)</u>	<u>(39,830)</u>	<u>(6,984)</u>	<u>32,846</u>
Fund Balances at Beginning of Year	<u>49,348</u>	<u>49,348</u>	<u>49,348</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 9,518</u>	<u>\$ 9,518</u>	<u>\$ 42,364</u>	<u>\$ 32,846</u>

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

COUNTY RECORDS II FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services:				
<i>Records Preservation</i>	\$ 9,600	\$ 9,600	\$ 11,115	\$ 1,515
Total Charges for Services	<u>9,600</u>	<u>9,600</u>	<u>11,115</u>	<u>1,515</u>
<i>Interest</i>	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>
Total Revenues	<u>9,600</u>	<u>9,600</u>	<u>11,127</u>	<u>1,527</u>
EXPENDITURES:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,600</u>	<u>9,600</u>	<u>11,127</u>	<u>1,527</u>
Net Change in Fund Balances	9,600	9,600	11,127	1,527
Fund Balances at Beginning of Year	<u>7,920</u>	<u>7,920</u>	<u>7,920</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 17,520</u>	<u>\$ 17,520</u>	<u>\$ 19,047</u>	<u>\$ 1,527</u>

WALKER COUNTY, TEXAS
DISTRICT CLERK RECORDS FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services:				
<i>Records Preservation</i>	\$ 3,600	\$ 3,600	\$ 3,865	\$ 265
Total Charges for Services	<u>3,600</u>	<u>3,600</u>	<u>3,865</u>	<u>265</u>
<i>Interest</i>	<u>25</u>	<u>25</u>	<u>15</u>	<u>(10)</u>
Total Revenues	<u>3,625</u>	<u>3,625</u>	<u>3,880</u>	<u>255</u>
EXPENDITURES:				
Judicial:				
Records Preservation:				
<i>Operations</i>	<u>11,140</u>	<u>11,140</u>	<u>5,029</u>	<u>6,111</u>
Total Records Preservation	<u>11,140</u>	<u>11,140</u>	<u>5,029</u>	<u>6,111</u>
Total Judicial	<u>11,140</u>	<u>11,140</u>	<u>5,029</u>	<u>6,111</u>
Total Expenditures	<u>11,140</u>	<u>11,140</u>	<u>5,029</u>	<u>6,111</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,515)</u>	<u>(7,515)</u>	<u>(1,149)</u>	<u>6,366</u>
Net Change in Fund Balances	<u>(7,515)</u>	<u>(7,515)</u>	<u>(1,149)</u>	<u>6,366</u>
Fund Balances at Beginning of Year	<u>13,801</u>	<u>13,801</u>	<u>13,801</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 6,286</u>	<u>\$ 6,286</u>	<u>\$ 12,652</u>	<u>\$ 6,366</u>

WALKER COUNTY, TEXAS

EXHIBIT C-16

SHERIFF FORFEITURE FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 11,789	\$ 11,789
<i>Interest</i>	50	50	28	(22)
Total Revenues	50	50	11,817	11,767
EXPENDITURES:				
Public Safety:				
Forfeitures:				
<i>Operations</i>	7,273	7,273	3,074	4,199
Total Forfeitures	7,273	7,273	3,074	4,199
Total Public Safety	7,273	7,273	3,074	4,199
Total Expenditures	7,273	7,273	3,074	4,199
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,223)	(7,223)	8,743	15,966
Net Change in Fund Balances	(7,223)	(7,223)	8,743	15,966
Fund Balances at Beginning of Year	15,370	15,370	15,370	-
Fund Balances at End of Year	\$ 8,147	\$ 8,147	\$ 24,113	\$ 15,966

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

CRIMINAL DISTRICT ATTORNEY FORFEITURE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 38,045	\$ 38,045
<i>Interest</i>	100	100	117	17
Total Revenues	100	100	38,162	38,062
EXPENDITURES:				
Judicial:				
Forfeitures:				
<i>Operations</i>	55,739	32,240	25,322	6,918
<i>Capital Expenditures</i>	-	23,499	23,499	-
Total Forfeitures	55,739	55,739	48,821	6,918
Total Judicial	55,739	55,739	48,821	6,918
Total Expenditures	55,739	55,739	48,821	6,918
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,639)	(55,639)	(10,659)	44,980
Net Change in Fund Balances	(55,639)	(55,639)	(10,659)	44,980
Fund Balances at Beginning of Year	81,502	81,502	81,502	-
Fund Balances at End of Year	\$ 25,863	\$ 25,863	\$ 70,843	\$ 44,980

WALKER COUNTY, TEXAS

EXHIBIT C-18

JUVENILE PROBATION FUNDS
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ 350,116	\$ 401,216	\$ 372,243	\$ (28,973)
Total State Funds	<u>350,116</u>	<u>401,216</u>	<u>372,243</u>	<u>(28,973)</u>
Total Intergovernmental	<u>350,116</u>	<u>401,216</u>	<u>372,243</u>	<u>(28,973)</u>
Charges for Services:				
<i>Juvenile Probation</i>	4,500	4,500	3,877	(623)
Total Charges for Services	<u>4,500</u>	<u>4,500</u>	<u>3,877</u>	<u>(623)</u>
<i>Interest</i>	-	-	199	199
Other Income:				
<i>Miscellaneous</i>	156,375	156,375	-	(156,375)
Total Other Income	<u>156,375</u>	<u>156,375</u>	<u>-</u>	<u>(156,375)</u>
Total Revenues	<u>510,991</u>	<u>562,091</u>	<u>376,319</u>	<u>(185,772)</u>
EXPENDITURES:				
Public Safety:				
Juvenile Probation:				
<i>Salary, Other Pay, and Benefits</i>	329,200	329,200	316,099	13,101
<i>Operations</i>	297,261	348,361	197,072	151,289
Total Juvenile Probation	<u>626,461</u>	<u>677,561</u>	<u>513,171</u>	<u>164,390</u>
Total Public Safety	<u>626,461</u>	<u>677,561</u>	<u>513,171</u>	<u>164,390</u>
Total Expenditures	<u>626,461</u>	<u>677,561</u>	<u>513,171</u>	<u>164,390</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(115,470)</u>	<u>(115,470)</u>	<u>(136,852)</u>	<u>(21,382)</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	115,470	2,420	2,420	-
<i>Transfers Out</i>	-	(594)	-	594
Total Other Financing Sources (Uses)	<u>115,470</u>	<u>1,826</u>	<u>2,420</u>	<u>594</u>
Net Change in Fund Balances	-	(113,644)	(134,432)	(20,788)
Fund Balances at Beginning of Year	251,738	251,738	251,738	-
Fund Balances at End of Year	<u>\$ 251,738</u>	<u>\$ 138,094</u>	<u>\$ 117,306</u>	<u>\$ (20,788)</u>

WALKER COUNTY, TEXAS

SPECIAL INVENTORY TAX FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-19

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<i>Interest</i>	\$ -	\$ -	\$ 3	\$ 3
Total Revenues	-	-	3	3
EXPENDITURES:				
Financial Administration:				
Special Inventory Tax:				
<i>Operations</i>	1,814	1,814	996	818
Total Special Inventory Tax	1,814	1,814	996	818
Total Financial Administration	1,814	1,814	996	818
Total Expenditures	1,814	1,814	996	818
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,814)	(1,814)	(993)	821
Net Change in Fund Balances	(1,814)	(1,814)	(993)	821
Fund Balances at Beginning of Year	2,017	2,017	2,017	-
Fund Balances at End of Year	\$ 203	\$ 203	\$ 1,024	\$ 821

WALKER COUNTY, TEXAS

EXHIBIT C-20

DISTRICT CLERK RIDER PROSECUTION FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
Total State Funds	12,000	12,000	12,000	-
Total Intergovernmental	12,000	12,000	12,000	-
<i>Interest</i>	85	85	22	(63)
Total Revenues	12,085	12,085	12,022	(63)
EXPENDITURES:				
Judicial:				
District Clerk:				
<i>Salary, Other Pay, and Benefits</i>	10,706	5,202	4,742	460
<i>Operations</i>	1,379	1,379	-	1,379
<i>Capital Expenditures</i>	-	49,915	45,839	4,076
Total District Clerk	12,085	56,496	50,581	5,915
Total Judicial	12,085	56,496	50,581	5,915
Total Expenditures	12,085	56,496	50,581	5,915
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(44,411)	(38,559)	5,852
Net Change in Fund Balances	-	(44,411)	(38,559)	5,852
Fund Balances at Beginning of Year	44,411	44,411	44,411	-
Fund Balances at End of Year	\$ 44,411	\$ -	\$ 5,852	\$ 5,852

WALKER COUNTY, TEXAS

PROF. PROSECUTORS SUPPLEMENT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-21

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental:				
State Funds:				
<i>Other State Funds</i>	\$ 34,450	\$ 33,589	\$ 32,014	\$ (1,575)
Total State Funds	<u>34,450</u>	<u>33,589</u>	<u>32,014</u>	<u>(1,575)</u>
Total Intergovernmental	<u>34,450</u>	<u>33,589</u>	<u>32,014</u>	<u>(1,575)</u>
Total Revenues	<u>34,450</u>	<u>33,589</u>	<u>32,014</u>	<u>(1,575)</u>
EXPENDITURES:				
Judicial:				
Professional Prosecutors:				
<i>Operations</i>	<u>34,450</u>	<u>33,589</u>	<u>32,014</u>	<u>1,575</u>
Total Professional Prosecutors	<u>34,450</u>	<u>33,589</u>	<u>32,014</u>	<u>1,575</u>
Total Judicial	<u>34,450</u>	<u>33,589</u>	<u>32,014</u>	<u>1,575</u>
Total Expenditures	<u>34,450</u>	<u>33,589</u>	<u>32,014</u>	<u>1,575</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WALKER COUNTY, TEXAS

EXHIBIT C-22

PRETRIAL INTERVENTION FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services				
<i>Pretrial Intervention</i>	\$ -	\$ -	\$ 20,880	\$ 20,880
Total Charges for Services	-	-	20,880	20,880
<i>Interest</i>	-	-	6	6
Total Revenues	-	-	20,886	20,886
EXPENDITURES:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	20,886	20,886
Net Change in Fund Balances	-	-	20,886	20,886
Fund Balances at Beginning of Year	845	845	845	-
Fund Balances at End of Year	<u>\$ 845</u>	<u>\$ 845</u>	<u>\$ 21,731</u>	<u>\$ 20,886</u>

WALKER COUNTY, TEXAS

COUNTY JURY FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-23

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services:	\$ -	\$ 3,271	\$ 3,272	\$ 1
Total Charges for Services	-	3,271	3,272	1
 Total Revenues	-	3,271	3,272	1
 EXPENDITURES:				
Judicial:				
County Jury Fund:				
Operations	-	3,271	3,272	(1)
Total Justice Court Technology	-	3,271	3,272	(1)
Total Judicial	-	3,271	3,272	(1)
Total Expenditures	-	3,271	3,272	(1)
 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
 Net Change Fund Balances	-	-	-	-
 Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	\$ -	\$ -	\$ -	\$ -

WALKER COUNTY, TEXAS

EXHIBIT C-24

JUSTICE COURT TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services	\$ 34,000	\$ 34,000	\$ 38,487	\$ 4,487
Total Charges for Services	<u>34,000</u>	<u>34,000</u>	<u>38,487</u>	<u>4,487</u>
<i>Interest</i>	<u>175</u>	<u>175</u>	<u>109</u>	<u>(66)</u>
Total Revenues	<u>34,175</u>	<u>34,175</u>	<u>38,596</u>	<u>4,421</u>
EXPENDITURES:				
Judicial:				
Justice Court Technology:				
<i>Operations</i>	<u>52,569</u>	<u>52,569</u>	<u>40,873</u>	<u>11,696</u>
Total Justice Court Technology	<u>52,569</u>	<u>52,569</u>	<u>40,873</u>	<u>11,696</u>
Total Judicial	<u>52,569</u>	<u>52,569</u>	<u>40,873</u>	<u>11,696</u>
Total Expenditures	<u>52,569</u>	<u>52,569</u>	<u>40,873</u>	<u>11,696</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,394)</u>	<u>(18,394)</u>	<u>(2,277)</u>	<u>16,117</u>
Other Financing Sources (Uses):				
<i>Transfers Out</i>	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Net Change in Fund Balances	(93,394)	(93,394)	(77,277)	16,117
Fund Balances at Beginning of Year	99,413	99,413	99,413	-
Fund Balances at End of Year	<u>\$ 6,019</u>	<u>\$ 6,019</u>	<u>\$ 22,136</u>	<u>\$ 16,117</u>

WALKER COUNTY, TEXAS

EXHIBIT C-25

COUNTY AND DISTRICT COURT TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services	\$ 600	\$ 600	\$ 1,912	\$ 1,312
Total Charges for Services	<u>600</u>	<u>600</u>	<u>1,912</u>	<u>1,312</u>
<i>Interest</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total Revenues	<u>600</u>	<u>600</u>	<u>1,913</u>	<u>1,313</u>
EXPENDITURES:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>600</u>	<u>600</u>	<u>1,913</u>	<u>1,313</u>
Net Change in Fund Balances	600	600	1,913	1,313
Fund Balances at Beginning of Year	670	670	670	-
Fund Balances at End of Year	<u>\$ 1,270</u>	<u>\$ 1,270</u>	<u>\$ 2,583</u>	<u>\$ 1,313</u>

WALKER COUNTY, TEXAS

EXHIBIT C-26

INMATE MEDICAL FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for Services:	\$ 2,000	\$ 2,000	\$ 4,391	\$ 2,391
Total Charges for Services	<u>2,000</u>	<u>2,000</u>	<u>4,391</u>	<u>2,391</u>
<i>Interest</i>	<u>15</u>	<u>15</u>	<u>15</u>	<u>-</u>
Total Revenues	<u>2,015</u>	<u>2,015</u>	<u>4,406</u>	<u>2,391</u>
EXPENDITURES:				
Public Safety:				
Inmate Medical Services:				
<i>Operations</i>	<u>11,014</u>	<u>11,014</u>	<u>-</u>	<u>11,014</u>
Total Inmate Medical Services	<u>11,014</u>	<u>11,014</u>	<u>-</u>	<u>11,014</u>
Total Public Safety	<u>11,014</u>	<u>11,014</u>	<u>-</u>	<u>11,014</u>
Total Expenditures	<u>11,014</u>	<u>11,014</u>	<u>-</u>	<u>11,014</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,999)</u>	<u>(8,999)</u>	<u>4,406</u>	<u>13,405</u>
Net Changes in Fund Balances	<u>(8,999)</u>	<u>(8,999)</u>	<u>4,406</u>	<u>13,405</u>
Fund Balances Beginning of Year	<u>10,949</u>	<u>10,949</u>	<u>10,949</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 1,950</u>	<u>\$ 1,950</u>	<u>\$ 15,355</u>	<u>\$ 13,405</u>

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Debt Service Fund

WALKER COUNTY, TEXAS**EXHIBIT C-27****DEBT SERVICE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Ad Valorem Taxes:				
<i>Current Taxes</i>	\$ 622,684	\$ 622,684	\$ 662,609	\$ 39,925
<i>Delinquent Taxes</i>	12,000	12,000	13,719	1,719
Total Ad Valorem Taxes	634,684	634,684	676,328	41,644
<i>Penalty and Interest</i>	7,000	7,000	11,265	4,265
<i>Interest</i>	600	600	476	(124)
Total Revenues	642,284	642,284	688,069	45,785
EXPENDITURES:				
Debt Service:				
<i>Principal Retirement</i>	589,393	631,673	631,672	1
<i>Interest and Fiscal Charges</i>	52,891	53,104	53,105	(1)
Total Debt Service	642,284	684,777	684,777	-
Total Expenditures	642,284	684,777	684,777	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(42,493)	3,292	45,785
Other Financing Sources (Uses):				
<i>Transfers In</i>	-	42,493	42,493	-
Total Other Financing Sources (Uses)	-	42,493	42,493	-
Net Change in Fund Balances	-	-	45,785	45,785
Fund Balances at Beginning of Year	427,477	427,477	427,477	-
Fund Balances at End of Year	\$ 427,477	\$ 427,477	\$ 473,262	\$ 45,785

Capital Projects Fund

WALKER COUNTY, TEXAS

EXHIBIT C-28

HEARTS MUSEUM PROJECT

CAPITAL PROJECTS FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<i>Interest</i>	\$ -	\$ 73	\$ 73	\$ -
Total Revenues	-	73	73	-
EXPENDITURES:				
Health and Welfare:				
Hearts Museum:				
<i>Capital Expenditures</i>	59,164	59,237	59,237	-
Total Capital Improvements	59,164	59,237	59,237	-
Total Health and Welfare	59,164	59,237	59,237	-
Total Expenditures	59,164	59,237	59,237	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59,164)	(59,164)	(59,164)	-
Net Change in Fund Balances	(59,164)	(59,164)	(59,164)	-
Fund Balances at Beginning of Year	59,164	59,164	59,164	-
Fund Balances at End of Year	\$ -	\$ -	\$ -	\$ -

Fiduciary Funds

WALKER COUNTY, TEXAS

EXHIBIT C-29

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2011

	Commissary Operations Fund	County Officials Trust & Agency Funds	Walker County Jail Safety Communications Center Fund	Adult Probation	Total Agency Funds (See Exhibit A-7)
ASSETS:					
<i>Cash and Cash Equivalents</i>	\$ 14,116	\$ 2,289,910	\$ 99,133	\$ 603,717	\$ 3,006,876
Total Assets	<u>\$ 14,116</u>	<u>\$ 2,289,910</u>	<u>\$ 99,133</u>	<u>\$ 603,717</u>	<u>\$ 3,006,876</u>
LIABILITIES:					
<i>Accounts Payable</i>	\$ 14,116	\$ -	\$ 5,542	\$ 52,816	\$ 72,474
<i>Due to Other Governments</i>	-	-	93,591	-	93,591
<i>Due to Others</i>	-	2,289,910	-	550,901	2,840,811
Total Liabilities	<u>\$ 14,116</u>	<u>\$ 2,289,910</u>	<u>\$ 99,133</u>	<u>\$ 603,717</u>	<u>\$ 3,006,876</u>

WALKER COUNTY, TEXAS

EXHIBIT C-30

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Balance October 1, 2010	Additions	Deductions	Balance September 30, 2011
COUNTY OFFICIALS TRUST AND AGENCY FUND:				
Assets:				
Cash and Cash Equivalents	\$ 2,405,034	\$ 11,562,660	\$ 11,677,784	\$ 2,289,910
Restricted Cash and Cash Equivalents	43,743	-	43,743	-
Total Assets	<u>\$ 2,448,777</u>	<u>\$ 11,562,660</u>	<u>\$ 11,721,527</u>	<u>\$ 2,289,910</u>
Liabilities:				
Due to Others	\$ 2,448,777	\$ 11,562,660	\$ 11,721,527	\$ 2,289,910
Total Liabilities	<u>\$ 2,448,777</u>	<u>\$ 11,562,660</u>	<u>\$ 11,721,527</u>	<u>\$ 2,289,910</u>
WALKER COUNTY PUBLIC SAFETY COMMUNICATIONS CENTER:				
Assets:				
Cash and Cash Equivalents	\$ 125,957	\$ 997,586	\$ 1,024,410	\$ 99,133
Total Assets	<u>\$ 125,957</u>	<u>\$ 997,586</u>	<u>\$ 1,024,410</u>	<u>\$ 99,133</u>
Liabilities:				
Accounts Payable	\$ 19,601	\$ 99,397	\$ 113,456	\$ 5,542
Due to Other Governments	106,356	11,084	23,849	93,591
Total Liabilities	<u>\$ 125,957</u>	<u>\$ 110,481</u>	<u>\$ 137,305</u>	<u>\$ 99,133</u>
JAIL COMMISSARY:				
Assets:				
Cash and Cash Equivalents	\$ 9,058	\$ 25,844	\$ 20,786	\$ 14,116
Total Assets	<u>\$ 9,058</u>	<u>\$ 25,844</u>	<u>\$ 20,786</u>	<u>\$ 14,116</u>
Liabilities:				
Accounts Payable	\$ 9,058	\$ 25,844	\$ 20,786	\$ 14,116
Total Liabilities	<u>\$ 9,058</u>	<u>\$ 25,844</u>	<u>\$ 20,786</u>	<u>\$ 14,116</u>
ADULT PROBATION:				
Assets:				
Cash and Cash Equivalents	\$ 503,661	\$ 2,637,787	\$ 2,537,731	\$ 603,717
Due from Others	8	-	8	-
Total Assets	<u>\$ 503,669</u>	<u>\$ 2,637,787</u>	<u>\$ 2,537,739</u>	<u>\$ 603,717</u>
Liabilities:				
Accounts Payable	\$ 9,037	\$ 231,598	\$ 187,819	\$ 52,816
Due to Others	494,632	2,406,189	2,349,920	550,901
Total Liabilities	<u>\$ 503,669</u>	<u>\$ 2,637,787</u>	<u>\$ 2,537,739</u>	<u>\$ 603,717</u>
TOTAL AGENCY FUNDS:				
Assets:				
Cash and Cash Equivalents	\$ 3,043,710	\$ 15,223,877	\$ 15,260,711	\$ 3,006,876
Restricted Cash and Cash Equivalents	43,743	-	43,743	-
Due from Others	8	-	8	-
Total Assets	<u>\$ 3,087,461</u>	<u>\$ 15,223,877</u>	<u>\$ 15,304,462</u>	<u>\$ 3,006,876</u>
Liabilities:				
Accounts Payable	\$ 37,696	\$ 356,839	\$ 322,061	\$ 72,474
Due to Other Governments	106,356	11,084	23,849	93,591
Due to Others	2,943,409	13,968,849	14,071,447	2,840,811
Total Liabilities	<u>\$ 3,087,461</u>	<u>\$ 14,336,772</u>	<u>\$ 14,417,357</u>	<u>\$ 3,006,876</u>

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OTHER SUPPLEMENTARY INFORMATION

WALKER COUNTY, TEXAS**EXHIBIT C-31***COMPARATIVE SCHEDULES BY SOURCE OF
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011 AND 2010*

	<u>2011</u>	<u>2010</u>
General Fixed Assets:		
Land	\$ 523,052	\$ 483,180
Construction in Progress	-	21,088
Buildings	17,098,288	16,874,761
Improvements Other than Buildings	4,167,178	4,007,247
Furniture, Fixtures and Office Equipment	2,518,803	2,289,844
Vehicles	4,558,265	4,153,524
Machinery and Equipment	4,355,789	3,757,957
Total General Fixed Assets	<u>\$ 33,221,375</u>	<u>\$ 31,587,601</u>
Investment in General Fixed Assets by Source:		
General Fund	\$ 7,822,640	\$ 7,224,985
Special Revenue Funds	23,430,409	9,000,678
Capital Projects Funds	1,968,326	15,361,938
Total Investment in General Fixed Assets	<u>\$ 33,221,375</u>	<u>\$ 31,587,601</u>

WALKER COUNTY, TEXAS

EXHIBIT C-32

SCHEDULE BY FUNCTION AND ACTIVITY OF CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS SEPTEMBER 30, 2011

Function and Activity	Land	Buildings	Improvements	Furniture Fixtures & Office Equip	Vehicles	Machinery and Equipment	Total
General Government:							
IT	\$ -	\$ -	\$ 34,344	\$ 538,391	\$ 13,121	\$ 5,040	\$ 590,896
Non-Department	50,373	-	25,385	729,854	13,231	-	818,843
Elections	-	19,484	-	118,720	-	-	138,204
County Facilities	261,595	1,036,069	2,445,423	-	50,621	224,756	4,018,464
Courthouse Annex-Sam Houston	-	1,502,488	81,889	-	-	-	1,584,377
Courthouse Annex II-University	-	86,163	93,173	-	-	-	179,336
Annex 340 Hwy 75 North	-	250,000	8,707	-	-	-	258,707
Annex 344 Hwy 75 North	-	354,444	32,450	-	-	-	386,894
H.E.A.R.T.S. Complex	-	1,962,624	-	-	-	5,702	1,968,326
Total General Government	311,968	5,211,272	2,721,371	1,386,965	76,973	235,498	9,944,047
Judicial:							
Criminal District Attorney	-	223,050	15,164	5,244	119,159	-	362,617
12/278th Judicial District	-	-	-	38,474	-	-	38,474
Justice of the Peace-Precinct 1	-	-	-	-	-	-	-
Justice of the Peace-Precinct 2	-	104,357	-	-	-	-	104,357
Justice of the Peace-Precinct 3	-	62,089	50,928	-	-	-	113,017
Justice of the Peace-Precinct 4	-	81,409	-	-	-	-	81,409
Total Judicial	-	470,905	66,092	43,718	119,159	-	699,874
Financial Administration:							
County Clerk	-	-	-	31,322	-	-	31,322
County Auditor	-	-	-	100,940	-	-	100,940
Total Financial Administration	-	-	-	132,262	-	-	132,262
Public Safety:							
County Jail	43,000	4,442,397	296,575	-	169,150	29,045	4,980,167
Sheriff's Department	-	2,160,812	-	74,005	778,043	16,869	3,029,729
Constable-Precinct 1	-	-	-	-	32,147	-	32,147
Constable-Precinct 2	-	-	-	-	23,055	-	23,055
Constable-Precinct 3	-	-	-	-	35,969	-	35,969
Constable-Precinct 4	-	-	-	-	54,831	-	54,831
Department of Public Safety	62,656	-	-	-	-	14,226	76,882
Weigh Station	-	114,635	201,686	-	-	21,917	338,238
Central 911	-	-	-	637,207	-	13,584	650,791
EMS	38,115	94,492	-	13,573	886,995	233,734	1,266,909
Emergency Shelter/Management	-	922,008	-	-	-	-	922,008
Probation Support	-	3,369,599	-	-	24,271	552,712	3,946,582
Total Public Safety	143,771	11,103,943	498,261	724,785	2,004,461	882,087	15,357,308
Healthy and Welfare:							
Utility Department	-	-	-	14,656	67,062	10,169	91,887
Total Health and Welfare	-	-	-	14,656	67,062	10,169	91,887
Road and Bridge:							
General	-	-	-	-	234,917	519,144	754,061
Precinct 1	-	50,000	159,931	-	389,286	638,182	1,237,399
Precinct 2	26,218	18,650	24,934	-	333,479	635,773	1,039,054
Precinct 3	41,095	65,000	212,750	-	355,208	764,845	1,438,898
Precinct 4	-	178,518	474,438	-	346,099	557,660	1,556,715
Litter Control	-	-	-	-	27,595	-	27,595
Total Road and Bridge	67,313	312,168	872,053	-	1,686,584	3,115,604	6,053,722
Other:							
Special Prosecution Unit-Criminal	-	-	-	-	113,390	-	113,390
Special Prosecution Unit-Civil	-	-	-	7,329	63,565	-	70,894
Special Prosecution Unit-Juvenile	-	-	9,401	-	79,170	-	88,571
Adult Probation	-	-	-	40,634	40,181	6,797	87,612
Juvenile Probation	-	-	-	5,789	-	-	5,789
Surplus/Auction Held	-	-	-	162,664	307,720	105,635	576,019
Total Public Safety	-	-	9,401	216,416	604,026	112,432	942,275
Total Capital Assets	\$ 523,052	\$ 17,098,288	\$ 4,167,178	\$ 2,518,802	\$ 4,558,265	\$ 4,355,790	\$ 33,221,375

WALKER COUNTY, TEXAS

EXHIBIT C-33

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2011

Function and Activity	Capital Assets October 1, 2010	Additions	Deletions	Capital Assets September 30, 2011
General Government:				
County Judge	\$ -	\$ -	\$ -	\$ -
Commissioners Court	-	-	-	-
IT	591,525	5,698	6,327	590,896
Non-Departmental	591,966	247,008	20,131	818,843
Elections	138,204	-	-	138,204
County Facilities	3,993,713	45,840	21,088	4,018,465
Courthouse Annex-Sam Houston	1,584,377	-	-	1,584,377
Courthouse Annex II-University	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	1,888,001	80,325	-	1,968,326
Total General Government	9,612,723	378,871	47,546	9,944,048
Judicial:				
12/27th Judicial District	5,244	-	-	5,244
Criminal District Attorney	372,348	23,499	-	395,847
Justice of the Peace-Precinct 2	104,358	-	-	104,358
Justice of the Peace-Precinct 3	113,017	-	-	113,017
Justice of the Peace-Precinct 4	81,409	-	-	81,409
Total Judicial	676,376	23,499	-	699,875
Financial Administration:				
County Clerk	31,322	-	-	31,322
County Auditor	100,940	-	-	100,940
Total Financial Administration	132,262	-	-	132,262
Public Safety:				
County Jail	4,997,925	57,078	74,836	4,980,167
Sheriff's Department	2,861,819	305,037	137,127	3,029,729
Constable -Precinct 1	32,147	-	-	32,147
Constable -Precinct 2	23,055	-	-	23,055
Constable -Precinct 3	35,969	-	-	35,969
Constable -Precinct 4	20,701	34,130	-	54,831
Department of Public Safety	76,882	-	-	76,882
Weigh Station	338,237	-	-	338,237
Central 911 Dispatch	650,791	-	-	650,791
EMS	1,219,564	55,296	7,950	1,266,910
Emergency Shelter/Management	3,393,870	552,711	-	3,946,581
Probation Support	922,008	-	-	922,008
Total Public Safety	14,572,968	1,004,252	219,913	15,357,307
Health and Welfare:				
Utility Department	65,114	46,925	20,152	91,887
Veterans Museum	-	-	-	-
Total Health and Welfare	65,114	46,925	20,152	91,887
Road and Bridge:				
General	744,263	9,798	-	754,061
Precinct 1	1,100,098	244,724	107,423	1,237,399
Precinct 2	1,127,558	41,340	129,844	1,039,054
Precinct 3	1,438,898	-	-	1,438,898
Precinct 4	1,482,700	95,350	21,335	1,556,715
Litter Control	27,595	-	-	27,595
Total Road and Bridge	5,921,112	391,212	258,602	6,053,722
Other:				
Special Prosecution Unit-Criminal	113,390	-	-	113,390
Special Prosecution Unit-Civil	70,894	-	-	70,894
Special Prosecution Unit-Juvenile	79,170	-	-	79,170
Adult Probation	87,612	-	-	87,612
Juvenile Probation	15,190	-	-	15,190
Surplus/Auction Held	240,790	435,023	99,795	576,018
Total Public Safety	607,046	435,023	99,795	942,274
Total Capital Assets	\$ 31,587,601	\$ 2,279,782	\$ 646,008	\$ 33,221,375

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STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Page
Financial Trends	127
<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	134
<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	138
<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	141
<i>These schedules offer demographic and economic indicators to help the reader understand how the County's financial activities take place and to help make comparisons over time and with other governments.</i>	
Operating Information	144
<i>These schedules contain information about the County's operations and resources to help reader understand how the County's financial information relates to the services the County provides and the activities it performs.</i>	

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities									
Invested in capital assets, net of related debt	\$ 7,300,573	\$ 7,258,409	\$ 6,979,556	\$ 7,290,739	\$ 8,418,965	\$ 11,143,016	\$ 13,024,741	\$ 12,704,554	\$ 13,093,454
Restricted	\$ 1,441,478	\$ 691,049	\$ 616,222	\$ 1,624,434	\$ 893,725	\$ 3,414,486	\$ 1,232,050	\$ 1,336,137	\$ 459,801
Unrestricted	\$ 4,539,351	\$ 5,446,082	\$ 6,889,220	\$ 8,998,584	\$ 11,014,631	\$ 9,864,761	\$ 7,784,884	\$ 7,364,026	\$ 6,858,543
Total governmental activities net assets	\$ 13,281,402	\$ 13,395,540	\$ 14,484,998	\$ 17,913,757	\$ 20,327,321	\$ 24,422,263	\$ 22,041,675	\$ 21,404,717	\$ 20,411,798
Business-type activities									
Invested in capital assets, net of related debt	\$ -	\$ 436,715	\$ 328,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	\$ -	\$ 890,045	\$ 1,031,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total governmental activities net assets	\$ -	\$ 1,326,760	\$ 1,360,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Primary government									
Invested in capital assets, net of related debt	\$ 7,300,573	\$ 7,695,124	\$ 7,308,073	\$ 7,290,739	\$ 8,418,965	\$ 11,143,016	\$ 13,024,741	\$ 12,704,554	\$ 13,032,866
Restricted	\$ 1,441,478	\$ 691,049	\$ 616,222	\$ 1,624,434	\$ 893,725	\$ 3,414,486	\$ 1,232,050	\$ 1,336,137	\$ 83,707
Unrestricted	\$ 4,539,351	\$ 6,336,127	\$ 7,921,204	\$ 8,998,584	\$ 11,014,631	\$ 9,864,761	\$ 7,784,884	\$ 7,364,026	\$ 7,234,637
Total governmental activities net assets	\$ 13,281,402	\$ 14,722,300	\$ 15,845,499	\$ 17,913,757	\$ 20,327,321	\$ 24,422,263	\$ 22,041,675	\$ 21,404,717	\$ 20,351,210

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

WALKER COUNTY, TEXAS

CHANGES IN NET ASSETS

LAST NINE FISCAL YEARS

(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses									
Governmental Activities:									
General Administration	\$ 1,276,900	\$ 1,580,748	\$ 1,971,406	\$ 2,338,585	\$ 2,196,767	\$ 2,284,682	\$ 3,000,402	\$ 3,759,057	\$ 3,495,070
Judicial	4,754,537	4,830,686	4,914,252	5,317,466	5,698,418	7,613,070	8,457,490	9,071,422	9,150,956
Financial Administration	1,288,474	1,454,263	1,408,258	1,614,681	1,612,653	2,065,268	2,186,499	1,951,551	2,344,939
Public Safety	6,546,824	6,894,111	7,023,610	9,086,967	9,569,292	10,290,778	10,775,866	10,617,796	10,244,585
Health & Welfare	326,819	686,923	430,247	514,364	515,571	573,404	603,749	666,885	1,151,364
Public Transportation	3,122,954	3,299,998	3,590,764	3,814,065	4,097,826	4,632,488	4,596,948	4,744,706	5,018,699
Intergovernmental Expenditure	1,230,163	909,694	181,392	-	-	-	-	-	-
Interest & Fiscal Charges	227,189	199,634	-	145,280	116,254	101,016	85,581	62,340	38,128
Total Governmental Activities	\$ 18,773,860	\$ 19,856,057	\$ 19,519,929	\$ 22,831,408	\$ 23,806,781	\$ 27,560,706	\$ 29,706,535	\$ 30,873,757	\$ 31,443,741
Business-type activities									
EMS	\$ -	\$ 1,441,468	\$ 1,591,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government	\$ 18,773,860	\$ 21,297,525	\$ 21,111,543	\$ 22,831,408	\$ 23,806,781	\$ 27,560,706	\$ 29,706,535	\$ 30,873,757	\$ 31,443,741
Program Revenues									
Governmental activities:									
Charges for services:									
General Administration	\$ 217,332	\$ 429,309	\$ 244,053	\$ 261,883	\$ 494,850	\$ 878,401	\$ 930,385	\$ 829,984	\$ 412,098
Judicial	927,788	711,876	756,198	819,936	801,510	610,773	650,617	681,587	805,272
Financial Administration	613,810	381,721	434,043	627,417	667,264	305,531	330,732	330,896	834,039
Public Safety	917,902	1,132,141	1,489,846	3,317,369	3,195,179	3,063,739	3,351,915	3,543,133	3,274,199
Health & Welfare	34,415	28,547	107,773	109,974	139,150	97,707	88,115	110,969	112,731
Public Transportation	1,211,940	1,291,031	1,363,990	1,659,932	1,778,231	1,402,777	2,285,532	2,129,055	2,184,655
Operating grants and contributions	4,348,036	4,339,757	3,517,099	4,134,299	4,797,661	6,310,443	6,903,805	7,488,881	7,690,227
Capital grants and contributions	-	-	86,192	227,734	-	4,773,084	54,254	-	-
Total Governmental Activities	\$ 8,271,223	\$ 8,314,382	\$ 7,999,194	\$ 11,158,544	\$ 11,873,845	\$ 17,442,455	\$ 14,595,355	\$ 15,114,505	\$ 15,313,221
Business-type activities									
Charges for service	\$ -	\$ 1,126,235	\$ 1,423,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	-	186,691	4,480	-	-	-	-	-	-
EMS	-	\$ 1,312,926	\$ 1,427,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total primary government	\$ 8,271,223	\$ 9,627,308	\$ 9,427,179	\$ 11,158,544	\$ 11,873,845	\$ 17,442,455	\$ 14,595,355	\$ 15,114,505	\$ 15,313,221
Net (expense)/revenue	\$ (10,502,637)	\$ (11,541,675)	\$ (11,520,735)	\$ (1,672,864)	\$ (11,932,936)	\$ (10,118,251)	\$ (15,111,180)	\$ (15,759,252)	\$ (16,130,520)
Governmental activities	-	(128,542)	(163,629)	-	-	-	-	-	-
Business-type activities	\$ (10,502,637)	\$ (11,670,217)	\$ (11,684,364)	\$ (1,672,864)	\$ (11,932,936)	\$ (10,118,251)	\$ (15,111,180)	\$ (15,759,252)	\$ (16,130,520)
Total primary government net expense									

General Revenues and Other Changes in**Net Assets**

Governmental activities:

Taxes

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Property taxes	\$ 8,274,177	\$ 9,247,367	\$ 9,792,822	\$ 10,146,889	\$ 10,469,685	\$ 10,460,117	\$ 11,522,727	\$ 12,625,076	\$ 12,842,095
Sales taxes	1,672,772	1,827,236	1,912,387	2,068,095	2,197,937	2,260,752	2,423,490	2,343,620	2,442,426
Other taxes	15,662	13,047	14,586	14,280	14,527	14,326	24,399	21,982	25,190
Vehicle Registration	1,008,185	989,014	990,030	979,757	992,143	970,798	-	-	-
Alcoholic beverage taxes	51,517	65,646	77,361	70,246	77,238	69,668	89,173	92,676	137,417
Investment earnings	89,892	76,720	222,759	461,856	594,969	437,532	152,407	38,938	15,303
Transfers	-	(602,454)	(313,331)	-	-	-	-	-	-
Other	381,886	39,234	-	-	-	-	-	-	-

Total governmental activities \$ 11,494,111 \$ 11,655,810 \$ 12,696,614 \$ 13,741,123 \$ 14,346,499 \$ 14,213,193 \$ 14,212,196 \$ 15,122,292 \$ 15,462,431

Business-type activities:

Investment earnings	\$ -	\$ 1,498	\$ 1,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	-	1,453,804	313,331	-	-	-	-	-	-
Total business-type activities	\$ -	\$ 1,455,302	\$ 314,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total primary government \$ 11,494,111 \$ 13,111,112 \$ 13,011,434 \$ 13,741,123 \$ 14,346,499 \$ 14,213,193 \$ 14,212,196 \$ 15,122,292 \$ 15,462,431

Change in Net Assets

Governmental activities

Prior Period Adjustment (EMS Receivables)	\$ 991,474	\$ 114,135	\$ 1,175,879	\$ 2,068,259	\$ 2,413,563	\$ 4,094,942	\$ (898,984)	\$ (636,960)	\$ (668,089)
Business-type activities	-	(1,031,747)	(459,919)	(116,092)	126,155	-	-	-	-
Total primary government	\$ 991,474	\$ 409,148	\$ 867,151	\$ 1,952,167	\$ 2,539,718	\$ 4,094,942	\$ (898,984)	\$ (636,960)	\$ (668,089)

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

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

Fiscal Year	Property Tax	Sales Tax	Other Taxes	Alcoholic Beverage Tax	Total
2003	\$ 8,274,177	\$ 1,672,772	\$ 15,681	\$ 51,517	\$ 10,014,147
2004	9,247,367	1,827,236	13,047	65,646	11,153,296
2005	9,792,822	1,912,387	14,586	77,361	11,797,156
2006	10,146,889	2,068,095	14,280	70,246	12,299,510
2007	10,469,685	2,197,937	14,527	77,238	12,759,387
2008	10,460,117	2,260,752	14,326	69,668	12,804,863
2009	11,522,727	2,423,490	24,399	89,173	14,059,789
2010	12,625,076	2,343,620	21,982	92,676	15,083,354
2011	12,842,095	2,442,426	25,190	137,416	15,447,127

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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 ^{1]}
General Fund										
Nonspendable - Prepaid Expend	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,383
Committed for Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,362,950
Assigned - One Time Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,076,540
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,040,071
Unreserved	\$1,747,259	\$2,007,578	\$2,368,602	\$3,506,504	\$4,693,770	\$5,162,815	\$5,082,124	\$5,586,097	\$5,636,281	\$ -
Total general fund	\$1,747,259	\$2,007,578	\$2,368,602	\$3,506,504	\$4,693,770	\$5,162,815	\$5,082,124	\$5,586,097	\$5,636,281	\$ 6,512,944
All other governmental funds										
Reserved	\$1,775,062	\$1,441,479	\$ 691,049	\$ 616,220	\$ 644,738	\$ 816,931	\$3,348,611	\$1,179,475	\$ 1,288,853	\$ -
Restricted - Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,168
Restricted - Other Governmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 686,705
Committed for Public Transporta	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 954,656
Committed for Public Safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 637,029
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 376,094
Unreserved, reported in:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special revenue funds	\$1,676,182	\$1,796,599	\$1,786,285	\$1,944,605	\$3,665,474	\$4,871,812	\$4,133,784	\$2,371,763	\$ 2,631,726	\$ -
Total all other governmental funds	\$3,451,244	\$3,238,078	\$2,477,334	\$2,560,825	\$4,310,212	\$5,688,743	\$7,482,395	\$3,551,238	\$ 3,920,579	\$ 2,751,652

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

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenues										
Property Taxes	\$ 12,759,820	\$ 12,568,933	\$ 11,510,947	\$ 10,700,202	\$ 10,329,957	\$ 10,035,873	\$ 9,715,552	\$ 9,157,938	\$ 8,224,770	\$ 7,454,471
Other Taxes	2,605,032	2,458,278	2,537,062	2,344,746	3,281,845	3,132,378	2,994,364	2,894,942	2,748,156	2,825,008
Licenses and permits	112,025	96,904	84,288	97,664	76,639	71,525	66,650	32,545	34,415	36,473
Intergovernmental	7,730,809	7,419,809	7,601,448	10,955,219	4,838,025	4,390,433	3,882,902	4,407,695	4,290,200	4,343,770
Charges for services	5,741,943	5,899,127	5,716,805	5,486,902	4,618,519	4,594,614	2,249,524	2,209,046	1,995,389	1,961,888
Fines	1,451,893	1,315,714	1,413,686	1,510,048	1,856,488	1,635,806	1,459,933	1,482,362	1,370,495	1,323,089
Investment earnings	15,303	38,938	152,407	437,532	594,969	461,856	222,758	76,720	90,295	132,712
Special assessments	-	-	-	-	-	-	-	-	-	-
Other	298,440	403,525	452,249	418,255	503,441	374,180	282,670	247,605	442,423	201,924
Total revenues	\$ 30,715,265	\$ 30,201,228	\$ 29,468,892	\$ 31,950,568	\$ 26,039,883	\$ 24,696,665	\$ 20,874,353	\$ 20,508,853	\$ 19,196,143	\$ 18,279,335
Expenditures										
General Administration	\$ 1,908,570	\$ 1,874,541	\$ 1,852,065	\$ 1,841,400	\$ 1,407,377	\$ 1,709,624	\$ 1,237,394	\$ 1,096,998	\$ 1,038,040	\$ 1,041,255
Judicial	9,110,130	9,014,958	8,515,885	7,591,874	5,668,645	5,260,421	4,857,656	4,763,051	4,708,799	4,503,655
Financial Administration	2,006,059	1,920,995	1,835,543	1,727,346	1,609,829	1,598,581	1,404,136	1,439,949	1,287,878	1,225,630
Public Safety	8,383,465	9,483,904	9,836,567	8,806,703	8,113,094	7,907,717	5,857,333	6,301,619	6,208,227	5,617,108
Health & Welfare	948,792	554,724	522,896	511,311	459,356	438,663	361,589	675,832	319,382	470,385
Public Transportation	4,729,129	4,241,268	3,990,104	4,231,038	3,750,869	3,705,404	3,214,207	2,961,304	3,313,522	2,863,249
Intergovernmental/Contractual	1,174,386	1,134,146	1,069,738	1,034,739	959,487	937,601	913,884	897,254	1,224,065	1,349,565
Capital Outlay	1,676,803	1,072,856	3,073,396	4,331,888	1,573,733	598,335	886,346	967,390	429,655	2,951,736
Debt service										
Principal	631,672	535,091	619,306	548,379	604,867	842,592	705,051	1,361,592	615,191	508,793
Interest	53,105	73,065	98,972	95,220	129,033	156,799	182,526	203,678	232,688	111,910
Other charges										
Total expenditures	\$ 30,622,111	\$ 29,905,548	\$ 31,414,472	\$ 30,719,898	\$ 24,276,290	\$ 23,155,737	\$ 19,620,122	\$ 20,668,667	\$ 19,377,447	\$ 20,643,286
Excess of revenues over (under) expenditures	\$ 93,154	\$ 295,680	\$ (1,945,580)	\$ 1,230,670	\$ 1,823,593	\$ 1,540,928	\$ 1,254,231	\$ (159,814)	\$ (181,304)	\$ (2,363,951)
Other financing sources (uses)										
Transfers in	\$ 1,334,051	\$ 1,644,023	\$ 1,420,689	\$ 1,537,639	\$ 1,635,416	\$ 2,241,215	\$ 284,560	\$ 244,637	\$ 548,973	\$ 691,833
Transfers out	(1,334,051)	(1,644,023)	(1,420,689)	(1,537,639)	(1,635,416)	(880,713)	(597,890)	(847,092)	(548,974)	(689,503)
Debt issued	-	123,843	-	482,311	23,985	35,226	280,491	362,547	228,461	3,100,000
sources (uses)	\$ -	\$ 123,843	\$ -	\$ 482,311	\$ 23,985	\$ 1,395,728	\$ (32,839)	\$ (239,908)	\$ 228,460	\$ 3,102,330
Net change in fund balances	\$ 93,154	\$ 419,523	\$ (1,945,580)	\$ 1,712,981	\$ 1,847,578	\$ 2,936,656	\$ 1,221,392	\$ (399,722)	\$ 47,156	\$ 738,379
Decrease in fund balances EMS						(1,481,603)				
Debt service as a percentage of noncapital expenditures	2.42%	2.15%	2.60%	2.50%	3.34%	4.64%	4.97%	8.63%	4.68%	3.64%

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

Fiscal Year	Property Tax(1)	Sales Tax	Other Taxes	Alcoholic Beverage Tax	Total Other Taxes	Total Taxes
2002	\$ 7,454,471	1,740,572	37,190	61,611	\$ 1,839,373	\$ 9,293,844
2003	\$ 8,224,770	1,672,772	15,682	51,517	\$ 1,739,971	\$ 9,964,741
2004	\$ 9,157,938	1,827,236	13,047	65,646	\$ 1,905,929	\$ 11,063,867
2005	\$ 9,715,552	1,912,387	14,586	77,361	\$ 2,004,334	\$ 11,719,886
2006	\$ 10,035,873	2,068,095	14,280	70,246	\$ 2,152,621	\$ 12,188,494
2007	\$ 10,329,957	2,197,937	14,527	77,238	\$ 2,289,702	\$ 12,619,659
2008	\$ 10,700,202	2,260,752	14,326	69,668	\$ 2,344,746	\$ 13,044,948
2009	\$ 11,510,947	2,423,490	24,399	89,173	\$ 2,537,062	\$ 14,048,009
2010	\$ 12,568,933	2,343,620	21,982	92,676	\$ 2,458,278	\$ 15,027,211
2011	\$ 12,759,820	2,442,426	25,190	137,416	\$ 2,605,032	\$ 15,364,852

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

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

Fiscal Year Ended Sept. 30	Real Property Residential Property	Commercial Property	Agricultural & Open Acreage (2)	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
2002	\$ 636,633,630	\$ 273,022,800	\$ 407,162,150	\$ 1,316,818,580	\$ 248,739,190	\$ 322,145,633	\$ 1,243,412,137	0.6250	79.42%
2003	\$ 661,223,442	\$ 290,366,350	\$ 406,852,930	\$ 1,358,442,722	\$ 258,845,713	\$ 320,659,813	\$ 1,296,628,622	0.6250	80.17%
2004	\$ 765,892,720	\$ 339,644,630	\$ 437,062,943	\$ 1,546,600,293	\$ 277,771,360	\$ 387,429,964	\$ 1,436,941,689	0.6250	78.76%
2005	\$ 806,790,080	\$ 372,293,180	\$ 445,167,436	\$ 1,626,250,696	\$ 300,254,898	\$ 384,738,808	\$ 1,541,766,786	0.6250	19.97%
2006	\$ 896,413,974	\$ 404,446,520	\$ 528,747,595	\$ 1,832,608,089	\$ 312,268,070	\$ 474,762,275	\$ 1,670,113,884	0.5997	77.87%
2007	\$ 998,400,584	\$ 450,987,080	\$ 636,081,552	\$ 2,085,469,216	\$ 333,779,460	\$ 589,787,362	\$ 1,829,461,314	0.5667	75.62%
2008	\$ 1,083,675,165	\$ 490,998,701	\$ 827,663,738	\$ 2,402,337,604	\$ 332,671,138	\$ 751,063,719	\$ 1,983,945,023	0.5450	72.54%
2009	\$ 1,156,006,988	\$ 534,606,069	\$ 939,348,329	\$ 2,629,961,386	\$ 362,013,554	\$ 852,752,876	\$ 2,139,222,064	0.5450	71.50%
2010	\$ 1,213,042,379	\$ 560,495,831	\$ 940,934,856	\$ 2,714,473,066	\$ 399,324,045	\$ 903,321,290	\$ 2,210,475,821	0.5770	70.99%
2011	\$ 1,231,615,944	\$ 576,050,871	\$ 942,965,493	\$ 2,750,632,308	\$ 392,922,681	\$ 878,965,625	\$ 2,264,589,364	0.5793	72.04%

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

StateCode	Description	Grouping	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
A	Single Family Residence	residential	\$ 1,019,194,065	\$ 1,001,871,339	\$ 977,153,378	\$ 930,774,965	\$ 867,490,994	\$ 796,096,214	\$ 708,588,200
B	Multifamily Residence	residential	212,421,879	211,171,040	178,853,610	152,900,200	130,909,590	103,317,760	100,201,880
C	Vacant Lot	land	90,377,875	89,540,840	90,455,940	82,564,011	75,908,609	62,379,372	54,426,874
D1	Qualified Ag Land	land	800,701,069	798,546,287	791,261,545	696,031,268	523,181,703	434,563,242	360,151,761
D2	Non Qualified Land	land	51,886,549	52,847,729	57,630,844	49,068,459	36,991,240	31,804,981	30,588,801
E	Farm or Ranch Improv.	commercial	299,170,151	292,208,361	280,598,771	250,976,171	232,571,710	202,135,550	175,777,290
F1	Commercial Real	commercial	258,115,930	252,701,530	240,566,988	217,270,660	206,279,660	191,690,700	185,887,170
F2	Industrial Real Property	commercial	18,764,790	15,585,940	13,440,310	12,751,870	12,135,710	10,620,270	10,628,720
G1	Oil and Gas	minerals	7,186,881	9,409,435	10,823,964	11,974,918	12,782,580	10,703,390	11,358,328
G3	Minerals-Non Producing	minerals	280,680	284,060	284,060	284,060	284,060	285,800	287,660
J1	Water Systems	personal	4,000	4,000	4,000	4,000	4,000	888,070	1,092,670
J2	Gas Distribution System	personal	1,424,250	1,434,290	1,402,330	1,444,820	1,519,980	1,608,910	1,599,500
J3	Electric Company	personal	33,991,630	32,425,920	31,723,310	30,385,990	27,129,750	28,333,040	27,996,390
J4	Telephone Company	personal	16,696,730	18,138,180	19,376,840	22,366,010	22,336,320	23,609,460	21,581,190
J5	Railroad	personal	12,053,960	11,209,160	10,442,880	7,763,270	7,426,640	7,425,290	7,477,600
J6	Pipeline Company	personal	19,739,420	15,325,720	15,902,070	16,922,720	14,369,010	14,027,980	13,863,620
J7	Cable Television Co.	personal	3,108,650	2,969,980	2,885,300	2,613,730	2,597,850	2,733,670	2,037,580
J8	Other type of Utility	personal	31,800	31,800	31,800	31,800	212,000	7,244,320	8,111,470
L1	Commercial Personal	personal	193,157,700	232,557,780	118,728,270	123,302,530	110,307,460	138,912,120	130,742,700
L2	Industrial Personal	personal	44,107,500	11,132,160	82,799,150	47,077,150	62,152,450	14,354,210	11,371,310
M1	Tangible Other	personal	52,040,250	52,533,620	52,884,250	53,670,390	56,412,470	46,562,030	45,767,320
N	Intangible Property	personal	9,710		10,000	1,869,020	1,888,050	1,938,770	1,938,770
O	Residential Inventory	personal	2,153,860	2,467,100	4,061,980	3,352,500	4,909,920	4,648,190	5,451,010
S	Special Inventory Tax	personal	6,935,660	9,400,840	10,653,350	9,607,690	9,446,380	9,012,820	9,577,780
			\$ 3,143,554,989	\$ 3,113,797,111	\$ 2,991,974,940	\$ 2,735,008,742	\$ 2,419,248,676	\$ 2,144,876,159	\$ 1,926,505,594

Less:

Productivity Loss (Ag and Timber Use)
Homestead Cap (10% cap on residential homesteads)
Tax Ceiling and Over 65 and disabled exemption
Other Exemptions /Deductions
Total Exemptions

Taxable Assessed Value

\$ 2,264,589,364	\$ 2,210,475,821	\$ 2,139,222,064	\$ 1,983,945,023	\$ 1,829,461,314	\$ 1,670,113,884	\$ 1,541,766,786
Total Direct Tax Rate	\$0.5793	\$0.5770	\$0.5450	\$0.5450	\$0.5667	\$0.5997
						\$0.6250

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

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

County:	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Operating	0.5485	0.5485	0.5132	0.5136	0.5284	0.5456	0.5709	0.5726	0.5790	0.5400
Debt Service	0.0308	0.0285	0.0318	0.0314	0.0383	0.0541	0.0541	0.0524	0.0460	0.0450
Total	0.5793	0.5770	0.5450	0.5450	0.5667	0.5997	0.6250	0.6250	0.6250	0.5850
Huntsville ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.3567	1.4850	1.4850	1.4700	1.4700	1.4700
Debt Service	0.1700	0.1700	0.1700	0.1700	0.1700	0.1750	0.1750	0.1900	0.1900	0.1900
Total	1.2100	1.2100	1.2100	1.2100	1.5267	1.6600	1.6600	1.6600	1.6600	1.6600
Richards ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.3700	1.5000	1.5000	1.5000	1.4629	1.4600
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	1.3700	1.5000	1.5000	1.5000	1.4629	1.4600
New Waverly ISD										
Operating	1.0400	1.0400	1.0234	0.9734	1.2414	1.4000	1.3500	1.3500	1.3500	1.4000
Debt Service	0.2300	0.2300	0.2300	0.2300	0.2008	0.2008	0.2310	0.2368	0.4500	0.1073
Total	1.2700	1.2700	1.2534	1.2034	1.4422	1.6008	1.5810	1.5868	1.8000	1.5073
City of Huntsville										
Operating	0.2134	0.2249	0.2108	0.2436	0.2381	0.2391	0.2447	0.2322	0.2840	0.2779
Debt Service	0.1873	0.1758	0.1899	0.1699	0.1811	0.1928	0.1928	0.1928	0.1660	0.1547
Total	0.4007	0.4007	0.4007	0.4135	0.4192	0.4319	0.4375	0.4250	0.4500	0.4325
City of New Waverly										
Operating	0.0000	0.0000	0.0000	0.2088	0.2300	0.2409	0.2371	0.2442	0.2500	0.2475
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	0.2088	0.2300	0.2409	0.2371	0.2442	0.2500	0.2475
City of Riverside										
Operating	0.0551	0.1101	0.0803	0.0836	0.0617	0.0584	0.0580	0.0569	0.0600	0.0318
Debt Service	0.1585	0.0963	0.1537	0.1644	0.1983	0.2245	0.2460	0.2585	0.2902	0.3055
Total	0.2136	0.2064	0.2340	0.2480	0.2600	0.2829	0.3040	0.3154	0.3502	0.3372
Hospital District										
Operating	0.1530	0.1534	0.1537	0.1600	0.1720	0.1825	0.1922	0.1850	0.1600	0.1500
Debt Service	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total	0.1530	0.1534	0.1537	0.1600	0.1720	0.1825	0.1922	0.1850	0.1600	0.1500
Fire District #1										
Operating	0.0600	0.0600	0.0600	0.0600	0.0600	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	0.0600	0.0600	0.0600	0.0600	0.0600	0.0300	0.0300	0.0300	0.0300	0.0300
Fire District #2										
Operating	0.1000	0.0300	0.0300	0.0300	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	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Totals										
Operating Total	4.2500	4.2469	4.1514	4.3530	5.2883	5.7115	5.6979	5.6709	5.6759	5.6372
Debt Service Total	0.7766	0.7006	0.7754	0.7657	0.7885	0.8472	0.8989	0.9305	1.1422	0.8024
Total	5.0266	4.9475	4.9268	5.1187	6.0768	6.5587	6.5968	6.6014	6.8181	6.4396

**WALKER COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
SEPTEMBER 30, 2011**

For the Fiscal Year Ending 09/30/11				For the Fiscal Year Ending 09/30/02			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>		<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Value</u>	
Entergy Gulf States, Inc.	\$26,909,690	1.26%		Southwestern Bell Telephone	\$23,738,810	1.90%	
Fairfield Huntsville Exchange LP	\$22,027,760	1.03%		Rll Timberlands 3 LLC	\$19,997,910	1.60%	
University House Huntsville LLC	\$21,096,510	0.99%		GSU - Entergy Services, Inc	\$18,695,750	1.50%	
Weatherford US LP	\$16,751,831	0.78%		Wal-Mart Properties #01-0285	\$18,342,480	1.50%	
Wal-Mart Stores Texas LP #01-0285	\$15,931,880	0.74%		Weatherford Completion & Oilfield	\$10,039,250	0.80%	
Huntsville Aberdeen Place LP	\$1,478,360	0.07%		Arbors of Huntsville	\$8,093,800	0.70%	
Southwestern Bell Telephone LP	\$13,952,880	0.65%		International Paper	\$8,035,240	0.60%	
Huntsville Place LP	\$13,430,650	0.63%		Sam Dominey	\$7,364,470	0.60%	
SCI Gateway at Huntsville Fund Etal	\$12,638,450	0.59%		Universal Forest Products	\$6,890,080	0.60%	
Hyponex Corporation	\$11,318,137	0.53%		Gibbs Brothers & Co	\$6,414,170	0.50%	

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 Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 7,274,416	\$ 7,044,247	96.8%	\$ 234,221	\$ 7,278,468	100.1%
2003	\$ 8,107,329	\$ 7,860,970	97.0%	\$ 223,480	\$ 8,084,450	99.7%
2004	\$ 8,980,402	\$ 8,707,905	97.0%	\$ 262,885	\$ 8,970,790	99.9%
2005	\$ 9,639,424	\$ 9,225,511	95.7%	\$ 312,783	\$ 9,538,294	99.0%
2006	\$ 9,946,615	\$ 9,552,183	96.0%	\$ 273,104	\$ 9,825,287	98.8%
2007	\$ 10,263,776	\$ 9,870,789	96.2%	\$ 266,400	\$ 10,137,189	98.8%
2008	\$ 10,685,761	\$ 10,242,043	95.9%	\$ 265,161	\$ 10,507,204	98.3%
2009	\$ 11,463,445	\$ 11,025,712	96.2%	\$ 292,119	\$ 11,317,831	98.7%
2010	\$ 12,424,610	\$ 12,058,566	97.1%	\$ 282,431	\$ 12,340,997	99.3%
2011	\$ 12,780,350	\$ 12,258,890	95.9%	\$ 244,893	\$ 12,503,783	97.8%

(1) Original Tax Levy

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

Fiscal Year	General Obligations		Capital Leases	Less: Amounts Available in Debt Service Fund		Total	Percentage of Estimated Actual Taxable Value of Property		Per Capita	Percentage Personal Income
	Bonds									
2002	\$ 4,795,597		\$ -	\$ 4,795,597	\$ 609,402	\$ 4,186,195	0.34%	\$ 66.78	0.42%	
2003	\$ 4,301,586		\$ 107,281	\$ 4,408,867	\$ 406,199	\$ 4,002,668	0.31%	\$ 62.66	0.45%	
2004	\$ 4,077,506		\$ 82,317	\$ 4,159,823	\$ 392,702	\$ 3,767,121	0.26%	\$ 59.89	0.49%	
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	

WALKER COUNTY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2011

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Huntsville I.S.D.	\$ 43,334,280	100%	\$ 43,334,280
New Waverly I.S.D.	\$ 12,157,166	100%	\$ 12,157,166
City of Huntsville	\$ 39,308,398	100%	\$ 39,308,398
City of New Waverly	\$ 480,000	100%	\$ 480,000
City of Riverside	\$ 177,000	100%	\$ 177,000
Subtotal Overlapping Debt	<u>\$ 95,456,844</u>		
Walker County direct debt	\$ 628,135		
Total direct and overlapping debt	<u>\$ 96,084,979</u>		

Source. Entities as listed

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

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

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit (Taxable Property)	\$ 124,341,214	\$ 129,662,862	\$ 143,694,168	\$ 154,176,679	\$ 167,011,388	\$ 182,946,131	\$ 198,394,502	\$ 213,922,206	\$ 221,047,582	\$ 226,458,936
Total net debt applicable to limit	4,186,195	4,002,668	3,767,121	3,348,578	2,560,514	1,939,176	1,888,883	1,269,546	832,331	154,873
Legal debt margin	\$ 120,155,019	\$ 125,660,194	\$ 139,927,048	\$ 150,828,101	\$ 164,450,874	\$ 181,006,955	\$ 196,505,619	\$ 212,652,660	\$ 220,215,251	\$ 226,304,063
Total net debt applicable to the limit as a percentage of debt limit	3.37%	3.09%	2.62%	2.17%	1.53%	1.06%	0.95%	0.59%	0.38%	0.07%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	\$ 2,264,589,364
Add back: exempt real property	878,965,625
Total assessed value	\$ 3,143,554,989
Debt limit (10% of total assessed value)	\$ 314,355,499
Debt applicable to limit:	
General obligation debt	\$ 628,135
Less: Amount set aside for repayment of general obligation debt	473,262
Total net debt applicable to limit	154,873
Legal debt margin	\$ 314,200,626

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

Fiscal Year	(1) Population	(2) Income (amounts expressed in thousands)	(2) Per Capita Personal Income	(3) Median Age	School Enrollment	Unemployment Rate
2002	62,690	\$ 1,084,658	\$ 17,692	n/a	7,644	2.8%
2003	63,882	\$ 1,111,911	\$ 17,837	n/a	7,523	3.9%
2004	62,904	\$ 1,159,211	\$ 18,470	n/a	7,653	2.5%
2005	62,945	\$ 1,217,000	\$ 19,223	n/a	7,520	5.1%
2006	64,480	\$ 1,304,000	\$ 20,374	n/a	7,116	4.9%
2007	64,245	\$ 1,367,000	\$ 21,385	n/a	7,014	5.0%
2008	64,239	\$ 1,547,453	\$ 23,130	n/a	6,572	5.8%
2009	64,739	\$ 1,234,627	\$ 25,072	n/a	7,186	7.8%
2010	67,861	n/a	n/a	n/a	7,191	7.2%
2011	67,861	n/a	n/a	n/a	7,127	8.7%

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

Note 2. Based on information available from Bureau of Economic Analysis U.S. Dept. of Commerce at www.bea.gov/regional/bearfacts for Walker County

Note 3. Based on information available at www.city-data.com for Walker County

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

	2011			2000		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
<u>Employer</u>	6593	1	24.27%			
Texas Department of Criminal Justice	1857	2	6.84%			
Sam Houston State University	1092	3	4.02%			
Huntsville Independent School District	581	4	2.14%			
Huntsville Memorial Hospital	500	5	1.84%			
Wal-Mart	400	7	1.47%			
Walker County	350	6	1.29%			
Region VI Education Service Center	348	8	1.28%			
City of Huntsville	210	9	0.77%			
Weatherford Completion Center	200	10	0.74%			
Gulf Coast Trade Center						

information not available

Note. Total employees in Walker County in September 2011 was 25,780.

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

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

Function	Full-time Equivalent Employees as of September 30									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	
Operating										
General Administration										
Elected	1	1	1	1	1	1	1	1	1	1
Employees	15.5	15.5	13.5	13.5	13.5	12	12.5	11.5	11.5	11.5
Judicial										
Elected	9	9	9	9	9	9	9	9	9	9
Employees	42	41	40	40	40	40	39	39	39	39
Financial Administration										
Elected	3	3	3	3	3	3	3	3	3	3
Appointed	2	2	2	2	2	2	2	2	2	2
Employees	30	31	31	31	28	27.5	24.5	25.5	23.5	23.5
Public Safety										
Elected	5	5	5	5	5	5	5	5	5	5
Employees-Certified	35.5	35.5	35.5	35.5	35.5	34.5	-	-	-	-
Employees-Non-Certified	34.5	34.5	34.5	34.5	34.5	32	-	-	-	-
Employee-Certified/Noncertified							65	63	63	63
Employees - EMS	33	33	32	32	32	30.5	25	25	0	0
Health and Welfare										
Employees	10.5	10.5	10	10	10	9	6	6	6	6
Road and Bridge										
Elected	4	4	4	4	4	4	4	4	4	4
Employees	32.5	32.5	31	31	31	30.5	30.5	30.5	30.5	30.5
Legislatively Designated										
Judicial	1	1	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Public Safety	3	2	2	2	1	1	1	1	1	1
Financial Administration	2	2	3	3	2	1.5	1.5	1.5	1.5	1.5
Grants/State Funding										
Public Safety										
Juvenile Probation	6	6	6	6	6	6	6	6	6	10
Adult Probation	29	29	32	32	31	32	32	32	32	32
SPU Criminal/Civil/Juvenile	45	48	51.4	43	32	29	29	29	29	29
Total	343.5	345.5	347.4	339	322	311	297.5	295.5	272.5	272.5

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

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

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

Function	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Sheriff Office/Constables						
Papers Served	1773	2003	1,933	2,034	2,236	2,363
Jail						
Bookings at Jail	4456	4089	4,086	4,035	4,227	4,871
Average Daily Jail Population	151	143	136	143	145	152
Highest Daily Jail Population	175	176	153	173	177	199
Health and Welfare						
Permits Issued	899	860	250	273	269	292
Judicial/Courts						
Number of indigent cases	1239	1361	1,462	1,142	1,064	892
Number of cases heard-District Courts-Criminal	2037	1968	2,537	1,812	2,250	1,963
Number of cases heard-District Courts-Civil	521	469	623	346	475	446
Cases filed District Courts-Civil	593	551	598	572	343	323
Cases disposed -County Court at Law	1696	1833	2,073	1,918	2,315	2,246
Cases filed in Court at Law-Criminal	1555	1605	1,864	1,745	2,353	2,085
Cases filed County Court at Law-Civil	478	547	601	706	654	488
Cases filed in JP Courts-Traffic/Non Traffic Misdemeanors	12,682	11,732	11,786	11,678	14,933	15,499
Cases filed in JP Courts - Civil	587	677	657	659	405	366
Cases Disposed of - JP Courts	12805	13060	12,603	13,110	14,387	13,504
CountyClerk						
Documents recorded	9036	8400	8,441	8,984	10,430	10,705
Adult Probation						
Offenders Supervised	3388	3395	2,409	2,465	2,749	2,829
Juvenile Probation						
Juveniles Supervised	109	109	111	130	95	91

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

Notes. Cases heard include indigent cases

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

WALKER COUNTY, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION

Function	<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
Patrol Units	35	34	33	33	33	29
Jail	1	1	1	1	1	1
Number of beds	162	162	162	162	162	162
Road & Bridge						
Miles of roads	537	551.74	530.7	530	530	530
Courts						
District Courts	2	2	2	2	2	2
County Court at Law	1	1	1	1	1	1
JP Courts	4	4	4	4	4	4

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

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COMPLIANCE SECTION

HLSK

Hereford, Lynch, Sellars & Kirkham

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

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

Members of the Commissioners' Court:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Walker County, Texas (County), as of and for the year ended September 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

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

Respectfully submitted,

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

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

**Conroe, Texas
March 10, 2012**

HLSK

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

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

Members of the Commissioners' Court:

Compliance

We have audited Walker County, Texas' (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and *Texas Uniform Grant Management Standards* that could have a direct and material effect on each of the County's major federal and state programs for the year ended September 30, 2011. The County's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2011.

Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

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

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

**Conroe, Texas
March 10, 2012**

WALKER COUNTY, TEXAS**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

SECTION I – SUMMARY OF AUDITORS’ RESULTS	
FINANCIAL STATEMENTS	
1. Type of auditors’ report issued	Unqualified
2. Internal Control over Financial Reporting:	
a. Material Weakness(es) identified?	No
b. Significant Deficiency(ies) identified that are not considered to be material weaknesses?	None reported
3. Noncompliance material to Financial Statements noted?	No
FEDERAL AWARDS	
4. Internal control over major programs:	
a. Material Weakness(es) identified?	No
b. Significant Deficiency(ies) identified that are not considered to be material weaknesses?	None reported
5. Type of auditors’ report issued on compliance with major programs	Unqualified
6. Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section 510(a) of OMB Circular A-133	No
7. Identifications of Major Programs	14.218 CDBG Disaster Recovery
8. Dollar Threshold used to Distinguish Between Type A and Type B Federal Programs	\$300,000
9. Auditee Qualified as a Low-Risk Auditee?	Yes
SECTION II – FINANCIAL STATEMENT FINDINGS	
None reported	
SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	
None reported	

WALKER COUNTY, TEXAS

*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - FEDERAL PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2011*

PRIOR YEAR FINDINGS

None reported

WALKER COUNTY, TEXAS**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - STATE PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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

WALKER COUNTY, TEXAS

*SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - STATE PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2011*

PRIOR YEAR FINDINGS

None reported

Schedule of Expenditures of Federal and State Awards

WALKER COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT D-1

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Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Expenditures	Pass-Through Amount to Subrecipients
<u>U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>CDBG Disaster Recovery (Fire Dept Generators)</i>	14.218	DRS010196	\$ 552,712	\$ -
TOTAL U.S. DEPT OF HOUSING AND URBAN DEVELOPMENT			552,712	-
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Passed Through City of Huntsville:				
<i>2009 Justice Assistance Grant Program (JAG)</i>	16.738	2009-DJ-BX-0833	5,131	-
<i>2010 Justice Assistance Grant Program (JAG)</i>	16.738	2010-DJ-BX-0817	9,033	-
<i>2011 Justice Assistance Grant Program (JAG)</i>	16.738	2011-DJ-BX-2912	7,300	-
Total Passed Through City of Huntsville			21,464	-
Passed Through Bureau of Justice Assistance:				
<i>Recovery Act JAG</i>	16.738	2009-SB-B9-3085	68,796	39,258
<i>State Criminal Alien Assistance Program (SCAAP)</i>	16.606	2011-AP-BX-0557	13,299	-
<i>Bulletproof Vest Partnership Grant Program</i>	16.607	-	18,626	-
Total Passed Through Bureau of Justice Assistance			100,721	39,258
TOTAL U.S. DEPARTMENT OF JUSTICE			122,185	39,258
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed Through Texas Division of Emergency Management:				
<i>Homeland Security Grant (2008 CCP)</i>	97.073	2008-GE-T8-0034	15,786	-
<i>Homeland Security Grant (2009 CCP)</i>	97.073	2009-SS-T9-0064	7,450	-
<i>Homeland Security Grant (2009 SHSP)</i>	97.073	2009-SS-T9-0064	67,871	-
<i>Homeland Security Grant (2010 SHSP)</i>	97.073	2010-SS-T0-0008	137,063	-
<i>Emergency Management Assistance (EMPG)</i>	97.042	10-TX-EMPG-0483	17,006	-
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			245,176	-
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Direct Program:				
<i>U. S. Forest Service - Title 1</i>	10.666	-	91,305	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			91,305	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed Through Texas Juvenile Probation Commission:				
<i>Title IV-E Federal Foster Care</i>	93.658	-	22,485	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			22,485	-
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
Passed Through State Division of Emergency Management:				
<i>Emergency Management Assistance</i>	13.2011	DR-1791-197	7,655	-
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			7,655	-
<u>ELECTION ASSISTANCE COMMISSION</u>				
Passed Through Secretary of State:				
<i>General HAVA Compliance</i>	90.401	78711	14,416	-
TOTAL ELECTION ASSISTANCE COMMISSION			14,416	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,055,934	\$ 39,258

WALKER COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011****EXHIBIT D-1****Page 2 of 3**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Expenditures	Pass-Through Amount to Subrecipients
STATE AWARDS				
Passed Through Office of Court Administration:				
<i>Task Force on Indigent Defense</i>		212-10-236	\$ 146,629	\$ -
Passed Through Juvenile Probation Commission:				
<i>State Aid Contract</i>		A-2011-236	103,019	-
<i>Commitment Reduction</i>		C-2011-236	43,459	-
<i>Progressive Sanctions JPOs</i>		F-2010-236	69,706	-
<i>Community Corrections Assistance</i>		Y-2011-236	118,360	-
<i>ICBP Regional</i>		X-2011-236	7,465	-
<i>Salary Adjustment</i>		Z-2011-236	12,756	-
<i>TJPC-H Diversionary</i>		H-2011-236	3,841	-
Total Passed Through Juvenile Probation Commission			358,606	-
Passed Through Department of Corrections:				
<i>CSCD - Basic Supervision</i>		2011-900	1,131,441	-
<i>Basic Supervision - Rider 80</i>		2011-900	25,013	-
<i>CSCD - Court Services</i>		2011-003	137,695	-
<i>Court Services - Rider 80</i>		2011-003	6,259	-
<i>CSCD - Substance Abuse Services</i>		2011-002	61,364	-
<i>Substance Abuse Services - Rider 80</i>		2011-002	2,479	-
Total Passed Through Department of Corrections			1,364,251	-
Passed Through Office of Governor:				
<i>Prosecution of Prison Crimes - Criminal</i>		SF-11-A10-14918-12	1,409,621	-
Passed Through Office of State Comptroller:				
<i>Judiciary Appointment - CDA</i>		-	33,589	-
Passed Through Texas Department of State Health Services:				
<i>EMS - Local Project (DSHS - Equipment)</i>		2011-34911	27,648	-
Passed Through Office of Attorney General:				
<i>Statewide Victim Information and Notification Everyday System</i>		1013010	18,283	-
Passed Through Southeast Texas Trauma Regional Advisory Council:				
<i>EMS Trauma Care System</i>		2010-34911	9,661	-
Passed Through Commission on Environmental Quality:				
<i>Walker County Solid Waste</i>		10-16-G15	34,283	-
Passed Through Houston Galveston Area Council:				
<i>All Maintenance Intergovernmental Agreement</i>		-	34,488	-
Passed Through Office of the Secretary of State:				
<i>Chapter 19 Voter Funds</i>		-	8,815	-
Passed Through TxCDBG:				
<i>Elevated Storage Tanks</i>		-	350,000	-
TOTAL EXPENDITURES OF STATE AWARDS			3,795,874	-

WALKER COUNTY, TEXAS**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011****EXHIBIT D-1****Page 3 of 3**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Total Expenditures	Pass-Through Amount to Subrecipients
<u>STATE ALLOCATIONS</u>				
<i>SPU - State Allocation</i>		08-A10-14918-11	\$ 212,146	\$ -
<i>SPU - Civil</i>		08-A10-14918-11	2,560,607	-
<i>SPU - Longevity Pay - Criminal</i>		08-A10-14918-11	24,440	-
<i>SPU - Juvenile</i>		08-A10-14918-11	827,533	-
<i>SPU - Longevity Pay - Juvenile</i>		08-A10-14918-11	2,060	-
<i>Constitutional Judge Salary Supplement</i>		SB 600	15,534	-
<i>CCL Judge Supplement</i>		SB 600	75,000	-
<i>Juror Pay</i>		SB 1704	18,564	-
<i>State Longevity Pay</i>		SB 844	5,400	-
<i>Road & Bridge - Lateral Road Allocation</i>		Tax Code-Chap 162	62,625	-
<i>Rider 78 and Rider 81 - Supplement for District Clerk</i>		HB 1	12,000	-
TOTAL STATE ALLOCATIONS			<u>3,815,909</u>	<u>-</u>
<u>STATE REIMBURSEMENTS</u>				
<i>State Funds - Capital Murder</i>		-	41,138	-
TOTAL STATE REIMBURSEMENTS			<u>41,138</u>	<u>-</u>
TOTAL STATE AWARDS, ALLOCATIONS, AND REIMBURSEMENTS			<u>\$ 7,652,921</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

WALKER COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2011

Basis of Presentation

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

Insurance

Walker County is currently insured through the purchase of insurance for Workers Compensation, Health Insurance and other insurances through the Texas Association of Counties. The coverage is through several policies including Workers Compensation, Health, Property, Inland Marine, General Liability, Public Officials and Employee Related Practices Liability, Boiler and Machinery, Automobile Liability, Automobile Comprehensive, and Law Enforcement Legal Liability. Property coverage varies related to property type and type of occurrence, with the total of the listed properties at an aggregate value of approximately \$35,749,000. Coverage of buildings is at replacement cost Public Officials and Law Enforcement Liability each have \$2,000,000 limits of liability. Automobile Liability coverage is 100K/300K/100K. Automobile Physical Damage is per the scheduled values. General Liability limits of coverage are 100K/300K/100K.