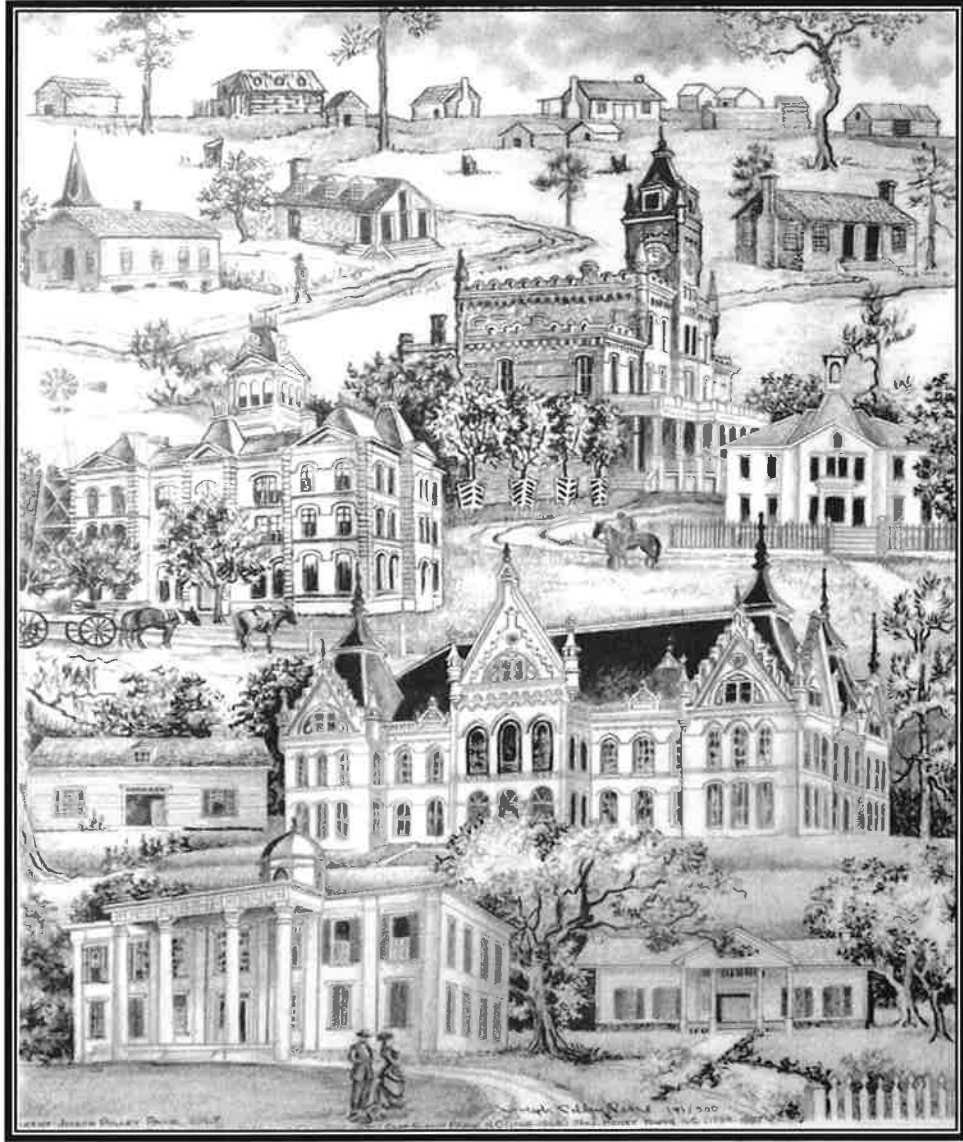




# Walker County, Texas



*Comprehensive Annual Financial Report  
For the Year Ended September 30, 2016*

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

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

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

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

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

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

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

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

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

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

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

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

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

**WALKER COUNTY, TEXAS**  
***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***FOR THE YEAR ENDED SEPTEMBER 30, 2016***

Prepared by:  
County Auditor Department

**WALKER COUNTY, TEXAS**  
Comprehensive Annual Financial Report  
For The Year Ended September 30, 2016

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# INTRODUCTORY SECTION



## WALKER COUNTY AUDITOR

1301 Sam Houston Avenue Room 206

Huntsville, Texas 77320

(936) 436-4948

March 13, 2017

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

Gentlemen:

The Comprehensive Annual Financial Report of Walker County, Texas, for the year ended September 30, 2016, 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 Davis, Heinemann & Company, P.C. The goal of the independent audit was to provide reasonable assurance that the financial statements of Walker County for the year ended September 30, 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that Walker County's financial statements for the fiscal year ended September 30, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

### Profile of the Government

Walker County, created in 1846, covers approximately 810 square miles in the rolling hills of the East Texas Pineywoods and according to 2012 census serves a population of approximately 68,408. Walker

County is located approximately 60 miles north of metropolitan Houston and 165 miles south of metropolitan Dallas/Fort Worth. Interstate 45 runs through the County.

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

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

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

#### **Local Economic Condition and Outlook**

Walker County provides access to the highly popular Sam Houston National Forest where rich vegetation and numerous lakes allow visitors to participate in activities such as fishing, camping, and hiking. Also, Walker County visitors and residents alike enjoy the scenery provided by the world's tallest statue of an American hero; the 67-foot high replica of Sam Houston known as *A Tribute to Courage*. Meanwhile, indoor entertainment can be found at the Sam Houston Memorial Museum, the Texas Prison Museum, and a variety of cultural and sporting events offered by Sam Houston State University, in Huntsville. The H.E.A.R.T.S Veteran's Museum of Texas is located adjacent to Interstate 45.

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

Walker County's estimated population is 70,699. 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 2016 was 5.8%, compared with the state unemployment rate of 4.9% and national unemployment rate of 4.8%. This county rate compares to 6.6%, for the prior year according to information provided by the Texas Workforce Commission. Walker County has traditionally had very stable employment, due primarily to an economy based on employment at Sam Houston State University and Texas Department of Criminal Justice. The State's prison system is headquartered in Walker County with seven major facilities housing an estimated 13,492 inmates. Sam Houston State University, also located in Walker County, reported an enrollment of approximately 20,220 students for the fall of 2016 as compared to 20,031 for 2015.

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

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

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

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

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

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

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

Between May 4, 2015 and June 24, 2016 Walker County saw 5 FEMA declared disasters related to flooding. These incidents have left a memorable impression on our community in some manner. 2015 was the wettest year in Walker County since 1998. Walker County was declared in 5 federal disasters in 2015 and 2016 after two different 100+ year floods occurred causing homes to flood over (10) ten times which in turn called for numerous evacuations. Walker County maintained roads and drainage avenues were inundated with water. The five declared federal disasters have resulted in approximately \$4,406,719.03 in funds that is in the process of being obligated or has been obligated for reimbursement to Walker County.

**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, 2015, as in previous years, one-time costs were funded with funds available in fund balance. There last tax increase was in 2013 followed by no tax increases in 2014, 2015, 2016 or 2017. The total budget for FY 16/17, that began October 1, 2016 is \$33,958,251 compared to the original budget of \$33,112,116 for the FY 15/16 year covered by this report, an increase of \$846,135.

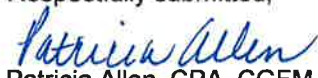
#### **Awards and Acknowledgements**

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, 2015. This was the twentieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

  
Patricia Allen, CPA, CGFM  
County Auditor



Government Finance Officers Association

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

Presented to

**Walker County  
Texas**

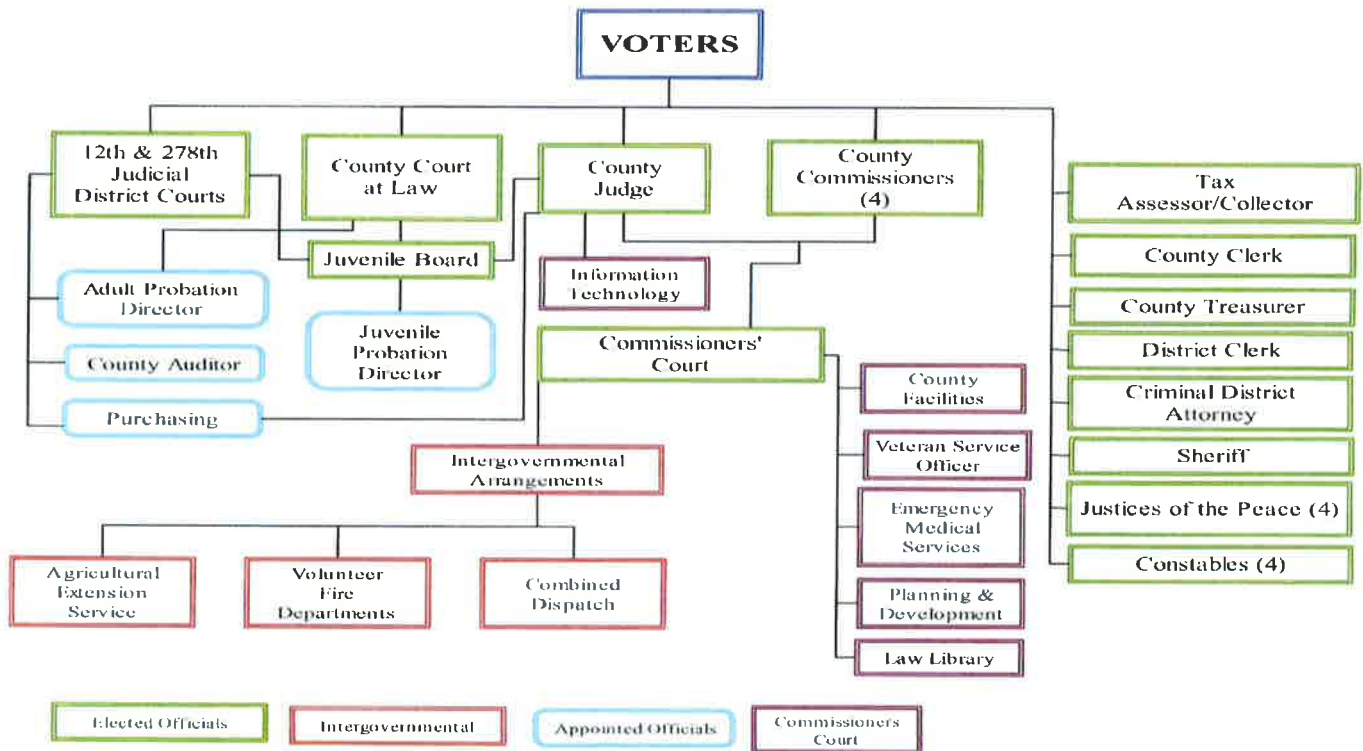
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2015**



Executive Director/CEO

# Walker County, Texas Organization



**WALKER COUNTY, TEXAS****LIST OF PRINCIPAL OFFICIALS****SEPTEMBER 30, 2016**

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**Elected Officials**

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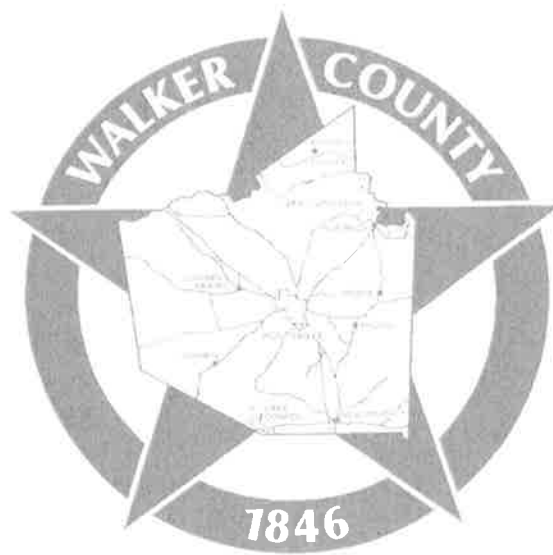
<u>Name</u>	<u>Office</u>
Donald Kraemer	Judge, 12th Judicial District Court
Hal Ridley	Judge, 278th Judicial District Court
Robert D. Pierce, II	County Judge
Tracy Sorensen	Judge, County Court at Law
B.J. Gaines, Jr.	Commissioner, Precinct 1
Ronnie White	Commissioner, Precinct 2
Glen Reader	Commissioner, Precinct 3
Jimmy Henry	Commissioner, Precinct 4
Diana McRae	Tax Assessor/Collector
Amy Klawinsky	County Treasurer
Robyn Flowers	District Clerk
Kari French	County Clerk
Clint McRae	Sheriff
David P. Weeks	Criminal District Attorney
Janie Farris	Justice of the Peace, Precinct 1
Michael Countz	Justice of the Peace, Precinct 2
Mark Holt	Justice of the Peace, Precinct 3
Stephen Cole	Justice of the Peace, Precinct 4
John Hooks	Constable, Precinct 1
Reed Prehoda	Constable, Precinct 2
Steve Hill	Constable, Precinct 3
Gene Bartee	Constable, Precinct 4

---

**Appointed Officials**

---

<u>Name</u>	<u>Office</u>
Patricia Allen	County Auditor
Kristin Hunter	Director, Adult Probation
Jill Saumell	Director, Juvenile Probation
Mike Williford	County Purchasing Agent





# FINANCIAL SECTION



**DAVIS, HEINEMANN & COMPANY, P.C.**

***CERTIFIED PUBLIC ACCOUNTANTS***

1300 11TH STREET, SUITE 500

P.O. BOX 6308

HUNTSVILLE, TEXAS 77342

PHONE (936) 291-3020

FAX (936) 291-9607

**Independent Auditor's Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Walker County, Texas ("the County") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Walker County, Texas as of September 30, 2016, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of funding progress for OPEB benefits, schedule of the County's proportionate share of the net pension liability and schedule of County pension contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Walker County, Texas' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F -- Audit Requirements (Uniform Guidance) and the *Texas Uniform Grant Management Standards* and is also not a required part of the basic financial statements.

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2017 on our consideration of Walker County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Walker County, Texas' internal control over financial reporting and compliance.

Respectfully submitted,

*Davis, Heinemann + Co.*

Davis, Heinemann & Company, P.C.

Huntsville, Texas  
March 13, 2017



## 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, 2016. 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 \$6,357,312 (net position). The unrestricted net position is a negative \$5,191,383. Due to the implementation of GASB 68 and GASB 71, a major change in the method for accounting for unrestricted net position occurred with the issue of the last fiscal year report. Governments are required to reduce their net position by 100% of unfunded liability for future payments to the employee's retirement system, even though, annual funding requirements are being met. For Walker County, this reduction amounted to \$10,224,078. Unrestricted net position is the amount that may be used to meet the ongoing obligations to citizens and creditors. The balance is invested in capital assets and restricted for debt.
- On a government-wide basis for governmental activities, the County had expenses net of program revenue of \$22,142,218. General revenues of \$21,890,579 (Exhibit A-2) were \$251,639 less than expenses net of program revenue. An accrual of \$1,367,808 for postemployment benefits is included in the expenses. This is the seventh year the County has recorded this liability resulting in a total of \$9,543,733 recorded as the net OPEB obligation at the end of the fiscal year.
- The General Fund, on a current financial resource basis (fund level), reported revenues over expenditures and other financing sources (uses) of \$2,042,634 as compared to a planned reduction of \$1,885,299 (Exhibits A-5 and B-1), the result primarily of decreased spending and revenues over budget.
- As of September 30, 2016, unassigned fund balance in the General Fund was \$6,013,553. The total unassigned Fund Balance for the prior year was \$5,516,930.
- Unassigned Fund balance as a percentage of expenditures for the General Fund is 29%, an amount that exceeds the minimum requirement goal (16.67%) set by Commissioners' Court. The adopted budget for FY 2017 included use of fund balance for one-time expenditures. The amount included in the FY 2017 budget is classified as Fund Balance Assigned - One time allocation in the financial report and is not included in the Unassigned Fund Balance number mentioned above. See Note B and Note L for a discussion of the Fund Balance classifications.

### Overview of the Financial Statements

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

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

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

**Government-wide Financial Statements.** The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The

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

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

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

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

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

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

Walker County's report includes thirty individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, Jail Project capital project fund, grants and contracts fund, road and bridge fund, and the EMS fund which are considered to be major funds. Data from twenty-four 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 78.

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

The basic governmental fund financial statements can be found beginning on page 24.

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

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

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

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34 to 54 of this report.

**Required Supplementary Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Walker County. The County adopts an annual budget for its General Fund and special revenue funds including its Road and Bridge Fund. Required supplementary information begins on page 56 of this report. Budgetary comparison schedules have been prepared to demonstrate compliance with the budget for the General Fund (Exhibit B-1), Road and Bridge Fund (Exhibit B-2), EMS Fund (Exhibit B-3) and the Grants and Contracts 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 78.

## Government-wide Financial Analysis

Below is condensed financial information for the fiscal year 2016 with comparative data for 2015. The following schedule focuses on the net position of the County as a whole and gives data as of September 30<sup>th</sup> (the County's fiscal year end date) of each year.

### WALKER COUNTY, TEXAS' NET POSITION

	Governmental Activities					
	2016		2015		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Cash, Cash Equivalents, & Investments	\$ 14,805,857	29	\$ 13,008,433	28	\$ 1,797,424	14
Receivables and Prepaids	7,418,984	15	6,149,560	9	1,269,424	21
Capital Assets, Net of Depreciation	26,555,620	54	27,697,244	63	(1,141,624)	-
<b>Total Assets</b>	<b>48,780,461</b>	<b>100</b>	<b>46,855,237</b>	<b>100</b>	<b>1,925,224</b>	
Deferred Outflows of Resources-Pensions	7,038,922		2,517,087			
Deferred Inflows of Resources-Pensions	974,530		-			
Current Liabilities	3,701,018	8	4,500,978	14	(799,960)	(18)
Noncurrent Liabilities	44,786,523	92	38,262,395	86	6,524,128	17
<b>Total Liabilities</b>	<b>48,487,541</b>	<b>100</b>	<b>42,763,373</b>	<b>100</b>	<b>5,724,168</b>	
<b>Net Assets:</b>						
Invested in Capital Assets, net of Debt	9,685,620	152	10,521,448	66	(835,828)	
Restricted	1,863,075	29	1,584,821	1	278,254	
Unrestricted	(5,191,383)	(82)	(5,497,318)	33	305,935	
<b>Total Net Assets</b>	<b>\$ 6,357,312</b>	<b>100</b>	<b>\$ 6,608,951</b>	<b>100</b>	<b>\$ (251,639)</b>	<b>(4)</b>

As mentioned earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by \$6,357,312 at September 30, 2016 as compared to \$6,608,951 at September 30,



2015. Investment in capital assets (land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding totals \$9,685,620. Walker County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although investments in capital assets is reported net of debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the assets at fiscal year-end represent resources that are subject to restrictions on how they may be used. \$210,755 is restricted for Debt Service and \$1,652,320 is restricted for grants and purposes defined by legislation. Net position not restricted or invested in capital assets may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position at fiscal year end is a negative (\$5,191,383). The deficit is due to the implementation of GASB 68 and GASB 71, which forces a major change in the method for accounting for unfunded liability for future payments to the employee's retirement system, even if, annual funding requirements are being met. For Walker County, this reduction amounted to \$10,224,078. Currently the employee's retirement system is funded at 77%. Additional information on the liability for the retirement system is found in Note M. beginning on page 48 of this report.

**Government-wide Activities.** There was a difference in expenses over revenues of \$251,639 reported on the Statement of Activities on a government-wide view. Included in the expenses is \$1,367,808 for other postemployment benefits. Key elements of the overall decrease in net position are as follows.

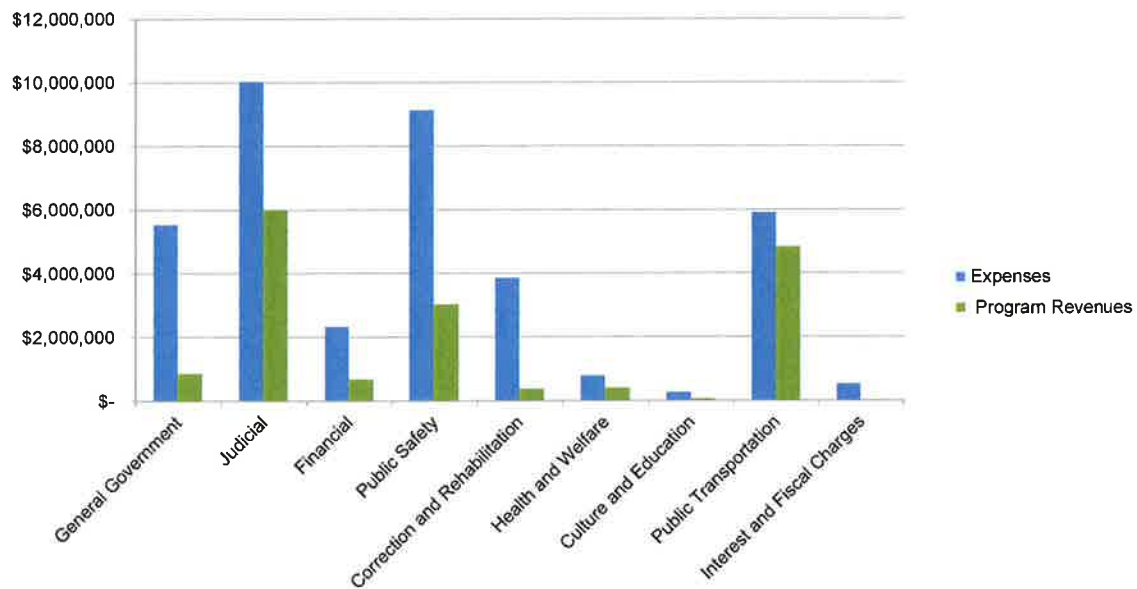
#### WALKER COUNTY, TEXAS' CHANGE IN NET POSITION

	Governmental Activities					
	2016		2015		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
<b>Revenues:</b>						
Program Revenues:						
Charges for Service	\$ 7,316,503	19	\$ 7,366,025	22	\$ (49,522)	(1)
Operating Grants and Contributions	8,891,973	23	6,840,859	18	2,051,114	30
Capital Grants and Contributions	99,640	2	393,558	-	(293,918)	(75)
General Revenues:						
Property Taxes	17,975,921	47	17,294,805	49	681,116	4
Other Taxes	3,428,677	9	3,445,822	10	(17,145)	-
Investment Earnings	70,920	0	24,256	-	46,664	192
Other	415,061	1	283,576	1	131,485	46
<b>Total Revenues</b>	<b>38,198,695</b>	<b>101</b>	<b>35,648,901</b>	<b>100</b>	<b>2,418,309</b>	
<b>Expenses:</b>						
General Government	5,543,255	14	5,034,941	15	508,314	10
Judicial	10,040,223	27	9,785,092	27	255,131	3
Financial Administration	2,333,148	6	2,228,163	6	104,985	5
Public Safety	9,142,524	24	7,358,381	24	1,784,143	24
Correction and Rehabilitation	3,860,155	10	3,809,298	10	50,857	100
Health & Welfare	799,830	2	1,101,500	2	(301,670)	(27)
Culture and Education	278,594	1	267,349	1	11,245	100
Public Transportation	5,917,477	15	5,255,590	14	661,887	13
Interest and Fiscal Charges	535,128	1	551,478	1	(16,350)	(3)
<b>Total Expenses</b>	<b>38,450,334</b>	<b>102</b>	<b>35,391,792</b>	<b>100</b>	<b>3,058,542</b>	
<b>Change in Net Assets</b>	<b>(251,639)</b>		<b>257,109</b>		<b>(508,748)</b>	
<b>Net Assets - Beginning</b>	<b>6,608,951</b>		<b>16,575,920</b>		<b>(9,966,969)</b>	
Prior Period Adjustment	-		(10,224,078)		10,224,078	
<b>Net Assets - Ending</b>	<b>6,357,312</b>		<b>6,608,951</b>		<b>(251,639)</b>	<b>(4)</b>

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The following graphic presentation depicts expenses and program revenues for fiscal year 2016 for governmental activities (government-wide).

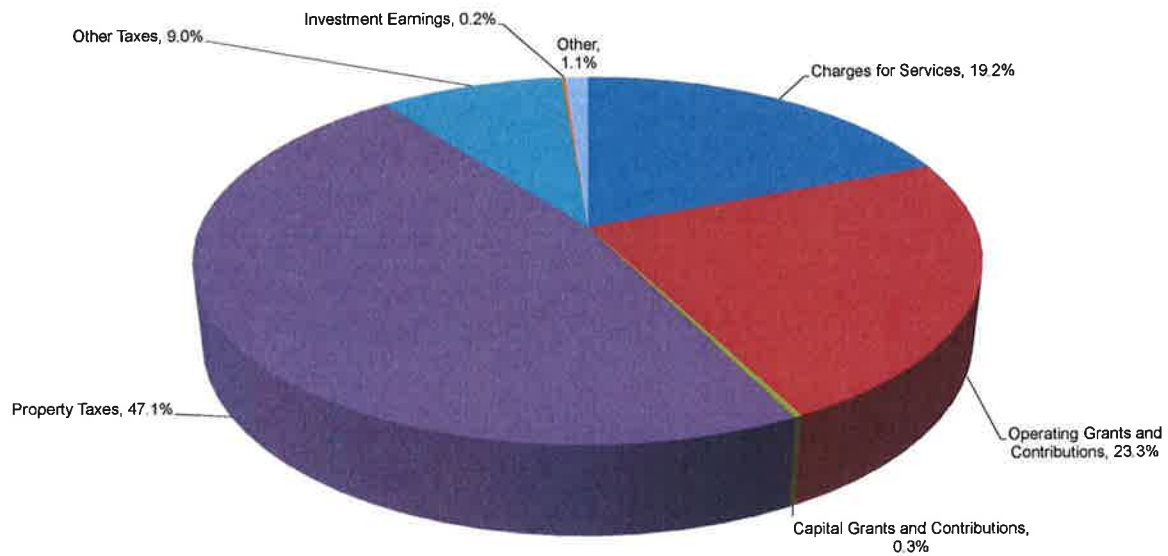
**Walker County, Texas  
Expenses and Program Revenues  
Government-wide Governmental Activities  
For the Year Ending September 30, 2016**



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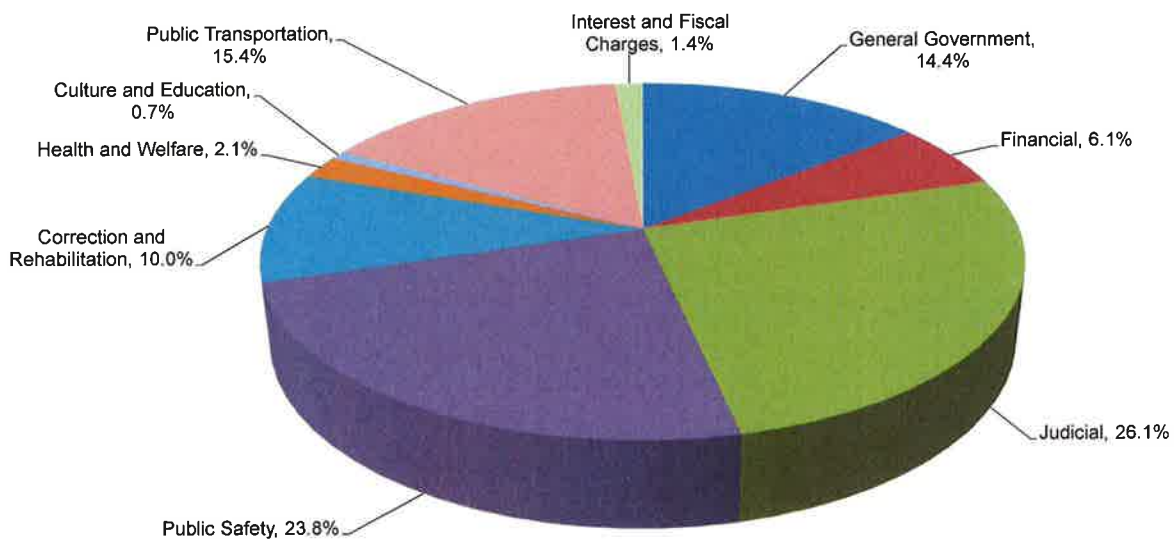
The following graphic presents revenues by source for fiscal year 2016 for governmental activities (government-wide).

Walker County, Texas  
Revenues by Source-Government-Wide  
Governmental Activities  
For the Year Ending September 30, 2016



The following graphic presentation presents expenditures by function for fiscal year 2016 for governmental activities (government-wide).

Walker County, Texas  
Expenses by Function-Government-Wide  
Governmental Activities  
For the Year Ending September 30, 2016



### 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 \$16,319,596 (Exhibit A-3) compared to \$14,482,358, in the prior year, an increase of \$1,837,238. The amount includes an increase in restricted funds for Public Transportation of \$1,762,780 primarily due to the recording of revenues from FEMA for flood projects that have not been spent. Other increases include an increase in the General Fund of \$681,214, an increase of \$21,162 in the Debt Service Fund, a decrease in the EMS Fund of \$239,027 and an increase of \$240,206 in funds restricted for grants and legislatively designated purposes. The remainder of the Capital Project-Jail Construction project monies was spent leaving the fund with a \$0 balance, a decrease of \$629,092 from the prior year.

As required by GASB Statement 54, funds balances are classified as restricted, committed, assigned or unassigned. Unassigned fund balance as of September 30, 2016 is \$6,013,553 compared to \$5,516,930 in the fiscal year ending September 30, 2015. This amount is available for day-to-day operations of the County. The General Fund including project allocations showed an increase of \$295,335 due to adding additional funds for facilities projects.

One measure of liquidity is to compare fund balance to total fund expenditures. The unassigned fund balance in the General Fund is approximately 29% of General Fund expenditures. Sales tax revenue came in over budget at \$75,288, basically flat from the prior year. Sales tax collections in FY 2017(our current year) remain relatively flat from fiscal year 2016. In total, the General Fund, revenues exceeded budget by \$648,532. Monies included in the General Fund for projects that were not spent during the fiscal year total \$1,791,959. These project monies are carried forward to the next budget year (FY 2017) for these projects. Vacancies and unfilled positions also resulted in expenditures less than budgeted. A presentation follows at the end of this section showing a comparison by category.

There was not a significant net change in Fund Balance in the Debt Service Fund. The increase is \$21,162.

The Capital Project – Jail Construction Fund shows a fund balance of \$0 at year end, a decrease of \$629,092. This project fund will be closed.

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

The fund balance of the Road and Bridge Fund, a fund used to account for the costs of providing road maintenance to the County, is \$3,726,799 up from \$1,964,019 in the prior fiscal year end. Road and Bridge Fund expenditures total \$5,908,910 compared to \$5,303,034 in FY 2015. The unspent funds continue to be committed for road maintenance in future years. Revenues and other financing sources total \$7,248,371, netting a \$1,762,780 increase in fund balance primarily due to the recording of revenues from FEMA for flood projects that have not been spent. Vacancies resulted in approximately \$129,000 of the fund balance.

The Walker County EMS fund has a fund balance of \$1,279,654 at year end, a decrease of \$239,027. The budgeted decrease was \$498,342. EMS revenues exceeded budget by \$118,973.

Information follows that shows the comparisons by category for the General Fund.

## Walker County Analysis of Final Budget to Actual - General Fund

	General Fund					
	Final Budget		Actual		Variance	
	Final Budget	%	Actual	%	Amount	
<b>Revenues</b>						
Ad Valorem Taxes	\$ 13,972,121	69	\$ 13,875,970	66	\$ (96,151)	
Property Tax Penalty and Interest	220,000	1	236,640	1	16,640	
Other Taxes	3,319,679	16	3,428,677	16	108,998	
Licenses and Permits	131,000	1	220,856	1	89,856	
Intergovernmental Revenues	694,497	3	844,074	4	149,577	
Charges for Service	1,811,660	9	1,993,327	9	181,667	
Fines and Forfeitures	85,472	0	129,578	1	44,106	
Interest Income	14,804	0	54,034	0	39,230	
Other Income	117,625	1	232,234	1	114,609	
<b>Total Revenues</b>	<b>20,366,858</b>	<b>100</b>	<b>21,015,390</b>	<b>100</b>	<b>648,532</b>	
<b>Expenditures</b>						
Salaries/Other Pay/Benefits	14,022,663	63	13,505,402	71	517,261	
Operations	4,171,191	19	3,596,248	19	574,943	
Intergovernmental/Contracts	1,282,198	6	1,263,598	7	18,600	
Contingency	363,398	2	-	-	363,398	
Projects	2,163,802	10	371,843	2	1,791,959	
Capital	248,905	1	235,665	1	13,240	
<b>Total Expenditures</b>	<b>22,252,157</b>	<b>100</b>	<b>18,972,756</b>	<b>100</b>	<b>3,279,401</b>	
<b>Total Revenues over Expenditures</b>	<b>\$ (1,885,299)</b>		<b>\$ 2,042,634</b>		<b>\$ 3,927,933</b>	
<b>Other Financing Sources/Uses</b>						
Transfers In	662,878		662,878		-	
Transfers Out	(2,024,298)		(2,024,298)		-	
<b>Total Other Financing Sources/Uses</b>	<b>(1,361,420)</b>		<b>(1,361,420)</b>		<b>-</b>	
<b>Net Change in Fund Balance</b>	<b>(3,246,719)</b>		<b>681,214</b>		<b>3,927,933</b>	

### General Fund Budgetary Highlights

As required by 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 FY 2016 (current year). The portion of fund balance that was committed for projects increased from \$1,499,348 to \$1,794,683 at the end of the fiscal year ended September 30, 2016.

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 16.67% to 25% (2 to 3 months) of the operating budget. County policy is that the fund balance not be drawn down to fund on-going operating costs. The actual difference between revenues and expenditures was an increase to fund balance in the amount of \$681,214.

Differences between the original expenditure budget and final amended expenditure budget are a result primarily of grants and state funds received after adoption of the budget. A budgetary comparison for the General Fund can be found in the required supplementary information section beginning on page 56.

Increases to the revenue budget total \$253,641. The increase includes intergovernmental transfers primarily from the state in the amount of \$189,016 and \$64,625 in miscellaneous funds. Revenue increases include grants received, monies received from the state for capital murder costs and insurance refunds for claims filed with the county's insurance carrier. Expenditure budgets were increased by like amounts. Transfers from the contingency funds are reflected in the appropriate accounts as the transfers are approved by Commissioners Court.

Actual General Fund revenues exceeded the amended budgeted General Fund revenues and departmental expenditures were less than the amended budget during the year ended September 30, 2016. Of the total

projects budgeted through September 30, 2016, there are remaining funds of \$1,791,959 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, 2016 is \$26,555,620 (net of accumulated depreciation). Included in this total is \$680,552 in land. Investment in capital assets includes land, buildings, improvements, machinery and equipment, and bridges. As required by GASB Statement 34, depreciation is included for all depreciable assets on the government-wide statements.

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

	Governmental Activities					
	2016		2015		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land	\$ 680,552	3	\$ 680,552	2	\$ -	-
Buildings	21,437,398	81	23,054,364	86	(1,616,966)	(7)
Vehicles	1,174,894	4	1,043,676	4	131,218	13
Furniture, Fixtures, Office Equipment	318,277	1	409,809	2	(91,532)	(22)
Machinery & Equipment	2,125,898	8	2,508,843	6	(382,945)	(15)
Construction in Progress	818,601	3	-	-	818,601	100
<b>Totals</b>	<b>\$ 26,555,620</b>	<b>100</b>	<b>\$ 27,697,244</b>	<b>100</b>	<b>\$ (1,141,624)</b>	

Additional information on the County's capital assets can be found in Note H and in the supplementary information on Exhibits C32 thru C-34 of this report.

**Long-term Debt.** In June of 2012, a certificate of obligation in the amount of \$20,000,000 was issued for the construction of a county jail. At the time of that debt issue, the County was debt free. The debt issued for the jail construction is to be paid off over a 20 year period. County policy requires that the term of payment must in all cases be less than the expected life of the asset. Debt outstanding at \$16,870,000.

All debt is backed by the full faith and credit of the government, meaning that the County has pledged to levy a property tax sufficient to pay the debt. A tax increase is levied each year to pay the debt. The annual payments are generally in the \$1,380,000 range.

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

	Governmental Activities					
	2016		2015		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Certificates of Obligation:						
Capital Projects	\$ 16,870,000	100	\$ 17,700,000	100	\$ (830,000)	(5)
Equipment	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 16,870,000</b>	<b>100</b>	<b>\$ 17,700,000</b>	<b>100</b>	<b>\$ (830,000)</b>	

For the fiscal year ended September 30, 2016, payments on certificates of obligation debt totaled \$830,000.

Additional information on debt can be found in Note I to the financial statements. In addition to debt for certificates of obligation the County has recorded debt for compensated absences of \$830,654, and a long-term obligation for post-employment benefits of \$9,543,733. The obligation for post-employment benefits is discussed in Note N of this report. In addition, the liability of \$17,443,735 is recorded for the net pension liability. Note M beginning on page 48 provides information related to this liability.

### Economic Factors, Budget and Rate information for FY beginning October 1, 2015

- The unemployment rate in the County for 2016 was 5.8%, as compared to the state unemployment rate of 4.9% and national unemployment rate of 4.8%. This rate compares to 5.0% 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 13,492 inmates.

- The new improvement/construction value added to the tax roll for FY 2016 (tax year 2015) totaled \$80,381,544 as compared to \$53,928,593 for the prior year. \$50,000,000+ had been consistent for the last ten years.
- Commissioners' Court approved a \$33,958,251 expenditure budget for FY 2017, an increase from the \$33,112,116 budget for the 2016 fiscal year.
- The tax rate adopted for the FY 2017 budget is \$0.6157 per \$100 of valuation, down from the \$0.6206 for FY 2016. The rate adopted was the effective tax rate and was lower than the prior year as a result of growth in the tax base.
- Walker County revenues for FY 2017 at the date of this report generally continue to be in line with expectations. Total sales tax receipts are relatively flat in FY 2017 as compared to this time in FY 2016. Charges for service revenues as a total are in line with the budget. Ad valorem tax collections are at the approximate same percentage of levy through February. Walker County continues to closely monitor its revenues and expenditures.

#### **Request for Information**

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

## *Basic Financial Statements*



**WALKER COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2016**

	Governmental Activities
<b>ASSETS:</b>	
<i>Cash and Cash Equivalents</i>	\$ 14,805,857
<i>Taxes Receivable</i>	1,576,792
<i>Accounts Receivable, Net</i>	1,294,401
<i>Fines Receivable</i>	714,910
<i>Internal Balances</i>	-
<i>Prepaid Items</i>	34,146
<i>Due from Other Governments</i>	3,699,246
<i>Due from Others</i>	99,489
Capital Assets Not Being Depreciated:	
<i>Land</i>	680,552
<i>Construction in Progress</i>	818,601
Capital Assets, Net of Accumulated Depreciation	25,056,467
<b>Total Assets</b>	<b>48,780,461</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
<i>Deferred Outflows of Resources from Pensions</i>	7,038,922
<b>Total Outflows of Resources</b>	<b>7,038,922</b>
 <b>LIABILITIES:</b>	
<i>Accounts Payable</i>	1,288,943
<i>Accrued Interest</i>	87,475
<i>Due to Other Governments</i>	3,093
<i>Due to Others</i>	583,163
<i>Accrued Liabilities</i>	1,667,508
<i>Unearned Revenue</i>	70,836
Noncurrent Liabilities:	
<i>Due Within One Year</i>	845,000
<i>Due in More Than One Year</i>	43,941,523
<b>Total Liabilities</b>	<b>48,487,541</b>
 <b>DEFERRED INFLOWS OF RESOURCES:</b>	
<i>Deferred Inflows of Resources from Pensions</i>	974,530
<b>Total Inflows of Resources</b>	<b>974,530</b>
 <b>NET POSITION:</b>	
Net Investment in Capital Assets	9,685,620
Restricted For:	
Debt Service	210,755
Grants or by Legislation	1,652,320
Unrestricted	(5,191,383)
<b>Total Net Position</b>	<b>\$ 6,357,312</b>

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>PRIMARY GOVERNMENT:</b>					
Governmental Activities:					
General Government	\$ 5,543,255	\$ 819,957	\$ 46,962	\$ -	\$ (4,676,336)
Financial	2,333,148	687,049	-	-	(1,646,099)
Judicial	10,040,223	705,742	5,309,408	-	(4,025,073)
Public Safety	9,142,524	2,630,156	413,032	-	(6,099,336)
Correction and Rehabilitation	3,860,155	383,983	212	-	(3,475,960)
Health and Welfare	799,830	221,049	88,700	99,640	(390,441)
Culture and Recreation	278,594	-	67,852	-	(210,742)
Public Transportation	5,917,477	1,868,567	2,965,807	-	(1,083,103)
Interest and Fiscal Charges	535,128	-	-	-	(535,128)
Total Governmental Activities	38,450,334	7,316,503	8,891,973	99,640	(22,142,218)
Total Primary Government	\$ 38,450,334	\$ 7,316,503	\$ 8,891,973	\$ 99,640	(22,142,218)
General Revenues:					
Property Taxes					17,975,921
Sales Taxes					3,261,313
Mixed Beverage and Other Taxes					167,364
Investment Earnings					70,920
Miscellaneous					415,061
Transfers					-
Total General Revenues					21,890,579
Change in Net Position					(251,639)
Net Position - Beginning					6,608,951
Net Position - Ending					\$ 6,357,312

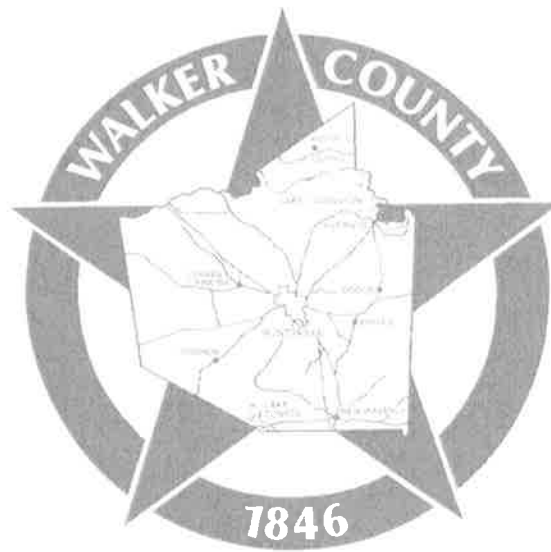
The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2016**

	General Fund	Debt Service Fund	Road and Bridge Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 10,599,856	\$ 180,420	\$ 1,105,709
<i>Taxes Receivable</i>	1,458,982	117,810	-
<i>Accounts Receivable, Net</i>	74,464	-	-
<i>Prepaid items</i>	34,146	-	-
<i>Due from Other Governments</i>	646,687	-	3,042,452
<i>Due from Other Funds</i>	828,523	-	-
<i>Due from Others</i>	88,077	-	10,500
Total Assets	\$ 13,730,735	\$ 298,230	\$ 4,158,661
<b>LIABILITIES:</b>			
<i>Accounts Payable</i>	\$ 674,523	\$ -	\$ 399,884
<i>Due to Other Governments</i>	643	-	-
<i>Due to Other Funds</i>	-	-	-
<i>Due to Others</i>	527,052	-	29,490
<i>Accrued Liabilities</i>	1,589,132	-	2,488
<i>Unearned Revenue</i>	-	-	-
Total Liabilities	2,791,350	-	431,862
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
<i>Deferred Revenue - Property Taxes</i>	1,458,982	117,810	-
Total Deferred Inflows of Resources	1,458,982	117,810	-
<b>FUND BALANCES:</b>			
<i>Nonspendable - Prepaid Items</i>	34,146	-	-
<i>Restricted for Debt Service</i>	-	180,420	-
<i>Restricted for Grants or by Legislation</i>	-	-	-
<i>Committed for Projects</i>	1,794,683	-	-
<i>Committed for Public Transportation</i>	-	-	3,726,799
<i>Committed for Public Safety</i>	-	-	-
<i>Assigned - One-Time-Allocation</i>	1,638,021	-	-
<i>Unassigned</i>	6,013,553	-	-
Total Fund Balance	9,480,403	180,420	3,726,799
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,730,735	\$ 298,230	\$ 4,158,661

EXHIBIT A-3

Walker County EMS Fund	Grants and Contracts Fund	Capital Project - Jail Construction Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,111,942	\$ 27,824	\$ 48,862	\$ 1,731,244	\$ 14,805,857
-	-	-	-	1,576,792
220,725	991,712	-	7,500	1,294,401
-	-	-	-	34,146
-	10,107	-	-	3,699,246
-	-	-	-	828,523
12	75	-	825	99,489
<u>\$ 1,332,679</u>	<u>\$ 1,029,718</u>	<u>\$ 48,862</u>	<u>\$ 1,739,569</u>	<u>\$ 22,338,454</u>
\$ 23,718	\$ 104,941	\$ 48,862	\$ 37,015	\$ 1,288,943
-	-	-	2,450	3,093
-	828,523	-	-	828,523
26,621	-	-	-	583,163
2,686	67,367	-	5,835	1,667,508
-	28,887	-	41,949	70,836
<u>53,025</u>	<u>1,029,718</u>	<u>48,862</u>	<u>87,249</u>	<u>4,442,066</u>
-	-	-	-	1,576,792
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,576,792</u>
-	-	-	-	34,146
-	-	-	-	180,420
-	-	-	1,652,320	1,652,320
-	-	-	-	1,794,683
-	-	-	-	3,726,799
1,279,654	-	-	-	1,279,654
-	-	-	-	1,638,021
-	-	-	-	6,013,553
<u>1,279,654</u>	<u>-</u>	<u>-</u>	<u>1,652,320</u>	<u>16,319,596</u>
<u>\$ 1,332,679</u>	<u>\$ 1,029,718</u>	<u>\$ 48,862</u>	<u>\$ 1,739,569</u>	<u>\$ 22,338,454</u>



**WALKER COUNTY, TEXAS**
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

Total fund balances - governmental funds balance sheet	\$ 16,319,596
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	26,555,620
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,576,792
Payables for bond principal which are not due in the current period are not reported in the funds.	(16,870,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(87,475)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(830,654)
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	714,910
Other post-employment benefits are not reported in the funds.	(9,543,733)
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(17,443,735)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(974,530)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	7,038,922
Bond premiums are amortized in the SNA but not in the funds.	(98,401)
Net position of governmental activities - Statement of Net Position	<u>\$ 6,357,312</u>

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, 2016**

	General Fund	Debt Service Fund	Road and Bridge Fund
<b>REVENUES:</b>			
<i>Property Taxes</i>	\$ 13,875,970	\$ 1,374,040	\$ 2,294,329
<i>Property Tax Penalty and Interest</i>	236,640	19,495	-
<i>Sales Tax</i>	3,261,313	-	-
<i>In Lieu of Tax</i>	34,120	-	-
<i>Mixed Beverage</i>	133,244	-	-
<i>License and Permits</i>	220,856	-	-
<i>Intergovernmental</i>	844,074	-	3,019,360
<i>Charges for Services</i>	1,993,327	-	852,095
<i>Fines &amp; Forfeitures</i>	129,578	-	962,919
<i>Interest Income</i>	54,034	1,995	6,356
<i>Other Income</i>	232,234	-	113,312
Total revenues	<u>21,015,390</u>	<u>1,395,530</u>	<u>7,248,371</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	3,646,889	-	-
<i>Financial</i>	2,212,332	-	-
<i>Judicial</i>	4,702,031	-	-
<i>Public Safety</i>	4,771,188	-	-
<i>Correction and Rehabilitation</i>	2,853,895	-	-
<i>Health and Welfare</i>	581,976	-	-
<i>Culture and Education</i>	196,640	-	-
<i>Public Transportation</i>	7,805	-	5,908,910
Debt Service:			
<i>Principal Retirement</i>	-	830,000	-
<i>Interest and Fiscal Charges</i>	-	544,368	-
Total Expenditures	<u>18,972,756</u>	<u>1,374,368</u>	<u>5,908,910</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,042,634</u>	<u>21,162</u>	<u>1,339,461</u>
Other Financing Sources (Uses):			
<i>Transfers In</i>	194,352	-	608,291
<i>Transfers Out</i>	(1,555,772)	-	(184,972)
Total Other Financing Sources (Uses)	<u>(1,361,420)</u>	<u>-</u>	<u>423,319</u>
Net Change in Fund Balances	681,214	21,162	1,762,780
Fund Balances - Beginning	8,799,189	159,258	1,964,019
Fund Balances - Ending	<u>\$ 9,480,403</u>	<u>\$ 180,420</u>	<u>\$ 3,726,799</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

Walker County EMS Fund	Grants and Contracts Fund	Capital Project - Jail Construction Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 17,544,339
-	-	-	-	256,135
-	-	-	-	3,261,313
-	-	-	-	34,120
-	-	-	-	133,244
-	-	-	-	220,856
9,380	5,042,323	-	467,346	9,382,483
2,215,590	-	-	389,515	5,450,527
-	-	-	157,106	1,249,603
2,983	-	1,623	3,929	70,920
5,500	67,798	-	5,611	424,455
<u>2,233,453</u>	<u>5,110,121</u>	<u>1,623</u>	<u>1,023,507</u>	<u>38,027,995</u>
-	-	-	107,098	3,753,987
-	-	-	-	2,212,332
-	4,604,424	-	606,771	9,913,226
3,375,747	249,505	-	104,266	8,500,706
-	-	630,715	-	3,484,610
-	188,340	-	-	770,316
-	67,852	-	-	264,492
-	-	-	-	5,916,715
-	-	-	-	830,000
-	-	-	-	544,368
<u>3,375,747</u>	<u>5,110,121</u>	<u>630,715</u>	<u>818,135</u>	<u>36,190,752</u>
(1,142,294)	-	(629,092)	205,372	1,837,243
912,647	-	-	34,834	1,750,124
(9,380)	-	-	-	(1,750,124)
<u>903,267</u>	<u>-</u>	<u>-</u>	<u>34,834</u>	<u>-</u>
(239,027)	-	(629,092)	240,206	1,837,243
1,518,681	-	629,092	1,412,114	14,482,353
<u>\$ 1,279,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,652,320</u>	<u>\$ 16,319,596</u>



**WALKER COUNTY, TEXAS**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Net change in fund balances - total governmental funds	\$ 1,837,243
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,788,469
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,920,704)
The gain or loss on the sale of capital assets is not reported in the funds.	(9,395)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	175,447
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	830,000
(Increase) decrease in accrued interest from beginning of period to end of period.	2,752
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	186,070
The (increase)/decrease in other post-employment benefits liability that is not reported in the funds.	(1,367,808)
Uncollected court fines are not recorded as revenue in the funds.	4,647
Bond premiums are not amortized in the funds.	6,488
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	(784,848)
Change in net position of governmental activities - Statement of Activities	\$ <u>(251,639)</u>

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2016**

	Agency Funds
<b>ASSETS:</b>	
<i>Cash and Cash Equivalents</i>	\$ 3,299,705
<i>Accounts Receivable, Net</i>	257
<i>Due from Other Funds</i>	34
<b>Total Assets</b>	<u>3,299,996</u>
<b>LIABILITIES:</b>	
<i>Accounts Payable</i>	\$ 21,922
<i>Due to Other Governments</i>	1,646,436
<i>Due to Others</i>	1,593,515
<i>Accrued Liabilities</i>	38,123
<b>Total Liabilities</b>	<u>\$ 3,299,996</u>

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

**A. Summary of Significant Accounting Policies**

**1. Reporting Entity**

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

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

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

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

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

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

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

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

**a. Basis of Presentation**

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

Management's Discussion and Analysis

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

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.

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

Statement of Net Position

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

Statement of Activities

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

Budgetary Comparison Schedules

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

Government-wide and Fund Accounting

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

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

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

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

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

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

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

The County reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Capital Project – Jail Construction Fund

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

Grants and Contracts Fund

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

Road and Bridge Fund

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

Walker County EMS Fund

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

In addition, the County reports the following fund types:

Fiduciary Funds

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

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

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

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

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

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

The accounts of the governmental fund types (the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects) are maintained, and the financial statements have been prepared, on the modified accrual basis of accounting. Under this basis of accounting revenues are recognized when they become susceptible to accrual (i.e.,

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both measurable and available.) Available means collectible within the current year or soon enough thereafter to pay liabilities within 60 days of the end of the current fiscal period. Substantially all revenues, except property taxes and fines, are considered to be susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as expenditures when due.

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

**3. New Accounting Standards Adopted**

In fiscal year 2016, the County adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 72, *Fair Value Measurement and Application*
- Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- Statement No. 77, *Tax Abatement Disclosures*
- Statement No. 79, *Certain External Investment Pools and Pool Participants*

Statement No. 72 requires state and local governments to measure investments at fair value using a consistent definition and valuation techniques; also defines what assets and liabilities governments should measure at fair value and expands fair value disclosures in financial disclosure notes. While the Statement generally requires restatement of prior period balances in the year of implementation, the nature of the County's investments was such that their carrying amount was not affected.

The adoption of Statement No. 72 had no impact on the County's financial statements.

The GAAP hierarchy prioritizes guidance governments follow when preparing U.S. GAAP financial statements. Statement No. 76 reduces authoritative GAAP hierarchy from four categories to two and lists the order of priority for pronouncements to which a government should look for guidance.

The adoption of Statement No. 76 had no impact on the County's financial statements.

Statement No. 77 requires governments granting tax abatements to individuals and businesses to disclose program information in the notes to the financial statements through the agreement's duration and also requires disclosures about tax abatements entered into by other governments that reduce the reporting government's tax revenue.

The adoption of Statement No. 77 had no impact on the County's financial statements.

Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

The adoption of Statement No. 79 had no impact on the County's financial statements.

**4. New Pronouncements**

The GASB has issued the following statements:

- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*
- Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*
- Statement No. 81, *Irrevocable Split-Interest Agreements*
- Statement No. 82, *Pension Issues-and amendment of GASB Statements No. 67, No. 68, and No. 73*

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The requirements of this Statement are effective for fiscal years beginning after June 15, 2016. The County will implement this Statement in fiscal year 2017.

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Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will improve the accounting and financial reporting by state and local governments for OPEB. It will establish standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. The County will implement this Statement in fiscal year 2018.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, amends the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions* - and amendment of GASB Statement No. 27 to exclude pension plans provided to employees of state or local government employers through a cost-sharing multiple-employer defined benefit pension plan that (a) is not a state or local government pension plan, (b) is used to provide defined benefits both to employees of state or local governmental employers and to employees of employers that are not state or local governments, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The Statement also established requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. The County will implement this Statement in fiscal year 2017.

Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*, will enhance the comparability of financial statements among governments. Greater comparability improves the decision-usefulness of information reported in financial statements and enhances its value for assessing government accountability. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. The County will implement this Statement in fiscal year 2017.

Statement No. 81, *Irrevocable Split-Interest Agreements*, requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. The Statement also provides expanded guidance for circumstances in which the government holds the assets. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016. The County will implement this Statement in fiscal year 2018.

Statement No. 82, *Pension Issues-and amendment of GASB Statements No. 67, No. 68, and No. 73*, will enhance consistency in the application of financial reporting requirements to certain pension issues. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. The County will implement this Statement in fiscal year 2017.

The County has not fully determined the effect that implementation of Statements No. 74, 75, 78, 80, 81 and 82 will have on the County's financial statements.

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

**1. Cash and Cash Equivalents**

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

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

**2. Inventories and Prepaid Items**

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

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

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**3. Receivables**

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

**4. Capital Assets**

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

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

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

Land and construction in progress are not depreciated.

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

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

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

**5. Compensated Absences**

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

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

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

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. The deferred outflow for pensions results for the difference in projected and actual earnings on plan investments and the effects of actuarial differences and changes in assumptions. The plan's investment earnings difference is amortized over 5 years and the actuarial differences and changes in assumptions is amortized over a period equal to the average of the expected remaining service lives of all employees.

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



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funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**7. Pensions**

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

**8. Net Position Flow Assumption**

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

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

**9. Fund Balance Flow Assumptions**

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

**10. Fund Balance Policies**

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

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

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

The Order adopted by Commissioners Court resulted in the fund balance of the Debt Fund, Legislatively Designed Funds (Other Funds) being classified as restricted. Fund Balance of the Road and Bridge Fund and EMS Fund being classified as committed. Fund Balance in the General Fund has funds committed for projects and includes both assigned fund balance and unassigned fund balance.

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

**11. Estimates**

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

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**C. Compliance and Accountability**

**Budgets**

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

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

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

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

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

**D. Deposits and Investments**

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

**1. Cash Deposits**

The County's cash and cash equivalents at September 30, 2016 are summarized as follows:

	<b>Carrying Amount</b>
Cash Deposits	\$ 5,766,351
Investments Considered Cash and Cash Equivalents	
Wells Fargo Investment Portfolio	6,052,199
Texas Local Government Investment Pool	3,712,087
Cooperative Liquid Assets Securities System Trust (Texas Class)	2,200,934
DWS Government Cash Institutional Shares	373,991
<b>Total Cash and Cash Equivalents</b>	<b>\$ 18,105,562</b>

**2. Investments**

The County is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written; primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list

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of the types of authorized investments in which the investing County's funds may be invested; and the maximum allowable stated maturity of any individual investment owned by the County.

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

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

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

The County categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The County presently has no recurring fair value measurements.

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

**a. Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. It is the County's policy to focus on safety and liquidity. The current policy is to invest only in investment pools with credit ratings of AAA or AAAM by at least nationally recognized rating service. At year end, the County was not significantly exposed to credit risk. As of September 30, 2016, the government's investment in all investment pools were rated at least AAAM by Standard & Poor's and insured cash shelters which are federally insured cash accounts.

**b. Custodial Credit Risk**

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

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

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

**c. Concentration of Credit Risk**

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

**d. Interest Rate Risk**

This is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its written policy, the County manages this risk by limiting the maximum allowable stated maturity of any individual investment to 2 years, at the time of purchase.

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**E. Receivables**

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2016 are as follows:

	General	Debt Service	Grants and Contracts	Road and Bridge Fund	EMS	Nonmajor Governmental	Total
<b>Receivables:</b>							
Taxes	\$ 1,458,982	\$ 117,810	\$ -	\$ -	\$ -	\$ -	\$ 1,576,792
Accounts	74,464	-	991,712	-	1,471,500	7,500	2,545,176
Due from Other Governments	646,687	-	10,107	3,042,452	-	-	3,699,246
Due from Others	88,077	-	75	10,500	12	825	99,489
Less: Allowance for Uncollectibles	-	-	-	-	(1,250,775)	-	(1,250,775)
<b>Net Total Receivables</b>	<b>\$ 2,268,210</b>	<b>\$ 117,810</b>	<b>\$ 1,001,894</b>	<b>\$ 3,052,952</b>	<b>\$ 220,737</b>	<b>\$ 8,325</b>	<b>\$ 6,669,928</b>

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

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. As of September 30, 2016 the various components of unearned revenue reported in the governmental funds are as follows:

	Unearned
Grant funds received prior to meeting eligibility requirements	\$ 70,836
<b>Total Unearned Revenue for Governmental Funds</b>	<b>\$ 70,836</b>

**F. Property Taxes**

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

**1. 2015 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 2016 fiscal year (2015 tax year), the County levied property taxes of \$0.6206 per \$100 of assessed valuation. The 2015 rates resulted in total tax levies of approximately \$17.7 million based on a total adjusted valuation of approximately \$3.0 billion. The total tax rate in the 2015 tax year was prorated as follows:

	2015 Rate
General Fund/Road and Bridge	\$ 0.5724
Debt Service Fund	0.0482
<b>Total Tax Rate</b>	<b>\$ 0.6206</b>

**2. Walker County Appraisal District**

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

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

**3. Tax Abatements**

The County enters into property tax abatement agreements with local businesses under the property Tax Code, Chapter 312, cited as the Property Redevelopment and Tax Abatement Act. Under the Act, the County is eligible to establish Enterprise Zones and participate in a tax abatement. The County has established a Tax Increment Reinvestment Zone (TIRZ) program to establish guidance for the tax abatements. The tax abatements, which are meant to stimulate economic development, are applicable to commercial and/or industrial improvements on a case-by-case basis. The tax abatement only applies to the increase in the value of the property due to improvements.

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For the fiscal year ended September 30, 2016, the County abated property taxes totaling \$54,399 under this program, including the following tax abatement agreement:

- A 40 percent property tax abatement on the assessed value of improvements to an oil and gas company. The abatement amounted to \$54,399.

The County also entered into tax abatement agreement with an engineering company that specializes in designing, constructing, and operating hydrocarbon processes. This abatement did not take effect until the 2016 tax roll, therefore no taxes were abated for the fiscal year ended September 30, 2016.

In September of 2004, Walker County entered into an interlocal agreement with the City of Huntsville to participate in the Tax Increment Reinvestment Zone (TIRZ) created by the City of Huntsville City Ordinance number 2004-16 dated August 2004. The TIRZ is generally along the west side of I-45 and south of SH30. The term of the TIRZ was established at 20 years. The TIRZ is a contiguous geographic area within the city limits of Huntsville designated as Tax Reinvestment Zone Number One, City of Huntsville, Texas for Tax Increment Financing purposes pursuant to Chapter 311 of the Texas Tax Code. The board of directors consists of 7 members, positions 1 to 4 reserved for the City of Huntsville, positions 5 thru 6 reserved for Walker County and position 7 reserved for Huntsville Independent School District.

Per the agreement, Walker County agreed to participate by contributing 50% of its ad valorem tax rate up to a maximum of \$0.3125 per hundred dollars of the annually calculated tax valuation within the TIRZ. Assessment policies in Walker County generally set building assessments at 100 percent of fair market value, which may vary somewhat from construction costs for new construction. Assessed values are established at January 1 of each year. For property currently included in the TIRZ (approximately 71.35 acres), the original value was set at \$382,581. The value set for the year covered by this report was \$23,719,720, an incremental value increase of \$23,384,958. Walker County contributed \$72,563.62 in the tax year that includes the October 1, 2015 to September 30, 2016 fiscal year.

**G. Interfund Receivables and Payables**

At September 30, 2016, 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	Grant and Contract Funds	\$ 828,523	Short-term Loan
<b>Total</b>		<b>\$ 828,523</b>	

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**H. Capital Assets**

Capital asset activity for the year ended September 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers, Adjustments and Dispositions</u>	<u>Ending Balance</u>
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 680,552	\$ -	\$ -	\$ 680,552
Construction in Progress	-	818,601	-	818,601
<b>Total Capital Assets, Not Being Depreciated</b>	<u>680,552</u>	<u>818,601</u>	<u>-</u>	<u>1,499,153</u>
<b>Capital Assets, Being Depreciated:</b>				
Vehicles	5,173,017	604,884	(253,244)	5,524,657
Office Furniture and Fixtures	1,748,686	35,751	-	1,784,437
Machinery and Equipment	7,282,939	329,233	(22,385)	7,589,787
Buildings, Facilities, and Improvements	39,603,190	-	-	39,603,190
<b>Total Capital Assets, Being Depreciated</b>	<u>53,807,832</u>	<u>969,868</u>	<u>(275,629)</u>	<u>54,502,071</u>
<b>Less Accumulated Depreciation for:</b>				
Vehicles	(4,129,341)	(712,175)	491,753	(4,349,763)
Office Furniture and Fixtures	(1,338,877)	(127,283)	-	(1,466,160)
Machinery and Equipment	(4,774,095)	(464,280)	(225,514)	(5,463,889)
Buildings, Facilities, and Improvements	(16,548,826)	(1,616,966)	-	(18,165,792)
<b>Total Accumulated Depreciation</b>	<u>(26,791,139)</u>	<u>(2,920,704)</u>	<u>266,239</u>	<u>(29,445,604)</u>
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>27,016,693</u>	<u>(1,950,836)</u>	<u>(9,390)</u>	<u>25,056,467</u>
<b>Capital Assets, Net</b>	<u>\$ 27,697,245</u>	<u>\$ (1,132,235)</u>	<u>\$ (9,390)</u>	<u>\$ 26,555,620</u>

Depreciation was charged to functions as follows:

General Government	\$ 385,749
Financial	51,238
Judicial	92,858
Public Safety	973,152
Correction and Rehabilitation	1,158,583
Health and Welfare	15,624
Culture and Education	1,621
Public Transportation	241,879
<b>Total Depreciation Expense</b>	<u>\$ 2,920,704</u>

**I. Long-Term Debt**

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Long-term bonded debt and certificates of obligation at September 30, 2016 are listed below:

<u>Description</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Original Issue</u>	<u>Outstanding Debt</u>
Certificates of Obligation:					
Series 2012	2.00-3.75%	6/1/2012	8/1/2032	\$ 20,000,000	\$ 16,870,000
<b>Totals</b>				<u>\$ 20,000,000</u>	<u>\$ 16,870,000</u>

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

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A summary of long-term liability transactions of the County for the year ended September 30, 2016, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Certificates of Obligation	\$ 17,700,000	\$ -	\$ (830,000)	\$ 16,870,000	\$ 845,000
Adjustments for:					
Issuance Premiums	104,889	-	(6,488)	98,401	-
<b>Total Certificates of Obligation, Net</b>	<b>17,804,889</b>	<b>-</b>	<b>(836,488)</b>	<b>16,968,401</b>	<b>845,000</b>
Compensated Absences*	1,016,724	744,692	(930,762)	830,654	-
OPEB Obligations*	8,175,925	1,625,512	(257,704)	9,543,733	-
Net Pension Liability*	13,111,582	10,790,934	(6,458,781)	17,443,735	-
<b>Total Long-term Liabilities</b>	<b>\$ 40,109,120</b>	<b>\$ 13,161,138</b>	<b>\$ (8,483,735)</b>	<b>\$ 44,786,523</b>	<b>\$ 845,000</b>

\*Other Long-term Liabilities

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

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

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

<u>Certificates of Obligation</u>			
<u>Year Ending September 30,</u>	<u>Principal Value</u>	<u>Interest</u>	<u>Total Requirements</u>
2017	\$ 845,000	\$ 527,768	\$ 1,372,768
2018	865,000	510,868	1,375,868
2019	880,000	493,568	1,373,568
2020	910,000	467,168	1,377,168
2021	935,000	439,868	1,374,868
2022	965,000	411,818	1,376,818
2023	990,000	382,868	1,372,868
2024	1,020,000	353,168	1,373,168
2025	1,055,000	322,567	1,377,567
2026	1,085,000	289,598	1,374,598
2027	1,120,000	255,692	1,375,692
2028	1,155,000	219,292	1,374,292
2029	1,195,000	180,310	1,375,310
2030	1,235,000	139,980	1,374,980
2031	1,280,000	96,754	1,376,754
2032	1,335,000	41,162	1,376,162
<b>Totals</b>	<b>\$ 16,870,000</b>	<b>\$ 5,132,449</b>	<b>\$ 22,002,449</b>

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

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**J. Leases**

**Operating Leases**

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

**Walker County Health Center (340F Highway 75 North)**

The County has leased approximately 6,400 square feet in the Walker County Health Center to the Senior Center of Walker County, Inc. in exchange for providing a meal program and operating a Center for residents of Walker County that complies with the general requirements of 42 U.S.C. 3030f and 3030g, home-delivered nutrition services, under the federal Programs for Older Americans Act. The lease term is October 1, 2015 through September 30, 2016. The County provides general maintenance services to the building exterior and grounds and provides up to \$10,000 for general operating expenses.

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

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

**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.

**344 Highway 75 North, Suite 300**

The County leases 1,500 square feet of office space to the Walker County Community Agency (WCCA) at no charge. WCCA is responsible for all janitorial services, insurance and utilities supplied to the premises. In addition, WCCA is responsible for repairs to the facility. The lease began May 1, 2014, and shall continue until either party cancels the contract.

Total Cost of Building	\$ 54,444
Accumulated Depreciation	54,444
Carrying Cost of Building	\$ -
Current Year Depreciation	\$ -

**Land Lease (one (1) acre – 340 Highway 75 North)**

The County leases approximately one (1) acre to the Community Organization for Missionary Endeavor, Inc. (C.O.M.E.). The initial term will be for five (5) years, beginning September 2, 2016, and will automatically renew for successive five-year terms. A lump-sum payment of five dollars was paid to the County in 2016 and will be due to the County in advance of the subsequent lease term each year.



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**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 a summary of the County's transfers for the year ended September 30, 2016:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>
General Fund	Road and Bridge Fund	\$ 600,000
General Fund	Walker County EMS Fund	912,647
General Fund	Other Governmental Funds - Nonmajor	34,834
Road and Bridge Fund	General Projects Fund	184,972
Walker County EMS Fund	General Projects Fund	9,380
General Projects Fund	Road and Bridge Fund	8,291
<b>Total</b>		<b>\$ 1,750,124</b>

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

**L. Fund Balances**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note B. The following is a detail of fund balances for all the major and nonmajor governmental funds at September 30, 2016:

	<u>General</u>	<u>Debt Service</u>	<u>Road and Bridge</u>	<u>Walker County EMS</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
<b>Fund Balances:</b>						
Nonspendable:						
Prepaids	\$ 34,146	\$ -	\$ -	\$ -	\$ -	\$ 34,146
<b>Total Nonspendable</b>	<b>34,146</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,146</b>
<b>Restricted for:</b>						
Debt Service	-	180,420	-	-	-	180,420
Legislative/Grants	-	-	-	-	1,652,320	1,652,320
Capital Projects	-	-	-	-	-	-
<b>Total Restricted</b>	<b>-</b>	<b>180,420</b>	<b>-</b>	<b>-</b>	<b>1,652,320</b>	<b>1,832,740</b>
<b>Committed to:</b>						
Legislative	-	-	3,726,799	-	-	3,726,799
Emergency Medical Services	-	-	-	1,279,654	-	1,279,654
Projects	1,794,683	-	-	-	-	1,794,683
<b>Total Committed</b>	<b>1,794,683</b>	<b>-</b>	<b>3,726,799</b>	<b>1,279,654</b>	<b>-</b>	<b>6,801,136</b>
<b>Assigned to:</b>						
Projects	1,638,021	-	-	-	-	1,638,021
<b>Total Assigned</b>	<b>1,638,021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,638,021</b>
Unassigned	6,013,553	-	-	-	-	6,013,553
<b>Total Fund Balances</b>	<b>\$ 9,480,403</b>	<b>\$ 180,420</b>	<b>\$ 3,726,799</b>	<b>\$ 1,279,654</b>	<b>\$ 1,652,320</b>	<b>\$ 16,319,596</b>

**M. Pension Plan**

**1. Plan Description**

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

**2. Benefits Provided**

TCDRS provides retirement, disability, and death benefits. The plan provisions are adopted by the governing body of the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire with eight or more years of service at age 60 and above, with 20 years of service regardless of age, or when the sum of their

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age and years of service equals 75 or more. Members are vested after eight years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

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

The Plan is open to new entrants.

**3. Employees Covered by Benefit Terms**

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	196
Inactive employees entitled to but not yet receiving benefits	201
Active employees	375
<b>Total</b>	<b>772</b>

**4. Contributions**

Walker County has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of the employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 12.42 percent and \$2,143,232 for the calendar year 2015.

The deposit rate payable by the employee member for calendar year 2015 was 7.0 percent as adopted by the Commissioners' Court. The employee deposit rate and the employer contribution rate may be changed by the Commissioners' Court within the options available in the TCDRS Act.

**5. Actuarial Assumptions**

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Updated mortality assumptions were adopted in 2015. All other actuarial assumptions that determined the total pension liability as of December 31, 2015, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68. In addition, mortality rates were based on the following mortality tables:

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale after that, with no age adjustment for males and a two-year set-forward for females.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The numbers shown are based on January 2016

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information for a 7-10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equities	14.50 %	5.45%
Private Equity	14.00	8.45%
Global Equities	1.50	5.75%
International Equities - Developed	10.00	5.45%
International Equities - Emerging	8.00	6.45%
Investment-Grade Bonds	3.00	1.00%
High-Yield Bonds	3.00	5.10%
Opportunistic Credit	2.00	5.09%
Direct Lending	5.00	6.40%
Distressed Debt	3.00	8.10%
REIT Equities	3.00	4.00%
Master Limited Partnerships	3.00	6.80%
Private Real Estate Partnerships	5.00	6.90%
Hedge Funds	25.00	5.25%
<b>Total</b>	<b>100.00 %</b>	

*Discount Rate:*

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

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

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**6. Plan Fiduciary Net Position**

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2014	\$ 72,151,903	\$ 59,040,321	\$ 13,111,582
Changes for the year:			
Service cost	2,412,090	-	2,412,090
Interest	5,847,175	-	5,847,175
Effect of plan changes	(438,596)	-	(438,596)
Effect of economic demographic gains or losses	(1,299,374)	-	(1,299,374)
Effect of assumptions changes or inputs	971,330	-	971,330
Refund of contributions	(141,788)	(141,788)	-
Benefit payments	(2,730,734)	(2,730,734)	-
Administrative expense	-	(42,642)	42,642
Member contributions	-	1,207,941	(1,207,941)
Net investment income	-	(203,510)	203,510
Employer contributions	-	2,143,232	(2,143,232)
Other changes	-	55,451	(55,451)
Net changes	4,620,103	287,950	4,332,153
Balances at December 31, 2015	\$ 76,772,006	\$ 59,328,271	\$ 17,443,735

*Sensitivity Analysis:*

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

	1% Decrease (7.10%)	Current Discount Rate (8.10%)	1% Increase (9.10%)
County's net pension liability	\$ 28,667,826	\$ 17,443,735	\$ 8,310,751

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

For the fiscal year ended September 30, 2016, the County recognized pension expense of \$2,949,240.

At September 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 237,638	\$ 974,530
Effect of assumption changes or inputs	728,498	-
Net difference between projected and actual earnings on pension plan investments	4,480,402	-
Contributions made subsequent to the measurement date	1,592,384	-
<b>Totals</b>	<b>\$ 7,038,922</b>	<b>\$ 974,530</b>

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The \$1,592,384 reported as deferred outflows of resources related to pensions from County contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September 30,</u>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
2017	\$ 1,518,590	\$ 324,844
2018	1,518,590	324,844
2019	1,399,571	324,842
2020	1,009,587	-
<b>Total</b>	<b>\$ 5,446,338</b>	<b>\$ 974,530</b>

**N. Other Postemployment Benefits Plan**

**1. Plan Description**

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

Permanent full-time employees and elected officials of the County who retire that were hired prior to October 1, 2013 and meet one of the following criteria 1) 8 years of continuous service and are at least 60 years of age; 2) age plus years of service equals 75; or 3) 20 non-consecutive years of service, may continue their coverage until the retiree becomes eligible for Medicare under the County's medical insurance program for themselves and their eligible dependents by paying the total premium.

**2. Funding Policy**

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

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

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

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

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

	2016	2015	2014
Annual OPEB cost:			
Annual Required Contribution (ARC)	\$ 1,595,930	\$ 1,600,640	\$ 1,655,650
Interest on Prior Year Net OPEB Obligation	367,917	305,776	237,446
Adjustment to the ARC	(338,335)	(283,321)	(220,009)
Annual OPEB cost	<u>1,625,512</u>	<u>1,623,095</u>	<u>1,673,087</u>
Employer Contributions	<u>(257,704)</u>	<u>(242,190)</u>	<u>(154,636)</u>
Total Contributions	<u>(257,704)</u>	<u>(242,190)</u>	<u>(154,636)</u>
Net OPEB Obligation Increase (Decrease)	1,367,808	1,380,905	1,518,451
Net OPEB Obligation - October 1	<u>8,175,925</u>	<u>6,795,020</u>	<u>5,276,569</u>
Net OPEB Obligation - September 30	<u>\$ 9,543,733</u>	<u>\$ 8,175,925</u>	<u>\$ 6,795,020</u>
Percentage of Annual OPEB Cost Contributed	15.85%	14.92%	9.24%

**4. Funded Status and Funding Progress**

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

Actuarial Valuation Date as of October 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
2014	\$ -	\$ 16,417,125	\$ 16,417,125	0.00%	\$ 9,170,494	179.02%

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

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

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

**5. Actuarial Methods and Assumptions**

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

**WALKER COUNTY, TEXAS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

The following is a summary of the actuarial assumptions:

<u>Actuarial valuation date</u>	<u>October 1, 2014</u>	<u>October 1, 2015</u>
Actuarial cost method	Projected unit credit cost method	Projected unit credit cost method
Amortization method	Level percentage of payroll	Level percentage of payroll
Amortization period	Open 30 year period	Open 30 year period
Investment rate of return	4.50% net of expenses	4.50% net of expenses
Payroll growth rate	3.00%	3.00%
Mortality table	RP-2000 MWF with Projection AA 2015	RP-2000 MWF with Projection AA 2015

**O. Commitments and Contingencies**

**Contingencies**

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

**Litigation**

The County is contingently liable with respect to lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would not materially affect the financial position of the County as of September 30, 2016.

**P. Risk Management**

The County is exposed to various risks of losses related to torts, theft of, damage to and destruction of capital assets; errors and omission; injuries to employees; and natural disasters. The County participates in the Texas Association of Counties Risk Management Pool ("the Pool") created by interlocal agreement to enable its members to obtain coverage against various types of risk. The Pool is administered by the Texas Association of Counties (TAC). Through this pool, the County obtains general liability, property, public officials' liability, law enforcement professional liability, auto physical damage, auto liability, and workers' compensation coverage. The County also participates in the Texas Association of Counties Health and Employee Benefits Pool administered by TAC. The County contributes a minimum of \$733 per month for each employee who elects medical coverage. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for any of the past three fiscal years.

**Q. Subsequent Events**

The County had no subsequent events through March 13, 2017, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended September 30, 2016.

### *Required Supplementary Information*

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.



**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
<b>AD VALOREM TAXES</b>				
<i>Current Taxes</i>	\$ 13,687,121	\$ 13,687,121	\$ 13,575,194	\$ (111,927)
<i>Delinquent Taxes</i>	285,000	285,000	300,776	15,776
<b>Total Ad Valorem Taxes</b>	<u>13,972,121</u>	<u>13,972,121</u>	<u>13,875,970</u>	<u>(96,151)</u>
<i>Penalty and Interest</i>	220,000	220,000	236,640	16,640
<b>OTHER TAXES</b>				
<i>Sales Taxes</i>	3,186,025	3,186,025	3,261,313	75,288
<i>In Lieu of Tax</i>	20,494	20,494	34,120	13,626
<i>Mixed Beverage Tax</i>	113,160	113,160	133,244	20,084
<b>Total Other Taxes</b>	<u>3,319,679</u>	<u>3,319,679</u>	<u>3,428,677</u>	<u>108,998</u>
<b>LICENSES AND PERMITS</b>				
<i>Building and Utility Permits</i>	131,000	131,000	220,856	89,856
<b>Total Licenses and Permits</b>	<u>131,000</u>	<u>131,000</u>	<u>220,856</u>	<u>89,856</u>
<b>INTERGOVERNMENTAL</b>				
Federal Funds				
<i>Local Law Enforcement</i>	94,581	133,157	81,827	(51,330)
<i>Disaster Relief</i>	-	9,468	9,468	-
<i>Criminal Justice Grant</i>	49,143	49,143	45,616	(3,527)
<b>Total Federal Funds</b>	<u>143,724</u>	<u>191,768</u>	<u>136,911</u>	<u>(54,857)</u>
State Funds				
<i>Other State Funds</i>	176,474	285,870	379,433	93,563
<b>Total State Funds</b>	<u>176,474</u>	<u>285,870</u>	<u>379,433</u>	<u>93,563</u>
Other InterGovernmental Funds				
<i>Appraisal District</i>	15,000	15,000	12,792	(2,208)
<i>Other Intergovernmental</i>	170,283	201,859	314,938	113,079
<b>Total Other Intergovernmental Funds</b>	<u>185,283</u>	<u>216,859</u>	<u>327,730</u>	<u>110,871</u>
<b>Total Intergovernmental</b>	<u>505,481</u>	<u>694,497</u>	<u>844,074</u>	<u>149,577</u>
<b>CHARGES FOR SERVICES</b>				
<i>General Administrative</i>	50,000	50,000	56,796	6,796
<i>IT</i>	12,000	12,000	12,000	-
<i>County Clerk</i>	400,000	400,000	347,619	(52,381)
<i>Courts - Central Service</i>	500	500	1,500	1,000
<i>County Court-at-Law</i>	42,800	42,800	62,133	19,333
<i>12th and 278th District Courts</i>	37,000	37,000	9,793	(27,207)
<i>District Clerk</i>	102,000	102,000	98,850	(3,150)
<i>Justice of the Peace - Precinct 1</i>	100,000	100,000	68,552	(31,448)
<i>Justice of the Peace - Precinct 2</i>	29,000	29,000	29,741	741
<i>Justice of the Peace - Precinct 3</i>	18,400	18,400	19,928	1,528
<i>Justice of the Peace - Precinct 4</i>	70,400	70,400	84,809	14,409
<i>County Auditor</i>	41,700	41,700	42,119	419
<i>Vehicle Registration</i>	543,700	543,700	638,227	94,527
<i>Voter Registration</i>	300	300	1,371	1,071
<i>County Facilities</i>	10,620	10,620	21,934	11,314
<i>County Jail</i>	156,000	156,000	270,301	114,301

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Sheriff's Office</i>	6,270	6,270	4,309	(1,961)
<i>Sheriff's Estray</i>	1,500	1,500	905	(595)
<i>Constables Central Service</i>	175,000	175,000	192,054	17,054
<i>Constable - Precinct 1</i>	-	-	1,012	1,012
<i>Constable - Precinct 2</i>	-	-	520	520
<i>Constable - Precinct 3</i>	-	-	400	400
<i>Constable - Precinct 4</i>	-	-	3,407	3,407
<i>Probation Support</i>	2,770	2,770	7,976	5,206
<i>Emergency Management</i>	5,000	5,000	10,175	5,175
<i>County Treasurer - Collections</i>	6,700	6,700	6,703	3
<i>Planning and Development</i>	-	-	193	193
<b>Total Charges for Services</b>	<b>1,811,660</b>	<b>1,811,660</b>	<b>1,993,327</b>	<b>181,667</b>
<b>FINES AND FORFEITURES</b>				
<i>Bond Forfeiture</i>	-	-	44,106	44,106
<i>License and Weight - Operations</i>	85,472	85,472	85,472	-
<b>Total Fines and Forfeitures</b>	<b>85,472</b>	<b>85,472</b>	<b>129,578</b>	<b>44,106</b>
<i>Interest Income</i>	14,804	14,804	54,034	39,230
<i>Other Income</i>	53,000	117,625	232,234	114,609
<b>TOTAL REVENUES</b>	<b>20,113,217</b>	<b>20,366,858</b>	<b>21,015,390</b>	<b>648,532</b>
<b>EXPENDITURES:</b>				
<b>GENERAL GOVERNMENT</b>				
<i>County Judge</i>				
<i>Salary, Other Pay, and Benefits</i>	201,131	201,131	188,011	13,120
<i>Operations</i>	8,910	8,910	4,841	4,069
<b>Total County Judge</b>	<b>210,041</b>	<b>210,041</b>	<b>192,852</b>	<b>17,189</b>
<i>IT Operations - County Judge</i>				
<i>Salary, Other Pay, and Benefits</i>	310,474	310,474	200,977	109,497
<i>Operations</i>	9,530	9,530	1,261	8,269
<b>Total IT</b>	<b>320,004</b>	<b>320,004</b>	<b>202,238</b>	<b>117,766</b>
<i>IT Hardware/Software - County Judge</i>				
<i>Operations</i>	313,998	277,531	250,722	26,809
<i>Capital Expenditures</i>	-	13,967	13,967	-
<b>Total IT</b>	<b>313,998</b>	<b>291,498</b>	<b>264,689</b>	<b>26,809</b>
<i>Commissioner's Court</i>				
<i>Salary, Other Pay, and Benefits</i>	56,245	56,425	56,480	(55)
<i>Operations</i>	13,796	13,616	12,162	1,454
<b>Total Commissioner's Court</b>	<b>70,041</b>	<b>70,041</b>	<b>68,642</b>	<b>1,399</b>
<i>County Clerk</i>				
<i>Salary, Other Pay, and Benefits</i>	523,660	523,660	516,992	6,668
<i>Operations</i>	103,401	103,401	83,385	20,016
<b>Total County Clerk</b>	<b>627,061</b>	<b>627,061</b>	<b>600,377</b>	<b>26,684</b>

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Healthy County Initiative				
<i>Operations</i>	3,000	3,000	41	2,959
Total Healthy County Initiative	3,000	3,000	41	2,959
Elections				
<i>Salary, Other Pay, and Benefits</i>	120,107	145,157	145,145	12
<i>Operations</i>	31,228	81,178	66,676	14,502
Total Elections	151,335	226,335	211,821	14,514
Voter Registration				
<i>Salary, Other Pay, and Benefits</i>	45,655	47,955	47,952	3
<i>Operations</i>	25,500	26,500	26,040	460
Total Voter Registration	71,155	74,455	73,992	463
County Facilities				
<i>Salary, Other Pay, and Benefits</i>	407,073	416,773	369,640	47,133
<i>Operations</i>	867,525	545,472	541,868	3,604
<i>Capital Expenditures</i>	-	11,974	11,974	-
Total County Facilities	1,274,598	974,219	923,482	50,737
Facilities - Justice Center Municipal Allocation				
<i>Operations</i>	10,983	10,983	6,403	4,580
Total Facilities - Justice Center Municipal Allocation	10,983	10,983	6,403	4,580
Centralized Costs				
<i>Salary, Other Pay, and Benefits</i>	252,545	502,545	482,188	20,357
<i>Operations</i>	616,951	611,141	554,796	56,345
Total Centralized Costs	869,496	1,113,686	1,036,984	76,702
Contingency				
<i>Contingency</i>	894,725	363,398	-	363,398
Total Contingency	894,725	363,398	-	363,398
General Governmental Projects				
<i>Projects</i>	760,015	1,453,570	65,368	1,388,202
Total General Governmental Projects	760,015	1,453,570	65,368	1,388,202
<b>TOTAL GENERAL GOVERNMENT</b>	<b>5,576,452</b>	<b>5,738,291</b>	<b>3,646,889</b>	<b>2,091,402</b>
<b>FINANCIAL ADMINISTRATION</b>				
Financial Systems				
<i>Operations</i>	60,833	52,281	52,281	-
Total Financial Systems	60,833	52,281	52,281	-
County Auditor				
<i>Salary, Other Pay, and Benefits</i>	632,812	632,812	619,242	13,570
<i>Operations</i>	50,775	50,775	50,495	280
Total County Auditor	683,587	683,587	669,737	13,850
County Treasurer				
<i>Salary, Other Pay, and Benefits</i>	321,793	321,793	288,144	33,649
<i>Operations</i>	41,579	52,828	50,509	2,319
Total County Treasurer	363,372	374,621	338,653	35,968

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT B-1**  
Page 4 of 8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Treasurer - Collections				
<i>Salary, Other Pay, and Benefits</i>	109,841	109,841	109,285	556
<i>Operations</i>	21,820	21,820	20,931	889
Total County Treasurer - Collections	131,661	131,661	130,216	1,445
Purchasing				
<i>Salary, Other Pay, and Benefits</i>	189,692	191,692	191,369	323
<i>Operations</i>	13,205	13,205	11,043	2,162
Total Purchasing	202,897	204,897	202,412	2,485
Vehicle Registration				
<i>Salary, Other Pay, and Benefits</i>	382,372	382,372	378,044	4,328
<i>Operations</i>	13,002	13,002	9,963	3,039
Total Vehicle Registration	395,374	395,374	388,007	7,367
Financial Service Contracts				
<i>Intergovernmental Contracts</i>	420,698	420,698	420,698	-
Total Financial Service Contracts	420,698	420,698	420,698	-
Financial Projects				
<i>Projects</i>	-	137,549	10,328	127,221
Total Financial Projects	-	137,549	10,328	127,221
<b>TOTAL FINANCIAL ADMINISTRATION</b>	<b>2,258,422</b>	<b>2,400,668</b>	<b>2,212,332</b>	<b>188,336</b>
JUDICIAL				
Courts - Central Costs				
<i>Salary, Other Pay, and Benefits</i>	24,568	24,568	24,285	283
<i>Operations</i>	175,848	164,744	142,771	21,973
Total Courts - Central Costs	200,416	189,312	167,056	22,256
County Court-at-Law				
<i>Salary, Other Pay, and Benefits</i>	417,160	417,505	417,503	2
<i>Operations</i>	191,093	238,248	224,029	14,219
Total County Court-at-Law	608,253	655,753	641,532	14,221
12th Judicial District Court				
<i>Salary, Other Pay, and Benefits</i>	206,579	207,756	207,755	1
<i>Operations</i>	171,006	229,829	207,431	22,398
Total District Court	377,585	437,585	415,186	22,399
278th Judicial District Court				
<i>Salary, Other Pay, and Benefits</i>	209,699	218,669	207,516	11,153
<i>Operations</i>	170,823	183,823	166,140	17,683
Total District Court	380,522	402,492	373,656	28,836
District Clerk				
<i>Salary, Other Pay, and Benefits</i>	413,299	414,354	414,351	3
<i>Operations</i>	33,639	32,511	27,633	4,878
<i>Capital Expenditures</i>	15,000	15,073	15,073	-
Total District Clerk	461,938	461,938	457,057	4,881

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Criminal District Attorney				
<i>Salary, Other Pay, and Benefits</i>	1,565,730	1,565,730	1,556,406	9,324
<i>Operations</i>	86,499	108,999	87,226	21,773
Total Criminal District Attorney	1,652,229	1,674,729	1,643,632	31,097
Justice of the Peace - Precinct 1				
<i>Salary, Other Pay, and Benefits</i>	201,952	201,952	200,939	1,013
<i>Operations</i>	13,474	13,474	8,634	4,840
Total Justice of the Peace - Precinct 1	215,426	215,426	209,573	5,853
Justice of the Peace - Precinct 2				
<i>Salary, Other Pay, and Benefits</i>	194,245	194,245	191,573	2,672
<i>Operations</i>	10,935	10,935	5,106	5,829
Total Justice of the Peace - Precinct 2	205,180	205,180	196,679	8,501
Justice of the Peace - Precinct 3				
<i>Salary, Other Pay, and Benefits</i>	198,205	198,205	198,090	115
<i>Operations</i>	11,404	11,404	7,784	3,620
Total Justice of the Peace - Precinct 3	209,609	209,609	205,874	3,735
Justice of the Peace - Precinct 4				
<i>Salary, Other Pay, and Benefits</i>	248,590	248,590	248,368	222
<i>Operations</i>	20,737	20,737	15,215	5,522
Total Justice of the Peace - Precinct 4	269,327	269,327	263,583	5,744
Juvenile Probation Support				
<i>Salary, Other Pay, and Benefits</i>	33,022	34,022	33,171	851
<i>Operations</i>	90,713	95,713	95,032	681
Total Juvenile Probation Support	123,735	129,735	128,203	1,532
<b>TOTAL JUDICIAL</b>	<b>4,704,220</b>	<b>4,851,086</b>	<b>4,702,031</b>	<b>149,055</b>
<b>PUBLIC SAFETY</b>				
Sheriff's Office				
<i>Salary, Other Pay, and Benefits</i>	2,584,692	2,584,692	2,462,592	122,100
<i>Operations</i>	310,000	400,909	283,577	117,332
<i>Capital Expenditures</i>	216,700	216,700	208,618	8,082
Total Sheriff's Office	3,111,392	3,202,301	2,954,787	247,514
Estray				
<i>Operations</i>	6,000	6,000	4,370	1,630
Total Estray	6,000	6,000	4,370	1,630
Courthouse Security General Fund				
<i>Salary, Other Pay, and Benefits</i>	71,967	69,001	68,888	113
<i>Operations</i>	-	2,966	2,966	-
Total Courthouse Security General Fund	71,967	71,967	71,854	113
Constable Central				
<i>Salary, Other Pay, and Benefits</i>	48,012	48,012	43,704	4,308
<i>Operations</i>	9,119	9,119	2,070	7,049
Total Constable Central	57,131	57,131	45,774	11,357

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Constable - Precinct 1				
<i>Salary, Other Pay, and Benefits</i>	72,716	72,716	72,179	537
<i>Operations</i>	5,640	5,640	4,510	1,130
Total Constable - Precinct 1	78,356	78,356	76,689	1,667
Constable - Precinct 2				
<i>Salary, Other Pay, and Benefits</i>	72,716	72,716	72,423	293
<i>Operations</i>	6,123	6,123	2,987	3,136
Total Constable - Precinct 2	78,839	78,839	75,410	3,429
Constable - Precinct 3				
<i>Salary, Other Pay, and Benefits</i>	72,716	72,716	72,379	337
<i>Operations</i>	6,164	6,164	4,001	2,163
Total Constable - Precinct 3	78,880	78,880	76,380	2,500
Constable - Precinct 4				
<i>Salary, Other Pay, and Benefits</i>	190,306	190,306	189,017	1,289
<i>Operations</i>	27,490	22,332	21,896	436
<i>Capital Expenditures</i>	-	5,158	-	5,158
Total Constable - Precinct 4	217,796	217,796	210,913	6,883
Support Personnel - DPS				
<i>Salary, Other Pay, and Benefits</i>	56,996	56,996	56,367	629
<i>Operations</i>	2,215	2,215	60	2,155
Total Support Personnel - DPS	59,211	59,211	56,427	2,784
Weigh Station Utilities and Services				
<i>Operations</i>	25,187	25,187	21,103	4,084
Total Weigh Station Utilities and Services	25,187	25,187	21,103	4,084
Weigh Station Site Support				
<i>Salary, Other Pay, and Benefits</i>	18,324	18,324	17,188	1,136
<i>Operations</i>	10,000	10,000	1,600	8,400
Total Weigh Station Site Support	28,324	28,324	18,788	9,536
Emergency Management				
<i>Salary, Other Pay, and Benefits</i>	60,250	69,250	52,321	16,929
<i>Operations</i>	92,966	101,783	61,760	40,023
Total Emergency Management	153,216	171,033	114,081	56,952
Public Safety Governmental Services Contracts				
<i>Intergovernmental Contracts</i>	767,420	768,270	756,270	12,000
Total Public Safety Governmental Services Contracts	767,420	768,270	756,270	12,000
Public Safety Projects				
<i>Projects</i>	-	531,328	288,342	242,986
Total Public Safety Projects	-	531,328	288,342	242,986
<b>TOTAL PUBLIC SAFETY</b>	<b>4,733,719</b>	<b>5,374,623</b>	<b>4,771,188</b>	<b>603,435</b>

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>CORRECTION AND REHABILITATION</b>				
County Jail				
<i>Salary, Other Pay, and Benefits</i>	2,017,062	2,017,062	2,004,951	12,111
<i>Operations</i>	541,609	560,186	487,575	72,611
Total County Jail	2,558,671	2,577,248	2,492,526	84,722
Jail-Inmate Medical Cost Center				
<i>Salary, Other Pay, and Benefits</i>	147,547	147,547	146,122	1,425
<i>Operations</i>	99,478	121,478	108,737	12,741
Total Jail-Inmate Medical Cost Center	247,025	269,025	254,859	14,166
Probation Support				
<i>Operations</i>	56,498	65,041	55,809	9,232
<i>Capital Expenditures</i>	11,592	3,049	-	3,049
Total Probation Support	68,090	68,090	55,809	12,281
Adult - Community Service				
<i>Salary, Other Pay, and Benefits</i>	51,649	51,649	50,686	963
<i>Operations</i>	850	850	15	835
Total Adult - Community Service	52,499	52,499	50,701	1,798
<b>TOTAL CORRECTION AND REHABILITATION</b>	2,926,285	2,966,862	2,853,895	112,967
<b>HEALTH AND WELFARE</b>				
Veterans Service				
<i>Salary, Other Pay, and Benefits</i>	28,922	28,922	27,074	1,848
<i>Operations</i>	2,137	2,137	956	1,181
Total Veterans Service	31,059	31,059	28,030	3,029
Social Services				
<i>Operations</i>	23,800	23,800	5,668	18,132
Total Utility Department	23,800	23,800	5,668	18,132
Planning and Development				
<i>Salary, Other Pay, and Benefits</i>	429,405	429,405	395,612	33,793
<i>Operations</i>	68,665	68,665	49,719	18,946
Total Planning and Development	498,070	498,070	445,331	52,739
Litter Control - General Fund				
<i>Salary, Other Pay, and Benefits</i>	16,028	16,028	7,451	8,577
<i>Operations</i>	14,816	14,816	8,866	5,950
Total Litter Control - General Fund	30,844	30,844	16,317	14,527
Health and Welfare - Governmental Service Contracts				
<i>Intergovernmental Contracts</i>	93,230	93,230	86,630	6,600
Total Health and Welfare - Governmental Service Contracts	93,230	93,230	86,630	6,600
Health and Welfare Projects				
<i>Projects</i>	-	33,000	-	33,000
Total Health and Welfare Projects	-	33,000	-	33,000
<b>TOTAL HEALTH AND WELFARE</b>	677,003	710,003	581,976	128,027

**WALKER COUNTY, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>CULTURE AND EDUCATION</b>				
Historical Commission				
<i>Operations</i>	5,780	5,780	4,406	1,374
Total Historical Commission	5,780	5,780	4,406	1,374
 Texas AgriLife Extension Service				
<i>Salary, Other Pay, and Benefits</i>	166,173	166,523	166,491	32
<i>Operations</i>	30,316	29,966	25,743	4,223
Total Texas AgriLife Extension Service	196,489	196,489	192,234	4,255
 TOTAL CULTURE AND EDUCATION	202,269	202,269	196,640	5,629
 <b>PUBLIC TRANSPORTATION</b>				
Road and Bridge Projects				
<i>Projects</i>	-	8,355	7,805	550
Total Road and Bridge Projects	-	8,355	7,805	550
 TOTAL PUBLIC TRANSPORTATION	-	8,355	7,805	550
 TOTAL EXPENDITURES	21,078,370	22,252,157	18,972,756	3,279,401
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(965,153)	(1,885,299)	2,042,634	3,927,933
 OTHER FINANCING SOURCES (USES)				
<i>Transfers In</i>	184,972	194,352	194,352	-
<i>Transfers Out</i>	(1,541,834)	(1,555,772)	(1,555,772)	-
Total Other Financing Sources (Uses)	(1,356,862)	(1,361,420)	(1,361,420)	-
 NET CHANGE IN FUND BALANCE	(2,322,015)	(3,246,719)	681,214	3,927,933
 FUND BALANCE AT BEGINNING OF YEAR	8,799,189	8,799,189	8,799,189	-
FUND BALANCE AT END OF YEAR	\$ 6,477,174	\$ 5,552,470	\$ 9,480,403	\$ 3,927,933



**WALKER COUNTY, TEXAS**  
**ROAD & BRIDGE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
<b>AD VALOREM TAXES</b>				
<i>Current Taxes</i>	\$ 2,125,151	\$ 2,125,151	\$ 2,294,329	\$ 169,178
Total Ad Valorem Taxes	2,125,151	2,125,151	2,294,329	169,178
<b>INTERGOVERNMENTAL</b>				
Federal Funds				
<i>Disaster Relief</i>	-	2,525,991	2,540,235	14,244
Total Federal Funds	-	2,525,991	2,540,235	14,244
State Funds				
<i>Other State Funds</i>	90,000	288,427	296,752	8,325
Total State Funds	90,000	288,427	296,752	8,325
Other InterGovernmental Funds				
<i>U.S. Forest Service</i>	115,932	115,932	128,820	12,888
<i>Other Intergovernmental</i>	-	53,552	53,553	1
Total Other Intergovernmental Funds	115,932	169,484	182,373	12,889
Total Intergovernmental	205,932	2,983,902	3,019,360	35,458
<b>CHARGES FOR SERVICES</b>				
<i>Road and Bridge Fees</i>	792,600	792,600	852,095	59,495
Total Charges for Services	792,600	792,600	852,095	59,495
<b>FINES AND FORFEITURES</b>				
<i>License and Weight - Operations</i>	280,000	280,000	285,869	5,869
<i>Other Fines and Forfeitures</i>	760,089	760,089	677,050	(83,039)
Total Fines and Forfeitures	1,040,089	1,040,089	962,919	(77,170)
<i>Interest Income</i>	1,200	1,200	6,356	5,156
<i>Other Income</i>	-	113,315	113,312	(3)
<b>TOTAL REVENUES</b>	<u>4,164,972</u>	<u>7,056,257</u>	<u>7,248,371</u>	<u>192,114</u>
<b>EXPENDITURES:</b>				
<b>GENERAL GOVERNMENT</b>				
Contingency				
<i>Contingency</i>	700,000	-	-	-
Total Contingency	700,000	-	-	-
<b>TOTAL GENERAL GOVERNMENT</b>	<u>700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>PUBLIC TRANSPORTATION</b>				
Road and Bridge General				
<i>Operations</i>	70,000	164,951	2,425	162,526
Total Road and Bridge General	70,000	164,951	2,425	162,526
Road and Bridge - Precinct 1				
<i>Salary, Other Pay, and Benefits</i>	571,171	571,171	551,546	19,625
<i>Operations</i>	447,645	843,678	533,178	310,500
<i>Capital Expenditures</i>	-	41,629	41,629	-
Total Road and Bridge - Precinct 1	1,018,816	1,456,478	1,126,353	330,125

**WALKER COUNTY, TEXAS**  
**ROAD & BRIDGE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

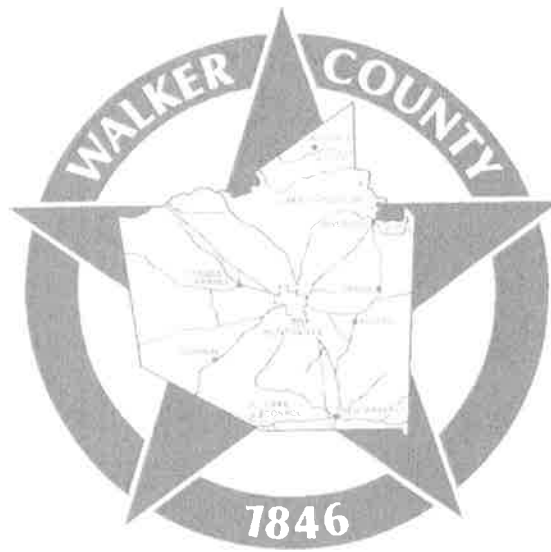
**EXHIBIT B-2**  
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Road and Bridge - Precinct 1 - Grant				
<i>Operations</i>	-	65,789	65,789	-
Total Road and Bridge - Precinct 1 - Grant	-	65,789	65,789	-
Road and Bridge - Precinct 2				
<i>Salary, Other Pay, and Benefits</i>	632,958	632,958	592,360	40,598
<i>Operations</i>	511,401	977,259	667,924	309,335
<i>Capital Expenditures</i>	-	67,500	67,500	-
Total Road and Bridge - Precinct 2	1,144,359	1,677,717	1,327,784	349,933
Road and Bridge - Precinct 3				
<i>Salary, Other Pay, and Benefits</i>	713,764	713,764	655,088	58,676
<i>Operations</i>	520,977	2,013,452	653,837	1,359,615
<i>Capital Expenditures</i>	-	37,800	37,800	-
Total Road and Bridge - Precinct 3	1,234,741	2,765,016	1,346,725	1,418,291
Road and Bridge - Precinct 3 - Grant				
<i>Operations</i>	-	65,789	65,789	-
Total Road and Bridge - Precinct 3 - Grant	-	65,789	65,789	-
Road and Bridge - Precinct 4				
<i>Salary, Other Pay, and Benefits</i>	621,792	632,012	621,736	10,276
<i>Operations</i>	613,818	2,216,809	1,080,408	1,136,401
<i>Capital Expenditures</i>	-	218,296	210,684	7,612
Total Road and Bridge - Precinct 4	1,235,610	3,067,117	1,912,828	1,154,289
Road and Bridge - Precinct 4 - Grant				
<i>Operations</i>	-	61,217	61,217	-
Total Road and Bridge - Precinct 4 - Grant	-	61,217	61,217	-
Road and Bridge Capital Projects - Weigh Station				
<i>Capital Expenditures</i>	-	119,520	-	119,520
Total Road and Bridge Capital Projects - Weigh Station	-	119,520	-	119,520
<b>TOTAL PUBLIC TRANSPORTATION</b>	<b>4,703,526</b>	<b>9,443,594</b>	<b>5,908,910</b>	<b>3,534,684</b>
<b>TOTAL EXPENDITURES</b>	<b>5,403,526</b>	<b>9,443,594</b>	<b>5,908,910</b>	<b>3,534,684</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,238,554)</b>	<b>(2,387,337)</b>	<b>1,339,461</b>	<b>3,726,798</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<i>Transfers In</i>	600,000	608,291	608,291	-
<i>Transfers Out</i>	(184,972)	(184,972)	(184,972)	-
Total Other Financing Sources (Uses)	415,028	423,319	423,319	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(823,526)</b>	<b>(1,964,018)</b>	<b>1,762,780</b>	<b>3,726,798</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>1,964,019</b>	<b>1,964,019</b>	<b>1,964,019</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 1,140,493</b>	<b>\$ 1</b>	<b>\$ 3,726,799</b>	<b>\$ 3,726,798</b>

**WALKER COUNTY, TEXAS**  
**WALKER COUNTY EMS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT B-3**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
<b>INTERGOVERNMENTAL</b>				
State Funds				
<i>Other State Funds</i>	\$ -	\$ 9,380	\$ 9,380	\$ -
Total State Funds	-	9,380	9,380	-
Total Intergovernmental	-	9,380	9,380	-
<b>CHARGES FOR SERVICES</b>				
<i>Emergency Medical Services</i>	2,100,000	2,100,000	2,215,590	115,590
Total Charges for Services	2,100,000	2,100,000	2,215,590	115,590
<i>Interest Income</i>	100	100	2,983	2,883
<i>Other Income</i>	-	5,000	5,500	500
<b>TOTAL REVENUES</b>	2,100,100	2,114,480	2,233,453	118,973
<b>EXPENDITURES:</b>				
<b>PUBLIC SAFETY</b>				
Walker County EMS				
<i>Salary, Other Pay, and Benefits</i>	2,407,643	2,407,708	2,407,708	-
<i>Operations</i>	479,600	484,535	414,277	70,258
<i>Capital Expenditures</i>	144,046	149,693	149,693	-
Total Walker County EMS	3,031,289	3,041,936	2,971,678	70,258
EMS Transfer				
<i>Salary, Other Pay, and Benefits</i>	444,953	444,953	390,116	54,837
<i>Operations</i>	29,200	29,200	13,953	15,247
Total EMS Transfer	474,153	474,153	404,069	70,084
<b>TOTAL PUBLIC SAFETY</b>	3,505,442	3,516,089	3,375,747	140,342
<b>TOTAL EXPENDITURES</b>	3,505,442	3,516,089	3,375,747	140,342
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,405,342)	(1,401,609)	(1,142,294)	259,315
<b>OTHER FINANCING SOURCES (USES)</b>				
<i>Transfers In</i>	907,000	912,647	912,647	-
<i>Transfers Out</i>	-	(9,380)	(9,380)	-
Total Other Financing Sources (Uses)	907,000	903,267	903,267	-
<b>NET CHANGE IN FUND BALANCE</b>	(498,342)	(498,342)	(239,027)	259,315
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	1,518,681	1,518,681	1,518,681	-
<b>FUND BALANCE AT END OF YEAR</b>	\$ 1,020,339	\$ 1,020,339	\$ 1,279,654	\$ 259,315



**WALKER COUNTY, TEXAS**  
**GRANTS AND CONTRACTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT B-4**  
Page 1 of 2

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUE:				
INTERGOVERNMENTAL				
Federal Funds				
<i>Homeland Security Grant</i>	\$ 103,101	\$ 103,101	\$ 103,101	\$ -
<i>CDBG Grant</i>	284,210	284,210	231,055	(53,155)
<i>Generator Grant</i>	72,201	72,201	88,700	16,499
<i>Justice Assistance Grant</i>	7,514	15,891	14,989	(902)
Total Federal Funds	467,026	475,403	437,845	(37,558)
State Funds				
<i>Other State Funds</i>	5,491,477	5,491,477	4,604,478	(886,999)
Other InterGovernmental Funds				
<i>Other Intergovernmental</i>	17,500	17,500	-	(17,500)
Total Other Intergovernmental Funds	17,500	17,500	-	(17,500)
Total Intergovernmental	5,976,003	5,984,380	5,042,323	(942,057)
Other Income	-	50,319	67,798	17,479
TOTAL REVENUES	5,976,003	6,034,699	5,110,121	(924,578)
EXPENDITURES:				
JUDICIAL				
SPU Criminal - State General Allocation				
<i>Salary, Other Pay, and Benefits</i>	1,661,218	1,661,218	1,522,764	138,454
<i>Operations</i>	182,139	182,139	148,333	33,806
<i>Capital Expenditures</i>	80,000	80,000	79,975	25
Total SPU Criminal - State General Allocation	1,923,357	1,923,357	1,751,072	172,285
SPU/Civil Division				
<i>Salary, Other Pay, and Benefits</i>	1,468,306	1,490,810	1,453,874	36,936
<i>Operations</i>	1,117,147	1,094,643	606,448	488,195
<i>Capital Expenditures</i>	-	50,319	50,319	-
Total SPU/Civil Division	2,585,453	2,635,772	2,110,641	525,131
SPU - Juvenile Division				
<i>Salary, Other Pay, and Benefits</i>	706,338	706,338	630,282	76,056
<i>Operations</i>	132,099	132,099	112,429	19,670
Total SPU - Juvenile Division	838,437	838,437	742,711	95,726
TOTAL JUDICIAL	5,347,247	5,397,566	4,604,424	793,142
PUBLIC SAFETY				
Homeland Security Grant 2015				
<i>Operations</i>	103,101	82,140	82,141	(1)
<i>Capital Expenditures</i>	-	20,961	20,960	1
Total Homeland Security Grant 2015	103,101	103,101	103,101	-
JAG Grant 2015				
<i>Operations</i>	7,514	7,514	7,515	(1)
Total JAG Grant 2015	7,514	7,514	7,515	(1)

**WALKER COUNTY, TEXAS**  
**GRANTS AND CONTRACTS FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT B-4**  
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
JAG Grant 2016				
<i>Operations</i>	-	1,666	763	903
<i>Capital Expenditures</i>	-	6,711	6,711	-
Total JAG Grant 2016	-	8,377	7,474	903
CDBG Grant - Fire Protections				
<i>Operations</i>	184,570	184,570	131,415	53,155
Total CDBG Grant - Fire Protections	184,570	184,570	131,415	53,155
<b>TOTAL PUBLIC SAFETY</b>	<b>295,185</b>	<b>303,562</b>	<b>249,505</b>	<b>54,057</b>
HEALTH AND WELFARE				
CDBG Grant				
<i>Operations</i>	88,700	88,700	88,700	-
Total CDBG Grant	88,700	88,700	88,700	-
CDBG - Riverside Water Project				
<i>Operations</i>	69,880	69,880	52,380	17,500
Total CDBG - Riverside Water Project	69,880	69,880	52,380	17,500
CDBG - Frisby Landing Project				
<i>Operations</i>	47,260	47,260	47,260	-
Total CDBG - Frisby Landing Project	47,260	47,260	47,260	-
<b>TOTAL HEALTH AND WELFARE</b>	<b>205,840</b>	<b>205,840</b>	<b>188,340</b>	<b>17,500</b>
CULTURE AND EDUCATION				
DSHS AgriLife Grant				
<i>Salary, Other Pay, and Benefits</i>	43,178	43,178	19,932	23,246
<i>Operations</i>	101,052	101,052	47,920	53,132
Total DSHS AgriLife Grant	144,230	144,230	67,852	76,378
<b>TOTAL CULTURE AND EDUCATION</b>	<b>144,230</b>	<b>144,230</b>	<b>67,852</b>	<b>76,378</b>
<b>TOTAL EXPENDITURES</b>	<b>5,992,502</b>	<b>6,051,198</b>	<b>5,110,121</b>	<b>941,077</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(16,499)	(16,499)	-	16,499
NET CHANGE IN FUND BALANCE	(16,499)	(16,499)	-	16,499
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	<u>\$ (16,499)</u>	<u>\$ (16,499)</u>	<u>\$ -</u>	<u>\$ 16,499</u>

**WALKER COUNTY, TEXAS****SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS)  
LAST TEN FISCAL YEARS\***

EXHIBIT B-5

	Fiscal Year	
	2016	2015
Total pension liability:		
Service cost	\$ 2,412,090	\$ 2,368,490
Interest (on the total pension liability)	5,847,175	5,370,303
Changes of benefit terms	(438,596)	-
Differences between expected and actual experience	(1,299,374)	-
Changes of assumptions	971,330	475,276
Refunds of employee contributions	(141,788)	(187,830)
Benefit payments	(2,730,734)	(2,168,317)
Net change in total pension liability	4,620,103	5,857,922
Total pension liability - beginning	72,151,903	66,293,981
Total pension liability - ending (a)	<u>\$ 76,772,006</u>	<u>\$ 72,151,903</u>
Plan fiduciary net position:		
Contributions - County	\$ 2,143,232	\$ 1,981,978
Contributions - employee	1,207,941	1,141,438
Net investment income	(203,510)	3,755,184
Refunds of employee contributions	(141,788)	(187,830)
Benefit payments	(2,730,734)	(2,168,317)
Administrative expense	(42,642)	(43,790)
Other	55,451	1,767
Net change in plan fiduciary net position	287,950	4,480,430
Plan fiduciary net position - beginning	59,040,321	54,559,891
Plan fiduciary net position - ending (b)	<u>\$ 59,328,271</u>	<u>\$ 59,040,321</u>
County's net pension liability - ending (a) - (b)	<u>\$ 17,443,735</u>	<u>\$ 13,111,582</u>
Plan fiduciary net position as a percentage of the total pension liability	77.28%	81.83%
Covered-employee payroll	\$ 17,256,294	\$ 16,048,404
County's net pension liability as a percentage of covered-employee payroll	101.09%	81.70%

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

**WALKER COUNTY, TEXAS****SCHEDULE OF COUNTY CONTRIBUTIONS****TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS)****LAST TEN FISCAL YEARS\***

EXHIBIT B-6

	Fiscal Year	
	2016	2015
Actuarially determined contribution	\$ 2,143,232	\$ 1,981,978
Contributions in relation to the actuarially determined contribution	(2,143,232)	(1,981,978)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered-employee payroll	\$ 17,256,294	\$ 16,048,404
Contributions as a percentage of covered-employee payroll	12.42%	12.35%

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



**WALKER COUNTY, TEXAS**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)**  
**SEPTEMBER 30, 2016**  
**(UNAUDITED)**

EXHIBIT B-7

Actuarial Valuation Date	Actuarial Value of 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)
12/31/2010	\$ -	\$ 9,956,635	\$ 9,956,635	-	\$ 14,508,895	68.62%
12/31/2011	-	9,956,635	9,956,635	-	14,652,591	67.95%
10/01/2012	-	14,052,101	14,052,101	-	12,483,000	112.57%
10/01/2013	-	15,057,656	15,057,656	-	12,811,140	117.54%
10/01/2014	-	16,417,125	16,417,125	-	9,170,494	179.02%
10/01/2015	-	16,417,125	16,417,125	-	9,170,494	179.02%

## **WALKER COUNTY, TEXAS**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

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

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

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

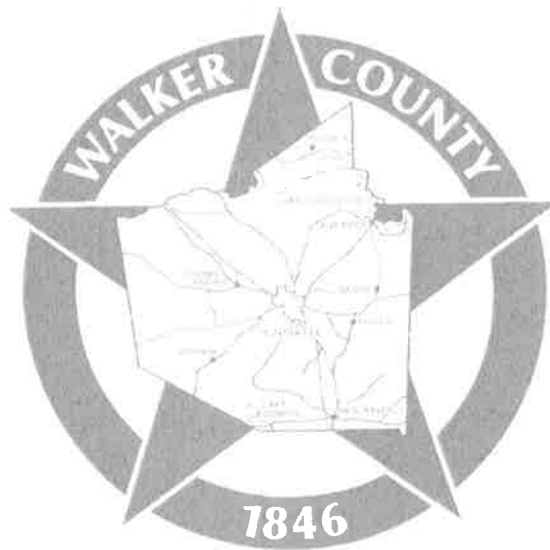
#### **B. Pension**

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed non-asymptotic
Inflation	3.00%
Salary increases	3.50%, average, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation
Cost of living adjustments	Cost-of-Living Adjustments for Walker County are considered to be substantively automatic under GASB 68. Therefore, an annual 40% CPI cost-of-living adjustment is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement age	Members eligible for service retirement are assumed to retire at rates ranging from 4.5% to 30% based on age and gender in the 2015 actuarial valuation.
Mortality	Various RP-2000 Mortality Tables and MP-2014 Ultimate scales are adopted to determine the assumed life expectancies in the 2015 actuarial valuation.



*Combining Statements and Budget Comparisons  
as Supplementary Information*

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.



## Special Revenue Funds

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2016**

	County Records Management and Preservation Fund	County Records Preservation II Fund	County Clerk Records Management and Preservation Fund	County Clerk Records Archive Fund
<b>ASSETS:</b>				
<i>Cash and Cash Equivalents</i>	\$ 11,056	\$ 33,030	\$ 283,857	\$ 389,416
<i>Accounts Receivable, Net</i>	-	-	-	-
<i>Due from Others</i>	-	-	-	-
Total Assets	<u>\$ 11,056</u>	<u>\$ 33,030</u>	<u>\$ 283,857</u>	<u>\$ 389,416</u>
<b>LIABILITIES:</b>				
<i>Accounts Payable</i>	\$ -	\$ -	\$ 680	\$ -
<i>Due to Other Governments</i>	-	-	-	-
<i>Accrued Liabilities</i>	-	296	14	-
<i>Unearned Revenue</i>	-	-	-	-
Total Liabilities	<u>-</u>	<u>296</u>	<u>694</u>	<u>-</u>
<b>FUND BALANCES:</b>				
<i>Restricted for Grants or by Legislation</i>	11,056	32,734	283,163	389,416
Total Fund Balance	<u>11,056</u>	<u>32,734</u>	<u>283,163</u>	<u>389,416</u>
Total Liabilities and Fund Balance	<u>\$ 11,056</u>	<u>\$ 33,030</u>	<u>\$ 283,857</u>	<u>\$ 389,416</u>

District Clerk Records Management and Preservation Fund	District Clerk Rider Fund	District Clerk Archive Fund	Court Reporter Service Fund	County Law Library Fund
\$ 918	\$ 19,539	\$ 2,770	\$ 1,476	\$ 49,850
-	-	-	-	-
-	-	-	-	-
<u>\$ 918</u>	<u>\$ 19,539</u>	<u>\$ 2,770</u>	<u>\$ 1,476</u>	<u>\$ 49,850</u>
\$ -	\$ -	\$ -	\$ 1,476	\$ 1,449
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,476</u>	<u>1,449</u>
918	19,539	2,770	-	48,401
<u>918</u>	<u>19,539</u>	<u>2,770</u>	<u>-</u>	<u>48,401</u>
<u>\$ 918</u>	<u>\$ 19,539</u>	<u>\$ 2,770</u>	<u>\$ 1,476</u>	<u>\$ 49,850</u>



**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2016**

	Courthouse Security Fund	Justice Courts Building Security Fund	Justice Courts Technology Fund	County and District Courts Technology Fund
<b>ASSETS:</b>				
<i>Cash and Cash Equivalents</i>	\$ 40,151	\$ 28,821	\$ 32,985	\$ 7,272
<i>Accounts Receivable, Net</i>	-	-	-	-
<i>Due from Others</i>	-	-	-	-
Total Assets	<u>\$ 40,151</u>	<u>\$ 28,821</u>	<u>\$ 32,985</u>	<u>\$ 7,272</u>
<b>LIABILITIES:</b>				
<i>Accounts Payable</i>	\$ -	\$ 240	\$ -	\$ -
<i>Due to Other Governments</i>	-	-	-	-
<i>Accrued Liabilities</i>	-	-	-	-
<i>Unearned Revenue</i>	-	-	-	-
Total Liabilities	<u>-</u>	<u>240</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>				
<i>Restricted for Grants or by Legislation</i>	40,151	28,581	32,985	7,272
Total Fund Balance	<u>40,151</u>	<u>28,581</u>	<u>32,985</u>	<u>7,272</u>
Total Liabilities and Fund Balance	<u>\$ 40,151</u>	<u>\$ 28,821</u>	<u>\$ 32,985</u>	<u>\$ 7,272</u>

District Attorney Prosecutors Supplement Fund	Pretrial Intervention Program Fund	District Attorney Forfeiture Fund	District Attorney Hot Check Fee Fund	Sheriff Forfeiture Fund
\$ 553	\$ 42	\$ 149,504	\$ 749	\$ 140,562
7,500	-	-	-	-
85	-	740	-	-
<u>\$ 8,138</u>	<u>\$ 42</u>	<u>\$ 150,244</u>	<u>\$ 749</u>	<u>\$ 140,562</u>
\$ 3,173	\$ -	\$ -	\$ 749	\$ 19,081
-	-	-	-	-
-	42	-	-	-
4,965	-	-	-	-
<u>8,138</u>	<u>42</u>	<u>-</u>	<u>749</u>	<u>19,081</u>
-	-	150,244	-	121,481
-	-	150,244	-	121,481
<u>\$ 8,138</u>	<u>\$ 42</u>	<u>\$ 150,244</u>	<u>\$ 749</u>	<u>\$ 140,562</u>

**WALKER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2016**

	Sheriff Inmate Medical Fund	DOJ Equitable Sharing Fund	Elections Equipment Fund
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 27,401	\$ 325,678	\$ 12,819
<i>Accounts Receivable, Net</i>	-	-	-
<i>Due from Others</i>	-	-	-
Total Assets	<u>\$ 27,401</u>	<u>\$ 325,678</u>	<u>\$ 12,819</u>
<b>LIABILITIES:</b>			
<i>Accounts Payable</i>	\$ -	\$ -	\$ -
<i>Due to Other Governments</i>	-	-	-
<i>Accrued Liabilities</i>	-	-	-
<i>Unearned Revenue</i>	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>			
<i>Restricted for Grants or by Legislation</i>	27,401	325,678	12,819
Total Fund Balance	<u>27,401</u>	<u>325,678</u>	<u>12,819</u>
Total Liabilities and Fund Balance	<u>\$ 27,401</u>	<u>\$ 325,678</u>	<u>\$ 12,819</u>

Tax Assessor Elections Service Contract Fund	Tax Assessor Special Inventory Fee Fund	Juvenile Grant Fund	Total Nonmajor Special Revenue Funds (See Exhibit A-3)
\$ 19,987	\$ 19	\$ 152,789	\$ 1,731,244
-	-	-	7,500
-	-	-	825
<u>\$ 19,987</u>	<u>\$ 19</u>	<u>\$ 152,789</u>	<u>\$ 1,739,569</u>
\$ 2,870	\$ -	\$ 7,297	\$ 37,015
-	-	2,450	2,450
-	-	5,483	5,835
-	-	36,984	41,949
<u>2,870</u>	<u>-</u>	<u>52,214</u>	<u>87,249</u>
17,117	19	100,575	1,652,320
<u>17,117</u>	<u>19</u>	<u>100,575</u>	<u>1,652,320</u>
<u>\$ 19,987</u>	<u>\$ 19</u>	<u>\$ 152,789</u>	<u>\$ 1,739,569</u>

**WALKER COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	County Records Management and Preservation Fund	County Records Preservation II Fund	County Clerk Records Management and Preservation Fund	County Clerk Records Archive Fund
<b>REVENUES:</b>				
<i>Intergovernmental</i>	\$ -	\$ -	\$ -	\$ -
<i>Charges for Services</i>	18,427	10,353	98,232	101,389
<i>Fines &amp; Forfeitures</i>	-	-	-	-
<i>Interest Income</i>	43	105	584	903
<i>Other Income</i>	-	-	-	-
Total revenues	<u>18,470</u>	<u>10,458</u>	<u>98,816</u>	<u>102,292</u>
<b>EXPENDITURES:</b>				
Current:				
<i>General Government</i>	24,444	23,265	29,077	5,026
<i>Judicial</i>	-	-	-	-
<i>Public Safety</i>	-	-	-	-
Debt Service:				
Total Expenditures	<u>24,444</u>	<u>23,265</u>	<u>29,077</u>	<u>5,026</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(5,974)</u>	<u>(12,807)</u>	<u>69,739</u>	<u>97,266</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(5,974)	(12,807)	69,739	97,266
Fund Balances - Beginning	17,030	45,541	213,424	292,150
Fund Balances - Ending	<u>\$ 11,056</u>	<u>\$ 32,734</u>	<u>\$ 283,163</u>	<u>\$ 389,416</u>

District Clerk Records Management and Preservation Fund	District Clerk Rider Fund	District Clerk Archive Fund	County Jury Fee Fund	Court Reporter Service Fund
\$ -	\$ 12,000	\$ -	\$ -	\$ -
3,318	-	1,576	5,673	14,404
-	-	-	-	-
-	34	-	-	-
-	-	-	591	-
<u>3,318</u>	<u>12,034</u>	<u>1,576</u>	<u>6,264</u>	<u>14,404</u>
-	-	-	-	-
2,400	4,732	-	7,697	18,490
-	-	-	-	-
<u>2,400</u>	<u>4,732</u>	<u>-</u>	<u>7,697</u>	<u>18,490</u>
918	7,302	1,576	(1,433)	(4,086)
-	-	-	-	-
-	-	-	-	-
918	7,302	1,576	(1,433)	(4,086)
-	12,237	1,194	1,433	4,086
<u>\$ 918</u>	<u>\$ 19,539</u>	<u>\$ 2,770</u>	<u>\$ -</u>	<u>\$ -</u>

**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	County Law Library Fund	Courthouse Security Fund	Justice Courts Building Security Fund	Justice Courts Technology Fund
<b>REVENUES:</b>				
<i>Intergovernmental</i>	\$ -	\$ -	\$ -	\$ -
<i>Charges for Services</i>	33,582	35,787	6,304	25,517
<i>Fines &amp; Forfeitures</i>	-	-	-	-
<i>Interest Income</i>	105	84	55	19
<i>Other Income</i>	-	-	-	-
Total revenues	<u>33,687</u>	<u>35,871</u>	<u>6,359</u>	<u>25,536</u>
<b>EXPENDITURES:</b>				
Current:				
<i>General Government</i>	-	-	-	-
<i>Judicial</i>	45,487	-	-	14,318
<i>Public Safety</i>	-	56,578	240	-
Debt Service:				
Total Expenditures	<u>45,487</u>	<u>56,578</u>	<u>240</u>	<u>14,318</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,800)</u>	<u>(20,707)</u>	<u>6,119</u>	<u>11,218</u>
Other Financing Sources (Uses):				
<i>Transfers In</i>	-	14,507	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>14,507</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(11,800)	(6,200)	6,119	11,218
Fund Balances - Beginning	60,201	46,351	22,462	21,767
Fund Balances - Ending	<u>\$ 48,401</u>	<u>\$ 40,151</u>	<u>\$ 28,581</u>	<u>\$ 32,985</u>

County and District Courts Technology Fund	District Attorney Prosecutors Supplement Fund	Pretrial Intervention Program Fund	District Attorney Forfeiture Fund	District Attorney Hot Check Fee Fund
\$ -	\$ 22,500	\$ -	\$ -	\$ -
1,794	-	16,333	-	7,308
-	-	-	39,124	-
3	-	-	370	-
-	-	-	-	-
<u>1,797</u>	<u>22,500</u>	<u>16,333</u>	<u>39,494</u>	<u>7,308</u>
-	-	-	-	-
-	22,500	36,660	20,545	7,308
-	-	-	-	-
<u>-</u>	<u>22,500</u>	<u>36,660</u>	<u>20,545</u>	<u>7,308</u>
1,797	-	(20,327)	18,949	-
-	-	20,327	-	-
-	-	20,327	-	-
1,797	-	-	18,949	-
5,475	-	-	131,295	-
<u>\$ 7,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,244</u>	<u>\$ -</u>



**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Sheriff Forfeiture Fund	Sheriff Inmate Medical Fund	DOJ Equitable Sharing Fund
<b>REVENUES:</b>			
<i>Intergovernmental</i>	\$ -	\$ -	\$ -
<i>Charges for Services</i>	-	2,731	-
<i>Fines &amp; Forfeitures</i>	70,841	-	47,141
<i>Interest Income</i>	333	61	905
<i>Other Income</i>	5,020	-	-
Total revenues	<u>76,194</u>	<u>2,792</u>	<u>48,046</u>
<b>EXPENDITURES:</b>			
Current:			
<i>General Government</i>	-	-	-
<i>Judicial</i>	-	-	-
<i>Public Safety</i>	47,448	-	-
Debt Service:			
Total Expenditures	<u>47,448</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>28,746</u>	<u>2,792</u>	<u>48,046</u>
Other Financing Sources (Uses):			
<i>Transfers In</i>	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	28,746	2,792	48,046
Fund Balances - Beginning	92,735	24,609	277,632
Fund Balances - Ending	<u>\$ 121,481</u>	<u>\$ 27,401</u>	<u>\$ 325,678</u>

Elections Equipment Fund	Tax Assessor Elections Service Contract Fund	Tax Assessor Special Inventory Fee Fund	Juvenile Grant Fund	Total Nonmajor Special Revenue Funds (See Exhibit A-5)
\$ 9,362	\$ 225	\$ -	\$ 423,259	\$ 467,346
-	6,787	-	-	389,515
-	-	-	-	157,106
38	48	-	239	3,929
-	-	-	-	5,611
<u>9,400</u>	<u>7,060</u>	<u>-</u>	<u>423,498</u>	<u>1,023,507</u>
20,120	5,166	-	-	107,098
-	-	-	426,634	606,771
-	-	-	-	104,266
<u>20,120</u>	<u>5,166</u>	<u>-</u>	<u>426,634</u>	<u>818,135</u>
<u>(10,720)</u>	<u>1,894</u>	<u>-</u>	<u>(3,136)</u>	<u>205,372</u>
-	-	-	-	34,834
-	-	-	-	34,834
<u>(10,720)</u>	<u>1,894</u>	<u>-</u>	<u>(3,136)</u>	<u>240,206</u>
23,539	15,223	19	103,711	1,412,114
<u>\$ 12,819</u>	<u>\$ 17,117</u>	<u>\$ 19</u>	<u>\$ 100,575</u>	<u>\$ 1,652,320</u>



## Budgetary Comparison Schedules

**WALKER COUNTY, TEXAS**

COUNTY RECORDS MANAGEMENT AND PRESERVATION FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

**EXHIBIT C-3**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Records Preservation</i>	\$ 22,800	\$ 22,800	\$ 18,427	\$ (4,373)
Total Charges for Services	22,800	22,800	18,427	(4,373)
<i>Interest Income</i>	7	7	43	36
TOTAL REVENUES	22,807	22,807	18,470	(4,337)
EXPENDITURES:				
GENERAL GOVERNMENT				
County Records Management				
<i>Operations</i>	30,000	30,000	24,444	5,556
Total County Records Management	30,000	30,000	24,444	5,556
TOTAL GENERAL GOVERNMENT	30,000	30,000	24,444	5,556
TOTAL EXPENDITURES	30,000	30,000	24,444	5,556
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,193)	(7,193)	(5,974)	1,219
NET CHANGE IN FUND BALANCE	(7,193)	(7,193)	(5,974)	1,219
FUND BALANCE AT BEGINNING OF YEAR	17,030	17,030	17,030	-
FUND BALANCE AT END OF YEAR	\$ 9,837	\$ 9,837	\$ 11,056	\$ 1,219

**WALKER COUNTY, TEXAS**  
**COUNTY RECORDS PRESERVATION II FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-4**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Records Preservation</i>	\$ 11,000	\$ 11,000	\$ 10,353	\$ (647)
Total Charges for Services	11,000	11,000	10,353	(647)
<i>Interest Income</i>	-	-	105	105
TOTAL REVENUES	11,000	11,000	10,458	(542)
EXPENDITURES:				
GENERAL GOVERNMENT				
County Records Preservation II Fund				
<i>Salary, Other Pay, and Benefits</i>	28,718	28,718	23,265	5,453
<i>Operations</i>	10,000	10,000	-	10,000
Total County Records Preservation II Fund	38,718	38,718	23,265	15,453
TOTAL GENERAL GOVERNMENT	38,718	38,718	23,265	15,453
TOTAL EXPENDITURES	38,718	38,718	23,265	15,453
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(27,718)	(27,718)	(12,807)	14,911
NET CHANGE IN FUND BALANCE	(27,718)	(27,718)	(12,807)	14,911
FUND BALANCE AT BEGINNING OF YEAR	45,541	45,541	45,541	-
FUND BALANCE AT END OF YEAR	\$ 17,823	\$ 17,823	\$ 32,734	\$ 14,911

**WALKER COUNTY, TEXAS**

COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

**EXHIBIT C-5**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Records Preservation</i>	\$ 96,000	\$ 96,000	\$ 98,232	\$ 2,232
Total Charges for Services	96,000	96,000	98,232	2,232
<i>Interest Income</i>	50	50	584	534
TOTAL REVENUES	96,050	96,050	98,816	2,766
EXPENDITURES:				
GENERAL GOVERNMENT				
County Clerk Records Preservation				
<i>Salary, Other Pay, and Benefits</i>	56,823	56,823	25,515	31,308
<i>Operations</i>	4,600	4,600	3,562	1,038
Total County Clerk Records Preservation	61,423	61,423	29,077	32,346
TOTAL GENERAL GOVERNMENT	61,423	61,423	29,077	32,346
TOTAL EXPENDITURES	61,423	61,423	29,077	32,346
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	34,627	34,627	69,739	35,112
NET CHANGE IN FUND BALANCE	34,627	34,627	69,739	35,112
FUND BALANCE AT BEGINNING OF YEAR	213,424	213,424	213,424	-
FUND BALANCE AT END OF YEAR	\$ 248,051	\$ 248,051	\$ 283,163	\$ 35,112

**WALKER COUNTY, TEXAS**  
**COUNTY CLERK RECORDS ARCHIVE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-6**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Records Preservation</i>	\$ 95,050	\$ 95,050	\$ 101,389	\$ 6,339
Total Charges for Services	95,050	95,050	101,389	6,339
<i>Interest Income</i>	50	50	903	853
TOTAL REVENUES	95,100	95,100	102,292	7,192
EXPENDITURES:				
GENERAL GOVERNMENT				
County Clerk Archive				
<i>Operations</i>	-	5,100	5,026	74
<i>Contingency</i>	25,000	19,900	-	19,900
Total County Clerk Archive	25,000	25,000	5,026	19,974
TOTAL GENERAL GOVERNMENT	25,000	25,000	5,026	19,974
TOTAL EXPENDITURES	25,000	25,000	5,026	19,974
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	70,100	70,100	97,266	27,166
NET CHANGE IN FUND BALANCE	70,100	70,100	97,266	27,166
FUND BALANCE AT BEGINNING OF YEAR	292,150	292,150	292,150	-
FUND BALANCE AT END OF YEAR	\$ 362,250	\$ 362,250	\$ 389,416	\$ 27,166



**WALKER COUNTY, TEXAS**

DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

**EXHIBIT C-7**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Records Preservation</i>	\$ 3,400	\$ 3,400	\$ 3,318	\$ (82)
Total Charges for Services	3,400	3,400	3,318	(82)
<i>Interest Income</i>	10	10	-	(10)
TOTAL REVENUES	3,410	3,410	3,318	(92)
EXPENDITURES:				
JUDICIAL				
District Clerk Records Preservation				
<i>Operations</i>	-	2,400	2,400	-
<i>Contingency</i>	3,410	1,010	-	1,010
Total District Clerk Records Preservation	3,410	3,410	2,400	1,010
TOTAL JUDICIAL	3,410	3,410	2,400	1,010
TOTAL EXPENDITURES	3,410	3,410	2,400	1,010
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	918	918
NET CHANGE IN FUND BALANCE	-	-	918	918
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ 918	\$ 918

**WALKER COUNTY, TEXAS**  
**DISTRICT CLERK RIDER FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-8**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
<b>INTERGOVERNMENTAL</b>				
State Funds				
<i>Other State Funds</i>	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
<b>Total Intergovernmental</b>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
<i>Interest Income</i>	-	-	34	34
<b>TOTAL REVENUES</b>	<u>12,000</u>	<u>12,000</u>	<u>12,034</u>	<u>34</u>
<b>EXPENDITURES:</b>				
<b>JUDICIAL</b>				
Rider Prosecution Fund				
<i>Salary, Other Pay, and Benefits</i>	4,828	4,828	4,732	96
<i>Contingency</i>	9,532	9,532	-	9,532
<b>Total Rider Prosecution Fund</b>	<u>14,360</u>	<u>14,360</u>	<u>4,732</u>	<u>9,628</u>
<b>TOTAL JUDICIAL</b>	<u>14,360</u>	<u>14,360</u>	<u>4,732</u>	<u>9,628</u>
<b>TOTAL EXPENDITURES</b>	<u>14,360</u>	<u>14,360</u>	<u>4,732</u>	<u>9,628</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,360)</u>	<u>(2,360)</u>	<u>7,302</u>	<u>9,662</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(2,360)</u>	<u>(2,360)</u>	<u>7,302</u>	<u>9,662</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>12,237</u>	<u>12,237</u>	<u>12,237</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 9,877</u>	<u>\$ 9,877</u>	<u>\$ 19,539</u>	<u>\$ 9,662</u>

**WALKER COUNTY, TEXAS**  
**DISTRICT CLERK ARCHIVE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-9**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>District Clerk Archive</i>	\$ 700	\$ 700	\$ 1,576	\$ 876
Total Charges for Services	700	700	1,576	876
TOTAL REVENUES	700	700	1,576	876
EXPENDITURES:				
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	700	700	1,576	876
NET CHANGE IN FUND BALANCE	700	700	1,576	876
FUND BALANCE AT BEGINNING OF YEAR	1,194	1,194	1,194	-
FUND BALANCE AT END OF YEAR	\$ 1,894	\$ 1,894	\$ 2,770	\$ 876

**WALKER COUNTY, TEXAS**  
**COUNTY JURY FEE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-10**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>County Jury Fee</i>	\$ 2,700	\$ 2,700	\$ 5,673	\$ 2,973
Total Charges for Services	<u>2,700</u>	<u>2,700</u>	<u>5,673</u>	<u>2,973</u>
<i>Other Income</i>	-	-	591	591
TOTAL REVENUES	<u>2,700</u>	<u>2,700</u>	<u>6,264</u>	<u>3,564</u>
EXPENDITURES:				
JUDICIAL				
County Jury				
<i>Operations</i>	2,700	7,697	7,697	-
Total County Jury	<u>2,700</u>	<u>7,697</u>	<u>7,697</u>	<u>-</u>
TOTAL JUDICIAL	<u>2,700</u>	<u>7,697</u>	<u>7,697</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,700</u>	<u>7,697</u>	<u>7,697</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(4,997)</u>	<u>(1,433)</u>	<u>3,564</u>
NET CHANGE IN FUND BALANCE	-	(4,997)	(1,433)	3,564
FUND BALANCE AT BEGINNING OF YEAR	1,433	1,433	1,433	-
FUND BALANCE AT END OF YEAR	<u>\$ 1,433</u>	<u>\$ (3,564)</u>	<u>\$ -</u>	<u>\$ 3,564</u>

**WALKER COUNTY, TEXAS**  
**COURT REPORTER SERVICE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-11**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Court Reporter Fees</i>	\$ 14,000	\$ 14,000	\$ 14,404	\$ 404
Total Charges for Services	14,000	14,000	14,404	404
TOTAL REVENUES	14,000	14,000	14,404	404
EXPENDITURES:				
JUDICIAL				
Court Reporter Services				
<i>Operations</i>	14,000	18,490	18,490	-
Total Court Reporter Services	14,000	18,490	18,490	-
TOTAL JUDICIAL	14,000	18,490	18,490	-
TOTAL EXPENDITURES	14,000	18,490	18,490	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(4,490)	(4,086)	404
NET CHANGE IN FUND BALANCE	-	(4,490)	(4,086)	404
FUND BALANCE AT BEGINNING OF YEAR	4,086	4,086	4,086	-
FUND BALANCE AT END OF YEAR	\$ 4,086	\$ (404)	\$ -	\$ 404

**WALKER COUNTY, TEXAS**  
**COUNTY LAW LIBRARY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-12**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Law Library</i>	\$ 33,400	\$ 33,400	\$ 33,582	\$ 182
Total Charges for Services	33,400	33,400	33,582	182
<i>Interest Income</i>	20	20	105	85
TOTAL REVENUES	33,420	33,420	33,687	267
EXPENDITURES:				
JUDICIAL				
<i>Law Library</i>				
<i>Salary, Other Pay, and Benefits</i>	9,414	9,414	7,495	1,919
<i>Operations</i>	37,579	39,579	37,992	1,587
<i>Contingency</i>	14,000	12,000	-	12,000
Total Law Library	60,993	60,993	45,487	15,506
TOTAL JUDICIAL	60,993	60,993	45,487	15,506
TOTAL EXPENDITURES	60,993	60,993	45,487	15,506
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(27,573)	(27,573)	(11,800)	15,773
NET CHANGE IN FUND BALANCE	(27,573)	(27,573)	(11,800)	15,773
FUND BALANCE AT BEGINNING OF YEAR	60,201	60,201	60,201	-
FUND BALANCE AT END OF YEAR	\$ 32,628	\$ 32,628	\$ 48,401	\$ 15,773

**WALKER COUNTY, TEXAS**  
**COURTHOUSE SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-13**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Court House Security</i>	\$ 40,000	\$ 40,000	\$ 35,787	\$ (4,213)
Total Charges for Services	40,000	40,000	35,787	(4,213)
<i>Interest Income</i>	-	-	84	84
TOTAL REVENUES	40,000	40,000	35,871	(4,129)
EXPENDITURES:				
PUBLIC SAFETY				
Courthouse Security				
<i>Salary, Other Pay, and Benefits</i>	64,342	64,342	56,578	7,764
Total Courthouse Security	64,342	64,342	56,578	7,764
TOTAL PUBLIC SAFETY	64,342	64,342	56,578	7,764
TOTAL EXPENDITURES	64,342	64,342	56,578	7,764
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(24,342)	(24,342)	(20,707)	3,635
OTHER FINANCING SOURCES (USES)				
<i>Transfers In</i>	14,507	14,507	14,507	-
Total Other Financing Sources (Uses)	14,507	14,507	14,507	-
NET CHANGE IN FUND BALANCE	(9,835)	(9,835)	(6,200)	3,635
FUND BALANCE AT BEGINNING OF YEAR	46,351	46,351	46,351	-
FUND BALANCE AT END OF YEAR	\$ 36,516	\$ 36,516	\$ 40,151	\$ 3,635

**WALKER COUNTY, TEXAS**  
**JUSTICE COURTS BUILDING SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-14**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Justice Court Security</i>	\$ 6,200	\$ 6,200	\$ 6,304	\$ 104
Total Charges for Services	6,200	6,200	6,304	104
<i>Interest Income</i>	8	8	55	47
TOTAL REVENUES	6,208	6,208	6,359	151
EXPENDITURES:				
PUBLIC SAFETY				
Justice Courts Security				
<i>Operations</i>	-	240	240	-
<i>Contingency</i>	10,000	9,760	-	9,760
Total Justice Courts Security	10,000	10,000	240	9,760
TOTAL PUBLIC SAFETY	10,000	10,000	240	9,760
TOTAL EXPENDITURES	10,000	10,000	240	9,760
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,792)	(3,792)	6,119	9,911
NET CHANGE IN FUND BALANCE	(3,792)	(3,792)	6,119	9,911
FUND BALANCE AT BEGINNING OF YEAR	22,462	22,462	22,462	-
FUND BALANCE AT END OF YEAR	\$ 18,670	\$ 18,670	\$ 28,581	\$ 9,911



**WALKER COUNTY, TEXAS**  
**JUSTICE COURTS TECHNOLOGY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-15**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Justice Court Technology</i>	\$ 25,200	\$ 25,200	\$ 25,517	\$ 317
Total Charges for Services	25,200	25,200	25,517	317
<i>Interest Income</i>	5	5	19	14
TOTAL REVENUES	25,205	25,205	25,536	331
EXPENDITURES:				
JUDICIAL				
Justice Court Technology				
<i>Operations</i>	28,200	28,200	14,318	13,882
<i>Contingency</i>	2,800	2,800	-	2,800
Total Justice Court Technology	31,000	31,000	14,318	16,682
TOTAL JUDICIAL	31,000	31,000	14,318	16,682
TOTAL EXPENDITURES	31,000	31,000	14,318	16,682
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,795)	(5,795)	11,218	17,013
NET CHANGE IN FUND BALANCE	(5,795)	(5,795)	11,218	17,013
FUND BALANCE AT BEGINNING OF YEAR	21,767	21,767	21,767	-
FUND BALANCE AT END OF YEAR	\$ 15,972	\$ 15,972	\$ 32,985	\$ 17,013

**WALKER COUNTY, TEXAS**

COUNTY AND DISTRICT COURTS TECHNOLOGY FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

**EXHIBIT C-16**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
County and District Court Technology	\$ 2,200	\$ 2,200	\$ 1,794	\$ (406)
Total Charges for Services	2,200	2,200	1,794	(406)
Interest Income	-	-	3	3
TOTAL REVENUES	2,200	2,200	1,797	(403)
EXPENDITURES:				
JUDICIAL				
County and District Courts Technology				
Operations	7,829	7,829	-	7,829
Total County and District Courts Technology	7,829	7,829	-	7,829
TOTAL JUDICIAL	7,829	7,829	-	7,829
TOTAL EXPENDITURES	7,829	7,829	-	7,829
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,629)	(5,629)	1,797	7,426
NET CHANGE IN FUND BALANCE	(5,629)	(5,629)	1,797	7,426
FUND BALANCE AT BEGINNING OF YEAR	5,475	5,475	5,475	-
FUND BALANCE AT END OF YEAR	\$ (154)	\$ (154)	\$ 7,272	\$ 7,426

**WALKER COUNTY, TEXAS**

DISTRICT ATTORNEY PROSECUTORS SUPPLEMENT FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

**EXHIBIT C-17**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
State Funds				
<i>Other State Funds</i>	\$ 22,500	\$ 22,500	\$ 22,500	\$ -
Total Intergovernmental	22,500	22,500	22,500	-
TOTAL REVENUES	22,500	22,500	22,500	-
EXPENDITURES:				
JUDICIAL				
CDA Supplement				
<i>Operations</i>	22,500	22,500	22,500	-
Total CDA Supplement	22,500	22,500	22,500	-
TOTAL JUDICIAL	22,500	22,500	22,500	-
TOTAL EXPENDITURES	22,500	22,500	22,500	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -

**WALKER COUNTY, TEXAS**  
**PRETRIAL INTERVENTION PROGRAM FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-18**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Pretrial Intervention</i>	\$ 23,400	\$ 23,400	\$ 16,333	\$ (7,067)
Total Charges for Services	23,400	23,400	16,333	(7,067)
TOTAL REVENUES	23,400	23,400	16,333	(7,067)
EXPENDITURES:				
JUDICIAL				
Pretrial Intervention				
<i>Salary, Other Pay, and Benefits</i>	43,727	43,727	36,660	7,067
Total Pretrial Intervention	43,727	43,727	36,660	7,067
TOTAL JUDICIAL	43,727	43,727	36,660	7,067
TOTAL EXPENDITURES	43,727	43,727	36,660	7,067
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(20,327)	(20,327)	(20,327)	-
OTHER FINANCING SOURCES (USES)				
<i>Transfers In</i>	20,327	20,327	20,327	-
Total Other Financing Sources (Uses)	20,327	20,327	20,327	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -

**WALKER COUNTY, TEXAS**  
**DISTRICT ATTORNEY FORFEITURE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-19**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FINES AND FORFEITURES				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 39,124	\$ 39,124
Total Fines and Forfeitures	-	-	39,124	39,124
<i>Interest Income</i>	-	-	370	370
TOTAL REVENUES	-	-	39,494	39,494
EXPENDITURES:				
JUDICIAL				
District Attorney Forfeitures				
<i>Operations</i>	-	23,607	20,545	3,062
<i>Contingency</i>	84,475	60,868	-	60,868
Total District Attorney Forfeitures	84,475	84,475	20,545	63,930
TOTAL JUDICIAL	84,475	84,475	20,545	63,930
TOTAL EXPENDITURES	84,475	84,475	20,545	63,930
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(84,475)	(84,475)	18,949	103,424
NET CHANGE IN FUND BALANCE	(84,475)	(84,475)	18,949	103,424
FUND BALANCE AT BEGINNING OF YEAR	131,295	131,295	131,295	-
FUND BALANCE AT END OF YEAR	\$ 46,820	\$ 46,820	\$ 150,244	\$ 103,424

**WALKER COUNTY, TEXAS**  
**DISTRICT ATTORNEY HOT CHECK FEE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-20**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Hot Check</i>	\$ 12,400	\$ 12,400	\$ 7,308	\$ (5,092)
Total Charges for Services	12,400	12,400	7,308	(5,092)
TOTAL REVENUES	12,400	12,400	7,308	(5,092)
EXPENDITURES:				
JUDICIAL				
Hot Checks				
<i>Salary, Other Pay, and Benefits</i>	5,000	5,000	3,154	1,846
<i>Operations</i>	7,340	7,340	4,154	3,186
Total Hot Checks	12,340	12,340	7,308	5,032
TOTAL JUDICIAL	12,340	12,340	7,308	5,032
TOTAL EXPENDITURES	12,340	12,340	7,308	5,032
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	60	60	-	(60)
NET CHANGE IN FUND BALANCE	60	60	-	(60)
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ 60	\$ 60	\$ -	\$ (60)

**WALKER COUNTY, TEXAS**  
**SHERIFF FORFEITURE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-21**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUE:</b>				
<b>FINES AND FORFEITURES</b>				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 70,841	\$ 70,841
<b>Total Fines and Forfeitures</b>	<u>-</u>	<u>-</u>	<u>70,841</u>	<u>70,841</u>
<i>Interest Income</i>	-	-	333	333
<i>Other Income</i>	-	-	5,020	5,020
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>76,194</u>	<u>76,194</u>
<b>EXPENDITURES:</b>				
<b>PUBLIC SAFETY</b>				
Sheriff Forfeiture				
<i>Operations</i>	-	47,449	47,448	1
<i>Contingency</i>	39,261	-	-	-
<b>Total Sheriff Forfeiture</b>	<u>39,261</u>	<u>47,449</u>	<u>47,448</u>	<u>1</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>39,261</u>	<u>47,449</u>	<u>47,448</u>	<u>1</u>
<b>TOTAL EXPENDITURES</b>	<u>39,261</u>	<u>47,449</u>	<u>47,448</u>	<u>1</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(39,261)</u>	<u>(47,449)</u>	<u>28,746</u>	<u>76,195</u>
<b>NET CHANGE IN FUND BALANCE</b>	(39,261)	(47,449)	28,746	76,195
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	92,735	92,735	92,735	-
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 53,474</u>	<u>\$ 45,286</u>	<u>\$ 121,481</u>	<u>\$ 76,195</u>

**WALKER COUNTY, TEXAS**  
**SHERIFF INMATE MEDICAL FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-22**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
CHARGES FOR SERVICES				
<i>Inmate Medical Services</i>	\$ 1,100	\$ 1,100	\$ 2,731	\$ 1,631
Total Charges for Services	<u>1,100</u>	<u>1,100</u>	<u>2,731</u>	<u>1,631</u>
<i>Interest Income</i>	5	5	61	56
TOTAL REVENUES	<u>1,105</u>	<u>1,105</u>	<u>2,792</u>	<u>1,687</u>
EXPENDITURES:				
CORRECTION AND REHABILITATION				
Sheriff Inmate Medical				
<i>Operations</i>	10,000	10,000	-	10,000
Total Sheriff Inmate Medical	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL CORRECTION AND REHABILITATION	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL EXPENDITURES	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,895)</u>	<u>(8,895)</u>	<u>2,792</u>	<u>11,687</u>
NET CHANGE IN FUND BALANCE	(8,895)	(8,895)	2,792	11,687
FUND BALANCE AT BEGINNING OF YEAR	24,609	24,609	24,609	-
FUND BALANCE AT END OF YEAR	<u>\$ 15,714</u>	<u>\$ 15,714</u>	<u>\$ 27,401</u>	<u>\$ 11,687</u>



**WALKER COUNTY, TEXAS**  
**DOJ EQUITABLE SHARING FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-23**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FINES AND FORFEITURES				
<i>Fines and Forfeitures</i>	\$ -	\$ -	\$ 47,141	\$ 47,141
Total Fines and Forfeitures	-	-	47,141	47,141
<i>Interest Income</i>	-	-	905	905
TOTAL REVENUES	-	-	48,046	48,046
EXPENDITURES:				
PUBLIC SAFETY				
DOJ Equitable Sharing				
<i>Contingency</i>	104,407	104,407	-	104,407
Total DOJ Equitable Sharing	104,407	104,407	-	104,407
TOTAL PUBLIC SAFETY	104,407	104,407	-	104,407
TOTAL EXPENDITURES	104,407	104,407	-	104,407
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(104,407)	(104,407)	48,046	152,453
NET CHANGE IN FUND BALANCE	(104,407)	(104,407)	48,046	152,453
FUND BALANCE AT BEGINNING OF YEAR	277,632	277,632	277,632	-
FUND BALANCE AT END OF YEAR	\$ 173,225	\$ 173,225	\$ 325,678	\$ 152,453

**WALKER COUNTY, TEXAS**  
**ELECTIONS EQUIPMENT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-24**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
Other Intergovernmental Funds				
<i>Other Intergovernmental</i>	\$ 10,000	\$ 10,000	\$ 9,362	\$ (638)
Total Other Intergovernmental Funds	10,000	10,000	9,362	(638)
Total Intergovernmental	10,000	10,000	9,362	(638)
<i>Interest Income</i>	-	-	38	38
TOTAL REVENUES	10,000	10,000	9,400	(600)
EXPENDITURES:				
GENERAL GOVERNMENT				
Elections Equipment				
<i>Operations</i>	31,625	31,625	20,120	11,505
Total Elections Equipment	31,625	31,625	20,120	11,505
TOTAL GENERAL GOVERNMENT	31,625	31,625	20,120	11,505
TOTAL EXPENDITURES	31,625	31,625	20,120	11,505
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(21,625)	(21,625)	(10,720)	10,905
NET CHANGE IN FUND BALANCE	(21,625)	(21,625)	(10,720)	10,905
FUND BALANCE AT BEGINNING OF YEAR	23,539	23,539	23,539	-
FUND BALANCE AT END OF YEAR	\$ 1,914	\$ 1,914	\$ 12,819	\$ 10,905

**WALKER COUNTY, TEXAS**

TAX ASSESSOR ELECTIONS SERVICE CONTRACT FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

**EXHIBIT C-25**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
Other Intergovernmental Funds				
<i>Other Intergovernmental</i>	\$ -	\$ -	\$ 225	\$ 225
Total Other Intergovernmental Funds	-	-	225	225
Total Intergovernmental	-	-	225	225
CHARGES FOR SERVICES				
<i>Tax Assessor Election Service Contract</i>	3,500	3,500	6,787	3,287
Total Charges for Services	3,500	3,500	6,787	3,287
<i>Interest Income</i>	-	-	48	48
TOTAL REVENUES	3,500	3,500	7,060	3,560
EXPENDITURES:				
GENERAL GOVERNMENT				
Elections Services Contracts				
<i>Salary, Other Pay, and Benefits</i>	3,861	3,861	-	3,861
<i>Operations</i>	-	5,167	5,166	1
Total Elections Services Contracts	3,861	9,028	5,166	3,862
TOTAL GENERAL GOVERNMENT	3,861	9,028	5,166	3,862
TOTAL EXPENDITURES	3,861	9,028	5,166	3,862
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(361)	(5,528)	1,894	7,422
NET CHANGE IN FUND BALANCE	(361)	(5,528)	1,894	7,422
FUND BALANCE AT BEGINNING OF YEAR	15,223	15,223	15,223	-
FUND BALANCE AT END OF YEAR	\$ 14,862	\$ 9,695	\$ 17,117	\$ 7,422

**WALKER COUNTY, TEXAS**

TAX ASSESSOR SPECIAL INVENTORY FEE FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

**EXHIBIT C-26**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
EXPENDITURES:				
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	19	19	19	-
FUND BALANCE AT END OF YEAR	\$ 19	\$ 19	\$ 19	\$ -

**WALKER COUNTY, TEXAS**  
**JUVENILE GRANT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-27**  
Page 1 of 2

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUE:				
INTERGOVERNMENTAL				
State Funds				
<i>State Grant Funds</i>	\$ 8,200	\$ 8,200	\$ 8,200	\$ -
<i>Other State Funds</i>	415,926	415,926	415,059	(867)
Total State Funds	424,126	424,126	423,259	(867)
 Total Intergovernmental	 424,126	 424,126	 423,259	 (867)
 <i>Interest Income</i>	 -	 -	 239	 239
TOTAL REVENUES	424,126	424,126	423,498	(628)
EXPENDITURES:				
JUDICIAL				
Title IV-E Funds				
<i>Salary, Other Pay, and Benefits</i>	3,604	3,604	125	3,479
<i>Operations</i>	51,988	51,988	3,250	48,738
<i>Contingency</i>	48,119	48,119	-	48,119
Total Title IV-E Funds	103,711	103,711	3,375	100,336
 TJPC-A-94-236				
<i>Salary, Other Pay, and Benefits</i>	217,937	217,937	212,973	4,964
Total TJPC-A-94-236	217,937	217,937	212,973	4,964
 Juvenile Grants				
<i>Operations</i>	43,907	43,907	48,756	(4,849)
Total Juvenile Grants	43,907	43,907	48,756	(4,849)
 Medical Services Fund				
<i>Salary, Other Pay, and Benefits</i>	32,526	32,526	32,891	(365)
<i>Operations</i>	1,452	1,452	1,702	(250)
Total Medical Services Fund	33,978	33,978	34,593	(615)
 HGAC Services Grant				
<i>Operations</i>	8,200	8,200	8,200	-
Total HGAC Services Grant	8,200	8,200	8,200	-
 Pre-Post Adjudication				
<i>Operations</i>	21,055	21,055	21,055	-
Total Pre-Post Adjudication	21,055	21,055	21,055	-
 Community Programs				
<i>Salary, Other Pay, and Benefits</i>	87,458	87,458	88,871	(1,413)
<i>Operations</i>	6,751	6,751	7,191	(440)
Total Community Programs	94,209	94,209	96,062	(1,853)

**WALKER COUNTY, TEXAS**  
**JUVENILE GRANT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-27**  
Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Juvenile Regionalization Money				
<i>Operations</i>	4,840	4,840	1,620	3,220
Total Juvenile Regionalization Money	4,840	4,840	1,620	3,220
TOTAL JUDICIAL	527,837	527,837	426,634	101,203
TOTAL EXPENDITURES	527,837	527,837	426,634	101,203
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(103,711)	(103,711)	(3,136)	100,575
NET CHANGE IN FUND BALANCE	(103,711)	(103,711)	(3,136)	100,575
FUND BALANCE AT BEGINNING OF YEAR	103,711	103,711	103,711	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ 100,575	\$ 100,575



## Debt Service Fund



**WALKER COUNTY, TEXAS**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT C-28**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
AD VALOREM TAXES				
<i>Current Taxes</i>	\$ 1,180,244	\$ 1,180,244	\$ 1,348,219	\$ 167,975
<i>Delinquent Taxes</i>	23,500	23,500	25,821	2,321
Total Ad Valorem Taxes	<u>1,203,744</u>	<u>1,203,744</u>	<u>1,374,040</u>	<u>170,296</u>
<i>Penalty and Interest</i>	16,800	16,800	19,495	2,695
<i>Interest Income</i>	200	200	1,995	1,795
TOTAL REVENUES	<u>1,220,744</u>	<u>1,220,744</u>	<u>1,395,530</u>	<u>174,786</u>
EXPENDITURES:				
DEBT SERVICE				
<i>Principal Retirement</i>	830,000	830,000	830,000	-
<i>Interest and Fiscal Charges</i>	544,368	544,368	544,368	-
Total Debt Service	<u>1,374,368</u>	<u>1,374,368</u>	<u>1,374,368</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,374,368</u>	<u>1,374,368</u>	<u>1,374,368</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(153,624)</u>	<u>(153,624)</u>	<u>21,162</u>	<u>174,786</u>
NET CHANGE IN FUND BALANCE	(153,624)	(153,624)	21,162	174,786
FUND BALANCE AT BEGINNING OF YEAR	159,258	159,258	159,258	-
FUND BALANCE AT END OF YEAR	<u>\$ 5,634</u>	<u>\$ 5,634</u>	<u>\$ 180,420</u>	<u>\$ 174,786</u>

## Projects Fund

**WALKER COUNTY, TEXAS**

CAPITAL PROJECT-JAIL CONSTRUCTION FUND

CAPITAL PROJECTS FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2016

**EXHIBIT C-29**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
<i>Interest Income</i>	\$ -	\$ 1,623	\$ 1,623	\$ -
TOTAL REVENUES	-	1,623	1,623	-
EXPENDITURES:				
CORRECTION AND REHABILITATION				
Jail Project				
<i>Capital Expenditures</i>	629,092	630,715	630,715	-
Total Jail Project	629,092	630,715	630,715	-
TOTAL CORRECTION AND REHABILITATION	629,092	630,715	630,715	-
TOTAL EXPENDITURES	629,092	630,715	630,715	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(629,092)	(629,092)	(629,092)	-
NET CHANGE IN FUND BALANCE	(629,092)	(629,092)	(629,092)	-
FUND BALANCE AT BEGINNING OF YEAR	629,092	629,092	629,092	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -

## Fiduciary Funds

**WALKER COUNTY, TEXAS****COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES****AGENCY FUNDS****SEPTEMBER 30, 2016**

	Adult Probation	Sheriff Commissary Fund	Walker County Public Safety Communications Center
<b>ASSETS:</b>			
<i>Cash and Cash Equivalents</i>	\$ 378,939	\$ 57,819	\$ 361,974
<i>Accounts Receivable, Net</i>	-	-	257
<i>Due from Other Funds</i>	-	-	34
<b>Total Assets</b>	<u>378,939</u>	<u>57,819</u>	<u>362,265</u>
<b>LIABILITIES:</b>			
<i>Accounts Payable</i>	\$ 11,663	\$ 5,370	\$ 4,889
<i>Due to Other Governments</i>	-	-	345,404
<i>Due to Others</i>	341,125	52,449	-
<i>Accrued Liabilities</i>	26,151	-	11,972
<b>Total Liabilities</b>	<u>\$ 378,939</u>	<u>\$ 57,819</u>	<u>\$ 362,265</u>

LEOSE Training Fund	Walker County Entergy Transportation TRZ #1	County Officials Trust & Agency Funds	Total Agency Funds (See Exhibit A-7)
\$ 37,623	\$ 20	\$ 2,463,330	\$ 3,299,705
-	-	-	257
-	-	-	34
<u>37,623</u>	<u>20</u>	<u>2,463,330</u>	<u>3,299,996</u>
\$ -	\$ -	\$ -	\$ 21,922
37,623	-	1,263,409	1,646,436
-	20	1,199,921	1,593,515
-	-	-	38,123
<u>\$ 37,623</u>	<u>\$ 20</u>	<u>\$ 2,463,330</u>	<u>\$ 3,299,996</u>

**WALKER COUNTY, TEXAS****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES****ALL AGENCY FUNDS****YEAR ENDED SEPTEMBER 30, 2016****EXHIBIT C-31**

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<b>COUNTY OFFICIALS TRUST &amp; AGENCY FUNDS</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 2,944,426	\$ 1,100,319	\$ 1,581,415	\$ 2,463,330
<b>Total Assets</b>	<u>\$ 2,944,426</u>	<u>\$ 1,100,319</u>	<u>\$ 1,581,415</u>	<u>\$ 2,463,330</u>
<b>LIABILITIES</b>				
<i>Due to Other Governments</i>	\$ 1,352,156	\$ 827,753	\$ 916,500	\$ 1,263,409
<i>Due to Others</i>	1,592,270	272,566	664,915	1,199,921
<b>Total Liabilities</b>	<u>\$ 2,944,426</u>	<u>\$ 1,100,319</u>	<u>\$ 1,581,415</u>	<u>\$ 2,463,330</u>
<b>WALKER COUNTY PUBLIC SAFETY COMMUNICATIONS CENTER</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 330,200	\$ 933,006	\$ 901,232	\$ 361,974
<i>Accounts Receivable, Net</i>	-	257	-	257
<i>Due from Others</i>	-	34	-	34
<b>Total Assets</b>	<u>\$ 330,200</u>	<u>\$ 933,297</u>	<u>\$ 901,232</u>	<u>\$ 362,265</u>
<b>LIABILITIES</b>				
<i>Accounts Payable</i>	\$ 6,617	\$ 899,504	\$ 901,232	\$ 4,889
<i>Accrued Liabilities</i>	-	11,972	-	11,972
<i>Due to Other Governments</i>	323,583	933,297	911,476	345,404
<b>Total Liabilities</b>	<u>\$ 330,200</u>	<u>\$ 1,844,773</u>	<u>\$ 1,812,708</u>	<u>\$ 362,265</u>
<b>SHERIFF COMMISSARY FUND</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 38,584	\$ 40,987	\$ 21,752	\$ 57,819
<i>Accounts Receivable, Net</i>	248	-	248	-
<b>Total Assets</b>	<u>\$ 38,832</u>	<u>\$ 40,987</u>	<u>\$ 22,000</u>	<u>\$ 57,819</u>
<b>LIABILITIES</b>				
<i>Accounts Payable</i>	\$ 612	\$ 26,509	\$ 21,751	\$ 5,370
<i>Due to Others</i>	38,220	40,739	26,510	52,449
<b>Total Liabilities</b>	<u>\$ 38,832</u>	<u>\$ 67,248</u>	<u>\$ 48,261</u>	<u>\$ 57,819</u>
<b>ADULT PROBATION</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 303,973	\$ 1,646,802	\$ 1,571,836	\$ 378,939
<i>Due from Other Governments</i>	2,676	-	2,676	-
<b>Total Assets</b>	<u>\$ 306,649</u>	<u>\$ 1,646,802</u>	<u>\$ 1,574,512</u>	<u>\$ 378,939</u>
<b>LIABILITIES</b>				
<i>Accounts Payable</i>	\$ 6,451	\$ 1,517,562	\$ 1,512,350	\$ 11,663
<i>Accrued Liabilities</i>	16,255	26,151	16,255	26,151
<i>Due to Others</i>	283,943	1,644,125	1,586,943	341,125
<b>Total Liabilities</b>	<u>\$ 306,649</u>	<u>\$ 3,187,838</u>	<u>\$ 3,115,548</u>	<u>\$ 378,939</u>
<b>AGENCY FUND - LEOSE TRAINING FUND</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 32,209	\$ 9,074	\$ 3,660	\$ 37,623
<b>Total Assets</b>	<u>\$ 32,209</u>	<u>\$ 9,074</u>	<u>\$ 3,660</u>	<u>\$ 37,623</u>
<b>LIABILITIES</b>				
<i>Accounts Payable</i>	\$ -	\$ 3,660	\$ 3,660	\$ -
<i>Due to Other Governments</i>	32,209	9,074	3,660	37,623
<b>Total Liabilities</b>	<u>\$ 32,209</u>	<u>\$ 12,734</u>	<u>\$ 7,320</u>	<u>\$ 37,623</u>

**WALKER COUNTY, TEXAS****COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES****ALL AGENCY FUNDS****YEAR ENDED SEPTEMBER 30, 2016****EXHIBIT C-31**

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
<b>WALKER COUNTY TIRZ #1</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ -	\$ 20	\$ -	\$ 20
<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 20</u>
<b>LIABILITIES</b>				
<i>Due to Others</i>	\$ -	\$ 20	\$ -	\$ 20
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 20</u>
<b>TOTAL AGENCY FUNDS:</b>				
<b>ASSETS</b>				
<i>Cash &amp; Investments</i>	\$ 3,649,392	\$ 3,730,208	\$ 4,079,895	\$ 3,299,705
<i>Accounts Receivable, Net</i>	248	257	248	257
<i>Due from Other Governments</i>	2,676	-	2,676	-
<i>Due from Others</i>	-	34	-	34
<b>Total Assets</b>	<u>\$ 3,652,316</u>	<u>\$ 3,730,499</u>	<u>\$ 4,082,819</u>	<u>\$ 3,299,996</u>
<b>LIABILITIES</b>				
<i>Accounts Payable</i>	\$ 13,680	\$ 2,447,235	\$ 2,438,993	\$ 21,922
<i>Accrued Liabilities</i>	16,255	38,123	16,255	38,123
<i>Due to Other Governments</i>	1,707,948	1,770,124	1,831,636	1,646,436
<i>Due to Others</i>	1,914,433	1,957,450	2,278,368	1,593,515
<b>Total Liabilities</b>	<u>\$ 3,652,316</u>	<u>\$ 6,212,932</u>	<u>\$ 6,565,252</u>	<u>\$ 3,299,996</u>





**OTHER SUPPLEMENTARY INFORMATION**

**WALKER COUNTY, TEXAS**  
**COMPARATIVE SCHEDULES BY SOURCE OF**  
**CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2016 AND 2015**

**EXHIBIT C-32**

	2016	2015
Capital Assets:		
Land	\$ 680,552	\$ 680,552
CIP	818,601	-
Vehicles	5,524,657	5,173,017
Office Furniture and Fixtures	1,784,437	1,748,686
Machinery and equipment	7,589,787	7,282,939
Buildings and Facilities	35,175,188	35,175,188
Improvements	4,428,002	4,428,002
Total Capital Assets	<u>\$ 56,001,224</u>	<u>\$ 54,488,384</u>
Investment in Capital Assets by Source:		
Operating Fund	\$ 7,995,660	\$ 7,172,335
Special Revenue Funds	27,358,615	27,299,814
Capital Projects Funds	20,646,949	20,016,235
Total Investment in Capital Assets	<u>\$ 56,001,224</u>	<u>\$ 54,488,384</u>

**WALKER COUNTY, TEXAS**

SCHEDULE OF DEPRECIATION EXPENSE BY FUNCTION AND ACTIVITY OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016

EXHIBIT C-33

Function and Activity	Buildings and Facilities	Improvements	Office Furniture and Fixtures	Machinery and Equipment	Vehicles	Total
<b>General Government:</b>						
County Judge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT Operations-County Judge	-	-	32,701	-	-	32,701
Commissioners Court	-	-	1,901	-	-	1,901
County Clerk	-	-	7,162	-	-	7,162
Voter Registration	-	-	2,000	-	-	2,000
Elections	974	-	-	-	-	974
County Facilities	-	96,780	-	26,390	13,232	136,402
H.E.A.R.T.S Complex	98,131	-	-	285	-	98,416
Courthouse Annex-Sam Houston Avenue	75,124	-	-	20,479	-	95,603
Courthouse Annex II - University Avenue	4,308	4,659	-	-	-	8,967
Annex 340 Hwy 75 North	-	-	-	-	-	-
Annex 344 Hwy 75 North	-	1,623	-	-	-	1,623
Non-Departmental/Centralized Costs	-	-	-	-	-	-
Total General Government	178,537	103,062	43,764	47,154	13,232	385,749
<b>Financial:</b>						
County Auditor	-	-	49,028	-	-	49,028
County Treasurer	-	-	2,210	-	-	2,210
Total Financial	-	-	51,238	-	-	51,238
<b>Judicial:</b>						
County Court at Law	\$ -	\$ -	\$ 1,058	\$ 1,576	\$ -	\$ 2,634
12th Judicial District	-	-	-	-	-	-
278th Judicial District	-	-	1,142	-	-	1,142
County Court at Law	-	-	5,721	-	-	5,721
District Clerk	-	-	-	-	-	-
Criminal District Attorney	-	15,650	4,892	-	10,550	31,092
Justice of Peace -Precinct 1	-	-	-	-	-	-
Justice of Peace -Precinct 2	-	-	-	-	-	-
Justice of Peace -Precinct 3	-	2,546	-	-	-	2,546
Justice of Peace -Precinct 4	-	-	1,238	-	-	1,238
SPU Criminal	-	-	2,193	-	15,204	17,397
SPU State Allocation	-	-	-	-	7,998	7,998
SPU Civil	-	-	5,960	-	8,171	14,131
SPU Juvenile	-	-	-	-	7,691	7,691
Juvenile Probation Support	-	-	1,268	-	-	1,268
Juvenile Title IV E	-	-	-	-	-	-
Total Judicial	-	18,196	23,472	1,576	49,614	92,858
<b>Public Safety:</b>						
Sheriff's Office	115,290	-	2,736	20,939	173,770	312,735
Courthouse Security	-	-	-	10,025	-	10,025
Constable - Precinct 1	-	-	-	-	9,340	9,340
Constable - Precinct 2	-	-	-	-	6,569	6,569
Constable - Precinct 3	-	-	-	1,199	7,233	8,432
Constable - Precinct 4	-	-	-	2,679	9,325	12,004
Department of Public Safety	-	-	-	-	-	-
Welgh Station	5,732	616	-	-	-	6,348
Emergency Management	168,721	-	-	101,496	9,026	279,243
EMS	-	-	1,080	47,541	113,310	161,931
CDBG Grant - Radios	-	-	-	166,525	-	166,525
Total Public Safety	289,743	616	3,816	350,404	328,573	973,152
<b>Correction and Rehabilitation:</b>						
County Jail	902,395	3,578	1,393	178,236	19,194	1,104,796
Probation Support	46,101	-	1,636	-	-	47,737
Adult Basic Supervision	-	-	-	-	6,050	6,050
Total Correction and Rehabilitation	948,496	3,578	3,029	178,236	25,244	1,158,583
<b>Health and Welfare:</b>						
Planning and Development	-	-	1,964	-	5,195	7,159
Litter Control- General Fund	-	-	-	1,321	7,144	8,465
Total Health and Welfare	-	-	1,964	1,321	12,339	15,624
<b>Culture and Education:</b>						
Texas AgriLife Extension Service	-	-	-	1,621	-	1,621
Total Culture and Education	-	-	-	1,621	-	1,621
<b>Public Transportation:</b>						
Road and Bridge General	-	-	-	6,971	-	6,971
Road and Bridge - Precinct 1	-	20,543	-	30,500	4,163	55,206
Road and Bridge - Precinct 2	433	2,493	-	37,839	18,964	59,729
Road and Bridge - Precinct 3	-	8,381	-	18,795	3,780	30,956
Road and Bridge - Precinct 4	12,471	30,417	-	37,758	8,371	89,017
Total Public Transportation	12,904	61,834	-	131,863	35,278	241,879
<b>Total Capital Assets</b>	<b>\$ 1,429,680</b>	<b>\$ 187,286</b>	<b>\$ 127,283</b>	<b>\$ 712,175</b>	<b>\$ 464,280</b>	<b>\$ 2,920,704</b>

**WALKER COUNTY, TEXAS**

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2016

**EXHIBIT C-34**

Function and Activity	Capital Assets October 1, 2015	Additions	Deductions	Capital Assets September 30, 2016
<b>General Government:</b>				
County Judge	\$ 13,231	\$ -	\$ -	\$ 13,231
IT Operations-County Judge	693,652	13,967	-	707,619
Commissioners Court	9,503	-	-	9,503
County Clerk	50,105	-	-	50,105
Voter Registration	9,998	-	-	9,998
Elections	138,205	-	-	138,205
County Facilities	4,182,454	11,974	-	4,194,428
H.E.A.R.T.S Complex	1,968,326	-	-	1,968,326
Courthouse Annex-Sam Houston Avenue	1,690,499	-	-	1,690,499
Courthouse Annex II - University Avenue	179,336	-	-	179,336
Annex 340 Hwy 75 North	258,707	-	-	258,707
Annex 344 Hwy 75 North	386,894	-	-	386,894
Non-Departmental/Centralized Costs	441,712	-	-	441,712
Total General Government	10,022,622	25,941	-	10,048,563
<b>Financial:</b>				
County Auditor	245,141	-	-	245,141
County Treasurer	11,049	-	-	11,049
Total Financial	256,190	-	-	256,190
<b>Judicial:</b>				
12th Judicial District	5,712	-	-	5,712
278th Judicial District	5,244	-	-	5,244
County Court at Law	13,168	-	-	13,168
District Clerk	21,069	15,073	-	36,142
Criminal District Attorney	483,223	-	-	483,223
Justice of Peace -Precinct 2	104,357	-	-	104,357
Justice of Peace -Precinct 3	113,017	-	-	113,017
Justice of Peace -Precinct 4	87,601	-	-	87,601
SPU Criminal	156,745	-	(52,058)	104,687
SPU State Allocation	-	79,975	-	79,975
SPU Civil	100,694	50,319	(31,272)	119,741
SPU Juvenile	85,956	-	(15,834)	70,122
Juvenile Probation Support	15,740	-	-	15,740
Juvenile Title IV E	5,789	-	-	5,789
Total Judicial	1,198,315	145,367	(99,164)	1,244,518
<b>Public Safety:</b>				
Sheriff's Office	3,500,593	1,004,452	(55,515)	4,449,530
Courthouse Security	-	100,245	-	100,245
Constable - Precinct 1	45,025	-	-	45,025
Constable - Precinct 2	32,845	-	-	32,845
Constable - Precinct 3	78,130	-	-	78,130
Constable - Precinct 4	102,945	5,158	(20,701)	87,402
Department of Public Safety	14,226	-	-	14,226
Weigh Station	400,893	-	-	400,893
Emergency Management	4,085,890	-	-	4,085,890
CDBG Grant - Radios	832,621	-	-	832,621
EMS	1,532,866	149,693	-	1,682,559
Total Public Safety	10,628,034	1,259,548	(76,216)	11,809,366
<b>Correction and Rehabilitation:</b>				
County Jail	24,473,654	-	(23,098)	24,450,556
Probation Support	930,191	-	-	930,191
Adult Basic Supervision	73,212	-	-	73,212
Total Correction and Rehabilitation	25,477,057	-	(23,098)	25,453,959
<b>Health and Welfare:</b>				
Planning and Development	149,668	-	-	149,668
Litter Control- General Fund	69,922	-	-	69,922
Total Health and Welfare	219,590	-	-	219,590
<b>Culture and Education:</b>				
Texas AgriLife Extension Service	8,104	-	-	8,104
Total Culture and Education	8,104	-	-	8,104
<b>Public Transportation:</b>				
Road and Bridge General	802,858	-	(13,000)	789,858
Road and Bridge - Precinct 1	1,496,871	41,629	(35,226)	1,503,274
Road and Bridge - Precinct 2	1,223,942	67,500	(19,540)	1,271,902
Road and Bridge - Precinct 3	1,471,483	37,800	-	1,509,283
Road and Bridge - Precinct 4	1,685,318	210,684	(9,385)	1,886,617
Total Public Transportation	6,680,472	357,613	(77,151)	6,960,934
<b>Total Capital Assets</b>	<b>\$ 54,488,384</b>	<b>\$ 1,788,469</b>	<b>\$ (275,629)</b>	<b>\$ 56,001,224</b>



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## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends	134
<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	144
<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	151
<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	156
<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	157
<i>These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.</i>	

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



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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities			
Invested in capital assets, net of related debt	\$ 9,685,620	\$ 10,521,448	\$ 11,004,750
Restricted	1,863,075	1,584,821	83,580
Unrestricted	(5,191,383)	(5,497,318)	5,487,590
Total governmental activities net assets	<u>\$ 6,357,312</u>	<u>\$ 6,608,951</u>	<u>\$ 16,575,920</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -
Restricted	-	-	-
Unrestricted	-	-	-
Total governmental activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government			
Invested in capital assets, net of related debt	\$ 9,685,620	\$ 10,521,448	\$ 11,004,750
Restricted	1,863,075	1,584,821	83,580
Unrestricted	(5,191,383)	(5,497,318)	5,487,590
Total governmental activities net assets	<u>\$ 6,357,312</u>	<u>\$ 6,608,951</u>	<u>\$ 16,575,920</u>

Table E-1

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 12,086,797	\$ 12,439,349	\$ 13,032,866	\$ 12,704,554	\$ 13,024,741	\$ 11,143,016	\$ 8,418,965
116,489	-	83,707	1,336,137	1,232,050	3,414,486	893,725
4,122,953	5,270,066	7,234,637	7,364,026	7,784,884	9,864,761	11,014,631
<u>\$ 16,326,239</u>	<u>\$ 17,709,415</u>	<u>\$ 20,351,210</u>	<u>\$ 21,404,717</u>	<u>\$ 22,041,675</u>	<u>\$ 24,422,263</u>	<u>\$ 20,327,321</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\$ 12,086,797	\$ 12,439,349	\$ 13,032,866	\$ 12,704,554	\$ 13,024,741	\$ 11,143,016	\$ 8,418,965
116,489	-	83,707	1,336,137	1,232,050	3,414,486	893,725
4,122,953	5,270,066	7,234,637	7,364,026	7,784,884	9,864,761	11,014,631
<u>\$ 16,326,239</u>	<u>\$ 17,709,415</u>	<u>\$ 20,351,210</u>	<u>\$ 21,404,717</u>	<u>\$ 22,041,675</u>	<u>\$ 24,422,263</u>	<u>\$ 20,327,321</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Expenses</b>			
Governmental Activities:			
General Government	\$ 5,543,255	\$ 5,034,941	\$ 4,981,792
Financial	2,333,148	2,228,163	2,010,372
Judicial	10,040,223	9,785,092	9,308,556
Public Safety	9,142,524	7,358,381	8,034,882
Correction and Rehabilitation	3,860,155	3,809,298	3,240,101
Health & Welfare	799,830	1,101,500	687,926
Culture and Education	278,594	267,349	246,614
Public Transportation	5,917,477	5,255,590	4,604,784
Intergovernmental Expenditure	-	-	-
Interest & Fiscal Charges	535,128	551,478	637,620
Total Governmental Activities	<u>\$ 38,450,334</u>	<u>\$ 35,391,792</u>	<u>\$ 33,752,647</u>
Total primary government	<u>\$ 38,450,334</u>	<u>\$ 35,391,792</u>	<u>\$ 33,752,647</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services:			
General Government	\$ 819,957	\$ 745,490	\$ 842,054
Financial	687,049	668,773	544,054
Judicial	705,742	646,069	769,676
Public Safety	2,630,156	3,089,754	2,810,452
Correction and Rehabilitation	383,983	195,042	199,606
Health & Welfare	221,049	197,043	162,037
Culture and Education	-	-	-
Public Transportation	1,868,567	1,823,854	2,040,526
Operating grants and contributions	8,891,973	6,840,859	6,284,264
Capital grants and contributions	99,640	393,558	40,301
Total Governmental Activities	<u>\$ 16,308,116</u>	<u>\$ 14,600,442</u>	<u>\$ 13,692,970</u>
Total primary government	<u>\$ 16,308,116</u>	<u>\$ 14,600,442</u>	<u>\$ 13,692,970</u>
Net (expense)/revenue			
Governmental activities	<u>\$ (22,142,218)</u>	<u>\$ (20,791,350)</u>	<u>\$ (20,059,677)</u>
Total primary government net expense	<u>\$ (22,142,218)</u>	<u>\$ (20,791,350)</u>	<u>\$ (20,059,677)</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental activities:			
Taxes			
Property taxes	\$ 17,975,921	\$ 17,294,805	\$ 16,804,691
Sales taxes	3,261,313	3,293,984	3,114,639
Other taxes	34,120	28,452	20,494
Vehicle Registration	-	-	-
Alcoholic beverage taxes	133,244	123,386	113,186
Investment earnings	70,920	24,256	17,952
Transfers	-	-	-
Other	415,061	283,576	238,396
Total governmental activities	<u>\$ 21,890,579</u>	<u>\$ 21,048,459</u>	<u>\$ 20,309,358</u>
Total primary government	<u>\$ 21,890,579</u>	<u>\$ 21,048,459</u>	<u>\$ 20,309,358</u>
<b>Change in Net Assets</b>			
Governmental activities	\$ (251,639)	\$ 257,109	\$ 249,681
Adjustment-Implementation GASB 68 & 71 for Pensions	-	(10,224,078)	-
Prior Period Adjustment (EMS Receivables)	-	-	-
Total primary government	<u>\$ (251,639)</u>	<u>\$ (9,966,969)</u>	<u>\$ 249,681</u>

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

Table E - 2

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 6,320,712	\$ 4,863,509	\$ 3,495,070	\$ 3,759,057	\$ 3,000,402	\$ 2,284,682	\$ 2,196,767
1,057,993	1,496,460	2,344,939	1,951,551	2,186,499	2,065,268	1,612,653
8,780,081	8,912,108	9,150,956	9,071,422	8,457,490	7,613,070	5,698,418
7,749,329	7,622,032	10,244,585	10,617,796	10,775,866	10,290,778	9,569,292
2,397,990	1,940,555	-	-	-	-	-
620,634	580,721	1,151,364	666,885	603,749	573,404	515,571
279,181	184,623	-	-	-	-	-
4,921,612	5,347,720	5,018,699	4,744,706	4,596,948	4,632,488	4,097,826
-	-	-	-	-	-	-
672,971	11,750	38,128	62,340	85,581	101,016	116,254
<u>\$ 32,800,503</u>	<u>\$ 30,959,478</u>	<u>\$ 31,443,741</u>	<u>\$ 30,873,757</u>	<u>\$ 29,706,535</u>	<u>\$ 27,560,706</u>	<u>\$ 23,806,781</u>
<u>\$ 32,800,503</u>	<u>\$ 30,959,478</u>	<u>\$ 31,443,741</u>	<u>\$ 30,873,757</u>	<u>\$ 29,706,535</u>	<u>\$ 27,560,706</u>	<u>\$ 23,806,781</u>
\$ 5,438,239	\$ 859,145	\$ 412,098	\$ 829,984	\$ 930,385	\$ 878,401	\$ 494,850
503,007	450,135	834,039	330,896	330,732	305,531	667,264
530,432	658,268	805,272	681,587	650,617	610,773	801,510
253,021	2,525,266	3,274,199	3,543,133	3,351,915	3,063,739	3,195,179
160,918	172,042	-	-	-	-	-
109,604	170,754	112,731	110,969	88,115	97,707	139,150
-	8,369	-	-	-	-	-
83,040	2,009,110	2,184,655	2,129,055	2,285,532	1,402,777	1,778,231
6,363,325	5,823,400	7,690,227	7,488,881	6,903,805	6,310,443	4,797,661
-	-	-	-	54,254	4,773,084	-
<u>\$ 13,441,586</u>	<u>\$ 12,676,489</u>	<u>\$ 15,313,221</u>	<u>\$ 15,114,505</u>	<u>\$ 14,595,355</u>	<u>\$ 17,442,455</u>	<u>\$ 11,873,845</u>
<u>\$ 13,441,586</u>	<u>\$ 12,676,489</u>	<u>\$ 15,313,221</u>	<u>\$ 15,114,505</u>	<u>\$ 14,595,355</u>	<u>\$ 17,442,455</u>	<u>\$ 11,873,845</u>
<u>\$ (19,358,917)</u>	<u>\$ (18,282,989)</u>	<u>\$ (16,130,520)</u>	<u>\$ (15,759,252)</u>	<u>\$ (15,111,180)</u>	<u>\$ (10,118,251)</u>	<u>\$ (11,932,936)</u>
<u>\$ (19,358,917)</u>	<u>\$ (18,282,989)</u>	<u>\$ (16,130,520)</u>	<u>\$ (15,759,252)</u>	<u>\$ (15,111,180)</u>	<u>\$ (10,118,251)</u>	<u>\$ (11,932,936)</u>
\$ 15,468,449	\$ 13,019,116	\$ 12,842,095	\$ 12,625,076	\$ 11,522,727	\$ 10,460,117	\$ 10,469,685
2,696,082	2,488,739	2,442,426	2,343,620	2,423,490	2,260,752	2,197,937
367,715	26,669	25,190	21,982	24,399	14,326	14,527
-	-	-	-	-	970,798	992,143
70,775	92,974	137,417	92,676	89,173	69,668	77,238
35,570	13,696	15,303	38,938	152,407	437,532	594,969
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 18,638,591</u>	<u>\$ 15,641,194</u>	<u>\$ 15,462,431</u>	<u>\$ 15,122,292</u>	<u>\$ 14,212,196</u>	<u>\$ 14,213,193</u>	<u>\$ 14,346,499</u>
<u>\$ 18,638,591</u>	<u>\$ 15,641,194</u>	<u>\$ 15,462,431</u>	<u>\$ 15,122,292</u>	<u>\$ 14,212,196</u>	<u>\$ 14,213,193</u>	<u>\$ 14,346,499</u>
\$ (720,326)	\$ (2,641,795)	\$ (668,089)	\$ (636,960)	\$ (898,984)	\$ 4,094,942	\$ 2,413,563
-	-	-	-	-	-	126,155
<u>\$ (720,326)</u>	<u>\$ (2,641,795)</u>	<u>\$ (668,089)</u>	<u>\$ (636,960)</u>	<u>\$ (898,984)</u>	<u>\$ 4,094,942</u>	<u>\$ 2,539,718</u>

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

<b>Fiscal Year</b>		<b>Property Tax</b>		<b>Sales Tax</b>		<b>Other Taxes</b>		<b>Alcoholic Beverage Tax</b>		<b>Total</b>
2007	\$	10,469,685	\$	2,197,937	\$	14,527	\$	77,238	\$	12,759,387
2008		10,460,117		2,260,752		14,326		69,668		12,804,863
2009		11,522,727		2,423,490		24,399		89,173		14,059,789
2010		12,625,076		2,343,620		21,982		92,676		15,083,354
2011		12,842,095		2,442,426		25,190		137,416		15,447,127
2012		13,019,116		2,488,739		26,669		92,974		15,627,498
2013		15,468,449		2,696,082		367,715		70,775		18,603,021
2014		16,804,691		3,114,639		20,494		113,186		20,053,010
2015		17,294,805		3,293,984		28,452		123,386		20,740,627
2016		17,975,921		3,261,313		34,120		133,244		21,404,598



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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund			
Nonspendable - Prepaid Expenditures	\$ 34,146	\$ 35,538	\$ 30,081
Committed for Projects	1,638,021	1,499,348	1,054,938
Assigned - One Time Allocation	1,794,683	1,747,376	1,580,532
Unassigned	6,013,553	5,516,930	5,006,369
Unreserved	-	-	-
Total general fund	<u>\$ 9,480,403</u>	<u>\$ 8,799,192</u>	<u>\$ 7,671,920</u>
 All other governmental funds			
Reserved	\$ -	\$ -	\$ -
Restricted - Debt Service	180,420	159,259	176,508
Restricted - Other Governmental Funds	1,652,320	1,412,114	1,054,960
Restricted - Capital Projects	-	629,092	975,602
Committed for Public Transportation	3,726,799	1,964,019	1,391,850
Committed for Public Safety	1,279,654	1,518,682	1,125,825
Unassigned	-	-	-
Unreserved, reported in:	-	-	-
Special revenue funds	-	-	-
Total all other governmental funds	<u>\$ 6,839,193</u>	<u>\$ 5,683,166</u>	<u>\$ 4,724,745</u>

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

Table E - 4

(1)						
<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 33,227	\$ 34,434	\$ 33,383	\$ -	\$ -	\$ -	\$ -
862,695	721,980	1,362,950	-	-	-	-
1,231,385	1,433,682	1,076,540	-	-	-	-
3,887,335	3,327,237	4,040,071	-	-	-	-
-	-	-	5,636,281	5,586,097	5,082,124	5,162,815
\$ 6,014,642	\$ 5,517,333	\$ 6,512,944	\$ 5,636,281	\$ 5,586,097	\$ 5,082,124	\$ 5,162,815
\$ -	\$ -	\$ -	\$ 1,288,853	\$ 1,179,475	\$ 3,348,611	\$ 816,931
141,977	9	97,168	-	-	-	-
819,058	783,523	686,705	-	-	-	-
6,368,829	18,888,014	-	-	-	-	-
1,008,717	1,208,584	954,656	-	-	-	-
547,155	402,593	637,029	-	-	-	-
-	-	376,094	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,631,726	2,371,763	4,133,784	4,871,812
\$ 8,885,736	\$ 21,282,723	\$ 2,751,652	\$ 3,920,579	\$ 3,551,238	\$ 7,482,395	\$ 5,688,743



**WALKER COUNTY, TEXAS**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>			
Property Taxes	\$ 17,800,474	\$ 17,181,150	\$ 16,774,474
Other Taxes	3,428,677	3,445,822	3,248,319
Licenses and permits	220,856	224,649	161,392
Intergovernmental	9,382,483	8,492,303	6,340,871
Charges for services	5,450,527	5,611,276	5,610,425
Fines	1,249,603	1,414,356	1,530,692
Investment earnings	70,920	24,257	17,952
Other	424,455	364,409	399,198
Total revenues	<u>\$ 38,027,995</u>	<u>\$ 36,758,222</u>	<u>\$ 34,083,323</u>
<b>Expenditures</b>			
General Government	\$ 3,753,987	\$ 3,235,748	\$ 3,005,714
Financial	2,212,332	2,147,626	2,057,822
Judicial	9,913,226	9,621,632	9,319,085
Public Safety	8,500,706	8,532,630	7,559,836
Corrections and Rehabilitation	3,484,610	2,979,371	7,745,408
Health & Welfare	770,316	1,211,316	670,722
Culture and Education	264,492	264,068	244,993
Public Transportation	5,916,715	5,304,471	4,606,788
Intergovernmental/Contractual	-	-	-
Capital Outlay	-	-	-
Debt service			
Principal	830,000	815,000	800,000
Interest	544,368	560,667	576,668
Other charges	-	-	-
Total expenditures	<u>\$ 36,190,752</u>	<u>\$ 34,672,529</u>	<u>\$ 36,587,036</u>
Excess of revenues over (under) expenditures	<u>\$ 1,837,243</u>	<u>\$ 2,085,693</u>	<u>\$ (2,503,713)</u>
<b>Other financing sources (uses)</b>			
Transfers in	\$ 1,750,124	\$ 1,807,837	\$ 2,015,985
Transfers out	(1,750,124)	(1,807,837)	(2,015,985)
Issuance of Certificate of Obligation	-	-	-
Premium of Issue of Debt	-	-	-
sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	<u>\$ 1,837,243</u>	<u>\$ 2,085,693</u>	<u>\$ (2,503,713)</u>
Debt service as a percentage of noncapital expenditures	4.00%	4.20%	4.55%

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

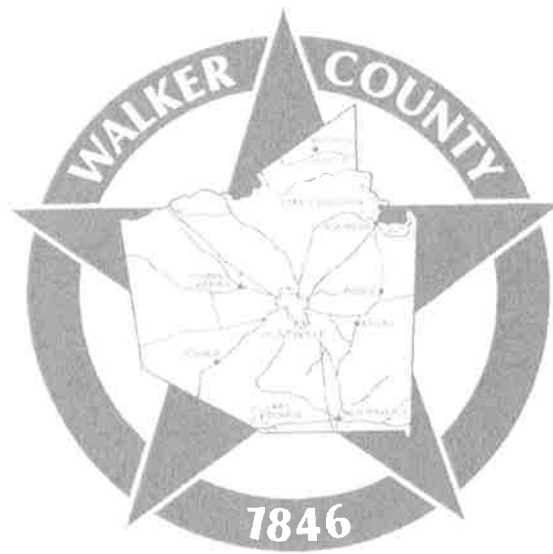
Table E - 5

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 15,003,377	\$ 12,895,031	\$ 12,759,820	\$ 12,568,933	\$ 11,510,947	\$ 10,700,202	\$ 10,329,957
3,134,572	2,608,382	2,605,032	2,458,278	2,537,062	2,344,746	3,281,845
133,457	105,837	112,025	96,904	84,288	97,664	76,639
6,480,749	6,072,422	7,730,809	7,419,809	7,601,448	10,955,219	4,838,025
5,026,172	5,178,624	5,741,943	5,899,127	5,716,805	5,486,902	4,618,519
1,561,876	1,178,873	1,451,893	1,315,714	1,413,686	1,510,048	1,856,488
35,570	22,838	15,303	38,938	152,407	437,532	594,969
297,423	224,846	298,440	403,525	452,249	418,255	503,441
<u>\$ 31,673,196</u>	<u>\$ 28,286,853</u>	<u>\$ 30,715,265</u>	<u>\$ 30,201,228</u>	<u>\$ 29,468,892</u>	<u>\$ 31,950,568</u>	<u>\$ 26,099,883</u>
\$ 2,881,971	\$ 2,822,719	\$ 1,908,570	\$ 1,874,541	\$ 1,852,065	\$ 1,841,400	\$ 1,407,377
1,535,474	1,499,540	2,006,059	1,920,995	1,835,543	1,727,346	1,609,829
9,324,929	9,000,862	9,110,130	9,014,958	8,515,885	7,591,874	5,668,645
6,164,325	6,038,477	8,383,465	9,483,904	9,836,567	8,806,703	8,113,094
2,088,515	2,191,908	-	-	-	-	-
593,720	464,466	948,792	554,724	522,896	511,311	459,356
186,050	184,623	-	-	-	-	-
4,634,876	4,720,409	4,729,129	4,241,268	3,990,104	4,231,038	3,750,869
1,226,231	1,206,060	1,174,386	1,134,146	1,069,738	1,034,739	959,487
13,595,819	2,111,121	1,676,803	1,072,856	3,073,396	4,331,888	1,573,733
685,000	628,135	631,672	535,091	619,306	548,379	604,867
655,964	13,913	53,105	73,065	98,972	95,220	129,033
-	-	-	-	-	-	-
<u>\$ 43,572,874</u>	<u>\$ 30,882,233</u>	<u>\$ 30,622,111</u>	<u>\$ 29,905,548</u>	<u>\$ 31,414,472</u>	<u>\$ 30,719,898</u>	<u>\$ 24,276,290</u>
\$ (11,899,678)	\$ (2,595,380)	\$ 93,154	\$ 295,680	\$ (1,945,580)	\$ 1,230,670	\$ 1,823,593
\$ 1,578,561	\$ 1,655,069	\$ 1,334,051	\$ 1,644,023	\$ 1,420,689	\$ 1,537,639	\$ 1,635,416
(1,578,561)	(1,655,069)	(1,334,051)	(1,644,023)	(1,420,689)	(1,537,639)	(1,635,416)
-	20,000,000	-	123,843	-	482,311	23,985
-	130,840	-	-	-	-	-
<u>\$ -</u>	<u>\$ 20,130,840</u>	<u>\$ -</u>	<u>\$ 123,843</u>	<u>\$ -</u>	<u>\$ 482,311</u>	<u>\$ 23,985</u>
\$ (11,899,678)	\$ 17,535,460	\$ 93,154	\$ 419,523	\$ (1,945,580)	\$ 1,712,981	\$ 1,847,578
4.47%	2.23%	2.37%	2.11%	2.53%	2.44%	3.23%

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

<b>Fiscal Year</b>	<b>Property Tax(1)</b>	<b>Sales Tax</b>	<b>Other Taxes</b>	<b>Alcoholic Beverage Tax</b>	<b>Total Other Taxes</b>	<b>Total Taxes</b>
2007	\$ 10,329,957	\$ 2,197,937	\$ 14,527	\$ 77,238	2,289,702	12,619,659
2008	10,700,202	2,260,752	14,326	69,668	2,344,746	13,044,948
2009	11,510,947	2,423,490	24,399	89,173	2,537,062	14,048,009
2010	12,568,933	2,343,620	21,982	92,676	2,458,278	15,027,211
2011	12,759,820	2,442,426	25,190	137,416	2,605,032	15,364,852
2012	12,895,031	2,488,739	26,669	92,974	2,608,382	15,503,413
2013	15,003,377	2,696,082	367,715	70,775	3,134,572	18,137,949
2014	16,774,474	3,114,639	20,494	113,186	3,248,319	20,022,793
2015	17,181,150	3,293,984	28,452	123,386	3,445,822	20,626,972
2016	17,544,339	3,261,313	34,120	133,244	3,428,677	20,973,016

Note: 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			Personal	
	Residential Property	Commercial Property	Agricultural & Open Acreage	Total Real	Property Total
2007	\$ 998,400,584	\$ 450,987,080	\$ 636,081,552	\$ 2,085,469,216	\$ 333,779,460
2008	1,083,675,165	490,998,701	827,663,738	2,402,337,604	332,671,138
2009	1,156,006,988	534,606,069	939,348,329	2,629,961,386	362,013,554
2010	1,213,042,379	560,495,831	940,934,856	2,714,473,066	399,324,045
2011	1,231,615,944	576,050,871	942,965,493	2,750,632,308	392,922,681
2012	1,330,376,385	585,938,223	1,056,767,654	2,973,082,262	421,298,210
2013	1,374,522,267	610,777,713	1,058,790,264	3,044,188,489	410,009,296
2014	1,412,141,370	725,269,156	1,201,576,526	3,338,987,052	435,062,598
2015	1,457,835,050	780,413,527	1,215,534,628	3,453,783,205	451,754,627
2016	1,625,007,136	862,844,511	1,439,654,926	3,927,506,573	478,239,245

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

StateCode	Description	Grouping	FY 2016	FY 2015	FY 2014
A	Single Family Residence	residential	\$ 1,365,140,626	\$ 1,214,424,490	\$ 1,171,963,250
B	MultiFamily Residence	residential	259,866,510	243,410,560	240,178,120
C	Vacant Lot	land	94,325,461	84,045,429	81,439,934
D1	Qualified Ag Land	land	1,327,441,283	1,116,282,909	1,108,156,711
D2	Non Qualified Land	land	17,888,182	15,206,290	11,979,881
E	Farm or Ranch Improv.	commercial	456,971,752	415,792,778	377,940,875
F1	Commercial Real	commercial	379,402,379	340,586,809	323,489,681
F2	Industrial Real Property	commercial	26,470,380	24,033,940	23,838,600
G1	Oil and Gas	minerals	8,361,917	10,520,067	4,663,359
G3	Minerals-Non Producing	minerals	275,360	275,360	275,360
J1	Water Systems	personal	11,380	4,000	4,000
J2	Gas Distribution System	personal	1,961,270	1,686,520	1,531,050
J3	Electric Company	personal	46,003,490	41,235,270	38,883,940
J4	Telephone Company	personal	9,389,820	10,158,600	11,128,710
J5	RailRoad	personal	20,481,730	18,452,040	16,640,630
J6	Pipelane Company	personal	33,711,030	34,937,800	26,260,590
J7	Cable Television Co.	personal	5,818,520	5,750,570	5,659,900
J8	Other type of Utility	personal	31,800	31,800	31,800
L1	Commercial Personal	personal	135,741,450	123,936,440	118,823,670
L2	Industrial Personal	personal	151,800,590	148,850,040	153,479,910
M1	Tangible Other	personal	48,656,088	42,782,260	44,088,289
N	Intangible Property	personal	-	-	-
O	Residential Inventory	personal	1,199,600	1,953,840	2,665,130
S	Special Inventory Tax	personal	14,795,200	11,180,020	10,926,260
			<b>\$ 4,405,745,818</b>	<b>\$ 3,905,537,832</b>	<b>\$ 3,774,049,650</b>

Less:

Productivity Loss (Ag and Timber Use)	(1,282,993,441)	(1,072,732,022)	(1,061,987,752)
Homestead Cap (10% cap on residential homesteads)	(19,201,950)	(6,118,846)	(4,844,955)
Tax Ceiling and Over 65 and disabled exemption	(68,932,746)	(66,620,346)	(61,884,961)
Other Exemptions /Deductions	(56,427,523)	(62,907,910)	(75,629,347)
Total Exemptions	<b>\$ (1,427,555,660)</b>	<b>\$ (1,208,379,124)</b>	<b>\$ (1,204,347,015)</b>
Taxable Assessed Value	<b>\$ 2,978,190,158</b>	<b>\$ 2,697,158,708</b>	<b>\$ 2,569,702,635</b>

Total Direct Tax Rate

**\$0.6206**

**\$0.6589**

**\$0.6778**

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

Table E - 7

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Direct Tax Rate	Total Value as a Percentage of Actual Value
\$ 589,787,362	\$ 1,829,461,314	0.5667	75.62%
751,063,719	1,983,945,023	0.5450	72.54%
852,752,876	2,139,222,064	0.5450	71.50%
903,321,290	2,210,475,821	0.5770	70.99%
878,965,625	2,264,589,364	0.5793	72.04%
955,191,070	2,439,189,402	0.5536	71.86%
984,974,372	2,469,125,168	0.6355	71.48%
1,204,347,015	2,569,702,635	0.6778	68.09%
1,208,379,124	2,697,158,708	0.6589	69.06%
1,427,555,660	2,978,190,158	0.6589	67.60%

FY 2013	FY 2012	FY 2011	FY 2010	FY 2009	FY 2008
\$ 1,119,049,757	\$ 1,096,500,415	\$ 1,019,194,065	\$ 1,001,871,339	\$ 977,153,378	\$ 930,774,965
255,472,510	233,875,970	212,421,879	211,171,040	178,853,610	152,900,200
81,767,312	93,750,505	90,377,875	89,540,840	90,455,940	82,564,011
911,121,052	874,865,866	800,701,069	798,546,287	791,261,545	696,031,268
65,901,900	88,151,283	51,886,549	52,847,729	57,630,844	49,068,459
311,709,173	304,499,853	299,170,151	292,208,361	280,598,771	260,976,171
280,310,140	263,245,850	258,115,930	252,701,530	240,566,988	217,270,660
18,758,400	18,192,520	18,764,790	15,585,940	13,440,310	12,751,870
4,582,581	6,033,800	7,186,881	9,409,435	10,823,964	11,974,918
276,680	280,680	280,680	284,060	284,060	284,600
4,000	4,000	4,000	4,000	4,000	4,000
1,328,950	1,483,120	1,424,250	1,434,290	1,402,330	1,444,820
39,602,830	53,687,160	33,991,630	32,425,920	31,723,310	30,385,990
12,680,250	16,647,590	16,696,730	18,138,180	19,376,840	22,366,010
14,891,740	13,876,060	12,053,960	11,209,160	10,442,880	7,763,270
26,112,300	25,696,480	19,739,420	15,325,720	15,902,070	16,922,720
5,910,520	3,049,230	3,108,650	2,969,980	2,885,300	2,613,730
31,800	31,800	31,800	31,800	31,800	31,800
113,080,610	113,485,550	193,157,700	232,557,780	118,728,270	123,302,530
132,878,470	126,233,030	44,107,500	11,132,160	82,799,150	47,077,150
46,904,675	49,752,480	52,040,250	52,533,620	52,884,250	53,670,390
15,110	9,710	9,710		10,000	1,869,020
1,817,150	2,261,020	2,153,860	2,467,100	4,061,980	3,352,500
9,891,630	8,766,500	6,935,660	9,400,840	10,653,350	9,607,690
<b>\$ 3,454,099,540</b>	<b>\$ 3,394,380,472</b>	<b>\$ 3,143,554,989</b>	<b>\$ 3,113,797,111</b>	<b>\$ 2,991,974,940</b>	<b>\$ 2,735,008,742</b>
(864,873,036)	(829,788,729)	(753,891,998)	(775,445,300)	(744,534,217)	(649,250,466)
(3,921,326)	(11,967,776)	(7,534,476)	(15,567,539)	(26,567,273)	(37,861,456)
(59,008,162)	(56,299,468)	(54,192,145)	(46,170,943)	(45,423,831)	(45,555,372)
(57,171,848)	(57,135,097)	(63,347,006)	(66,137,508)	(36,227,555)	(18,396,425)
<b>\$ (984,974,372)</b>	<b>\$ (955,191,070)</b>	<b>\$ (878,965,625)</b>	<b>\$ (903,321,290)</b>	<b>\$ (852,752,876)</b>	<b>\$ (751,063,719)</b>
<b>\$ 2,469,125,168</b>	<b>\$ 2,439,189,402</b>	<b>\$ 2,264,589,364</b>	<b>\$ 2,210,475,821</b>	<b>\$ 2,139,222,064</b>	<b>\$ 1,983,945,023</b>
<b>\$0.6355</b>	<b>\$0.5536</b>	<b>\$0.5793</b>	<b>\$0.5770</b>	<b>\$0.5450</b>	<b>\$0.5450</b>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
County:										
Operating	0.5724	0.6071	0.6209	0.5712	0.5391	0.5485	0.5485	0.5132	0.5136	0.5284
Debt Service	<u>0.0482</u>	<u>0.0518</u>	<u>0.0569</u>	<u>0.0643</u>	<u>0.0145</u>	<u>0.0308</u>	<u>0.0285</u>	<u>0.0318</u>	<u>0.0314</u>	<u>0.0383</u>
Total	0.6206	0.6589	0.6778	0.6355	0.5536	0.5793	0.5770	0.5450	0.5450	0.5667
Huntsville ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.3567
Debt Service	<u>0.1400</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>
Total	1.1800	1.2100	1.2100	1.2100	1.2100	1.2100	1.2100	1.2100	1.2100	1.5267
Richards ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.3700
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.3700
New Waverly ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0234	0.9734	1.2414
Debt Service	<u>0.2000</u>	<u>0.2000</u>	<u>0.2000</u>	<u>0.2205</u>	<u>0.2205</u>	<u>0.2300</u>	<u>0.2300</u>	<u>0.2300</u>	<u>0.2300</u>	<u>0.2008</u>
Total	1.2400	1.2400	1.2400	1.2605	1.2605	1.2700	1.2700	1.2534	1.2034	1.4422
City of Huntsville										
Operating	0.2833	0.2862	0.2920	0.2639	0.2381	0.2134	0.2249	0.2108	0.2436	0.2381
Debt Service	<u>0.1005</u>	<u>0.1244</u>	<u>0.1286</u>	<u>0.1567</u>	<u>0.1534</u>	<u>0.1873</u>	<u>0.1758</u>	<u>0.1899</u>	<u>0.1699</u>	<u>0.1811</u>
Total	0.3838	0.4106	0.4206	0.4206	0.3915	0.4007	0.4007	0.4007	0.4135	0.4192
City of New Waverly										
Operating	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2088	0.2300
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2088	0.2300
City of Riverside										
Operating	0.1681	0.1918	0.0817	0.0894	0.0818	0.0551	0.1101	0.0803	0.0836	0.0617
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.1107</u>	<u>0.1136</u>	<u>0.1270</u>	<u>0.1585</u>	<u>0.0963</u>	<u>0.1537</u>	<u>0.1644</u>	<u>0.1983</u>
Total	0.1681	0.1918	0.1924	0.2030	0.2088	0.2136	0.2064	0.2340	0.2480	0.2600
Hospital District										
Operating	0.1427	0.1537	0.1590	0.1554	0.1568	0.1530	0.1534	0.1537	0.1600	0.1720
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.1427	0.1537	0.1590	0.1554	0.1568	0.1530	0.1534	0.1537	0.1600	0.1720
Fire District #1										
Operating	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Fire District #2										
Operating	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0300	0.0300	0.0300	0.0300
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0300	0.0300	0.0300	0.0300
<b>Totals</b>										
Operating Total	4.4465	4.5188	4.4336	4.3599	4.2958	4.2500	4.2469	4.1514	4.3530	5.2883
Debt Service Total	<u>0.4887</u>	<u>0.5462</u>	<u>0.6662</u>	<u>0.7251</u>	<u>0.6854</u>	<u>0.7766</u>	<u>0.7006</u>	<u>0.7754</u>	<u>0.7657</u>	<u>0.7885</u>
Total	4.9352	5.0650	5.0998	5.0850	4.9812	5.0266	4.9475	4.9268	5.1187	6.0768

**WALKER COUNTY, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS  
SEPTEMBER 30, 2016**

<u>Taxpayer</u>	<u>For the Fiscal Year Ending 09/30/16</u>	
	<b>Taxable</b>	<b>Percentage of</b>
	<b>Assessed</b>	<b>Total Taxable</b>
	<b>Value</b>	<b>Assessed</b>
	<b>Value</b>	<b>Value</b>
Entergy Texas Inc	\$ 35,560,490	1.32%
Weatherford US LP	24,978,856	0.93%
MSWC SHSU Connection Property LLC	23,628,810	0.88%
C150 1300 Smither Drive LLC	20,202,460	0.75%
American Campus Community	19,091,310	0.71%
Wal-Mart Stores Texas LLC 0285-1-14206	19,076,210	0.71%
Union Pacific Railroad Co	17,029,330	0.63%
Vesper Forum LLC	16,293,790	0.60%
UFP New Waverly LLC	15,647,117	0.58%
Campus Crest at Huntsville I LP	14,839,880	0.55%

<u>Taxpayer</u>	<u>For the Fiscal Year Ending 09/30/07</u>	
	<b>Taxable</b>	<b>Percentage of</b>
	<b>Assessed</b>	<b>Total Taxable</b>
	<b>Value</b>	<b>Assessed</b>
	<b>Value</b>	<b>Value</b>
Entergy Gulf States, Inc.	\$ 21,687,020	1.31%
Southwestern Bell Telephone	18,679,380	1.13%
Wal-Mart Stores Texas LP #01-0285	16,054,400	0.97%
Weatherford Completion & Oilfield Services	14,833,094	0.89%
Universal Forest Products	14,228,408	0.86%
Samuel C. Dominey	13,110,560	0.79%
Huntsville Place LP	13,031,050	0.79%
Arbors of Huntsville	10,032,160	0.61%
Rll Timberlands 3 LLC	9,685,960	0.58%
Union Pacific RR Co	9,385,690	0.57%

Source: Walker County Appraisal District



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

<b>Fiscal Year Ended September 30</b>	<b>(1) Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2007	\$ 10,263,776	\$ 9,870,789	96.2%	\$ 266,400	\$ 10,137,189	98.8%
2008	10,685,761	10,242,043	95.9%	265,161	10,507,204	98.3%
2009	11,463,445	11,025,712	96.2%	292,119	11,317,831	98.7%
2010	12,424,610	12,058,566	97.1%	282,431	12,340,997	99.3%
2011	12,780,350	12,258,890	95.9%	244,893	12,503,783	97.8%
2012	13,150,958	12,453,061	94.7%	240,697	12,693,758	96.5%
2013	15,064,354	14,497,257	96.2%	283,422	14,780,679	98.1%
2014	16,604,466	16,158,039	97.3%	329,101	16,487,140	99.3%
2015	17,089,010	16,628,914	97.3%	317,282	16,946,196	99.2%
2016	17,734,826	17,217,742	97.1%	326,597	17,544,339	98.9%

Note: (1) Original Tax Levy

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

<b>Fiscal Year</b>	<b>General Obligations Bonds</b>	<b>Total</b>	<b>Less: Amounts Available in Debt Service Fund (1)</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>	<b>Percentage Personal Income</b>
2007	\$ 2,347,016	\$ 2,347,016	\$ 407,840	\$ 1,939,176	0.12%	30.18	1.10%
2008	2,290,362	2,290,362	401,479	1,888,883	0.10%	29.40	1.22%
2009	1,671,056	1,671,056	401,510	1,269,546	0.06%	19.61	N/A
2010	1,259,808	1,259,808	427,477	832,331	0.04%	12.27	N/A
2011	628,135	628,135	473,262	154,873	0.01%	2.28	N/A
2012	20,000,000	20,000,000	32,807	19,967,193	0.88%	293.26	N/A
2013	19,315,000	19,315,000	141,977	19,173,023	0.78%	280.27	N/A
2014	18,515,000	18,515,000	176,508	18,338,492	0.71%	266.48	N/A
2015	17,700,000	17,700,000	159,259	17,540,741	0.65%	251.34	N/A
2016	16,870,000	16,870,000	180,420	16,689,580	0.56%	236.07	N/A

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

**WALKER COUNTY**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2016**

<u>Governmental Unit</u>	(1) Debt Outstanding	(2) Estimated Percentage Applicable	(3) Estimated Share of Overlapping Debt
Huntsville I.S.D.	\$ 27,840,125	100%	\$ 27,840,125
New Waverly I.S.D.	9,895,000	100%	9,895,000
City of Huntsville	29,780,000	100%	29,780,000
City of New Waverly	135,000	100%	135,000
City of Riverside	-	100%	-
Subtotal Overlapping Debt			<u>\$ 67,650,125</u>
Walker County direct debt			\$ 16,870,000
Total direct and overlapping debt			<u><u>\$ 84,520,125</u></u>

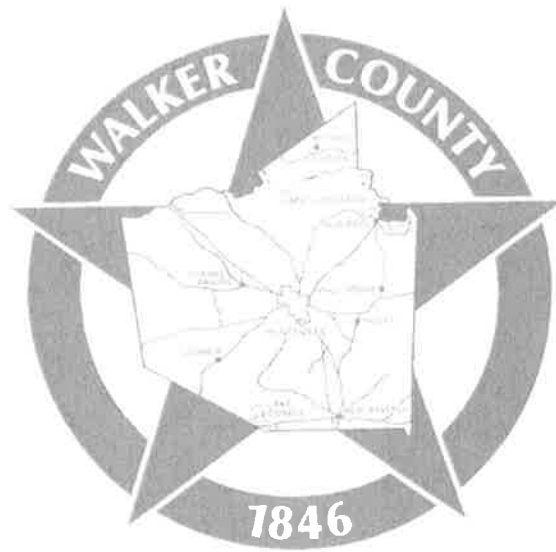
**Notes:**

(1) Debt Outstanding provided by the Taxing Jurisdiction

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

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

This schedule estimates the portion of the debt of these entities that is borne by the residents and businesses of Walker County. This process recognizes that, when considering the government's ability to issue debt and repay long term debt, the entire debt cost borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.



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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt limit (Taxable Property)	\$ 440,574,582	\$ 390,553,783	\$ 377,401,965
Total net debt applicable to limit	16,689,580	17,540,741	19,173,023
Legal debt margin	<u>\$ 423,885,002</u>	<u>\$ 373,013,042</u>	<u>\$ 358,228,942</u>
Total net debt applicable to the limit as a percentage of debt limit	3.79%	4.49%	5.08%

**Legal Debt Margin Calculation for Fiscal Year 2016**

Assessed value	\$ 2,978,190,158
Add back: exempt real property	1,427,555,660
Total assessed value	<u>\$ 4,405,745,818</u>
Debt limit (10% of total assessed value)	\$ 440,574,582
Debt applicable to limit:	
General obligation debt	\$ 16,870,000
Less: Amount set aside for repayment of general obligation debt	180,420
Total net debt applicable to limit	<u>\$ 16,689,580</u>
Legal debt margin	<u>\$ 423,885,002</u>

Table E - 13

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 246,912,516	\$ 243,918,940	\$ 226,458,936	\$ 221,047,582	\$ 213,922,206	\$ 198,394,502	\$ 182,946,131
19,173,023	19,967,193	154,873	832,331	1,269,546	1,888,883	1,939,176
\$ 227,739,493	\$ 223,951,747	\$ 226,304,063	\$ 220,215,251	\$ 212,652,660	\$ 196,505,619	\$ 181,006,955
7.77%	8.19%	0.07%	0.38%	0.59%	0.95%	1.06%

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

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(2) Personal Income (amounts expressed in thousands)</b>	<b>(2) Per Capita Personal Income</b>	<b>(3) Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2007	64,245	\$ 1,304,000	\$ 20,374	N/A	7,014	5.0%
2008	64,239	1,367,000	21,385	N/A	6,572	5.8%
2009	64,739	1,547,453	23,130	N/A	7,186	7.8%
2010	67,861	1,569,000	23,503	N/A	7,191	7.2%
2011	67,861	1,722,000	25,267	N/A	7,127	8.7%
2012	68,087	1,796,000	26,297	N/A	7,270	6.5%
2013	68,408	1,886,000	27,543	N/A	7,281	6.6%
2014	68,817	1,931,000	28,055	N/A	6,898	5.1%
2015	69,789	1,781,973	25,534	N/A	7,880	5.0%
2016	70,699	1,843,000	26,061	N/A	7,369	5.8%

**Notes:**

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

(2) Based on information available from Bureau of Economic Analysis U.S. Dept. of Commerce at [www.bea.gov/regional/bearfacts](http://www.bea.gov/regional/bearfacts) for Walker County.

Total personal income and per capita income is as of December 31, 2015

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

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

<u>Employer</u>	<u>2016</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Texas Department of Criminal Justice	6823	1	30.90%
Sam Houston State University	3817	2	17.29%
Huntsville Independent School District	878	3	3.98%
Huntsville Memorial Hospital	533	4	2.41%
Wal-Mart	485	5	2.20%
Walker County	296	6	1.34%
City of Huntsville	270	6	1.22%
Gulf Coast Trade Center	186	8	0.84%
New Waverly ISD	170	9	0.77%
Region VI Education Service Center	136	10	0.62%

<u>Employer</u>	<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Texas Department of Criminal Justice	6096	1	24.80%
Sam Houston State University	2862	2	11.65%
Huntsville Independent School District	965	3	3.93%
Huntsville Memorial Hospital	511	4	2.08%
Wal-Mart	485	5	1.97%
Region VI Education Service Center	389	6	1.58%
Walker County	365	7	1.49%
City of Huntsville	321	8	1.31%
Gulf Coast Trade Center	200	9	0.81%
Weatherford Completion Center	160	10	0.65%

Note: Total employees in Walker County in September 2016 was 22,156.

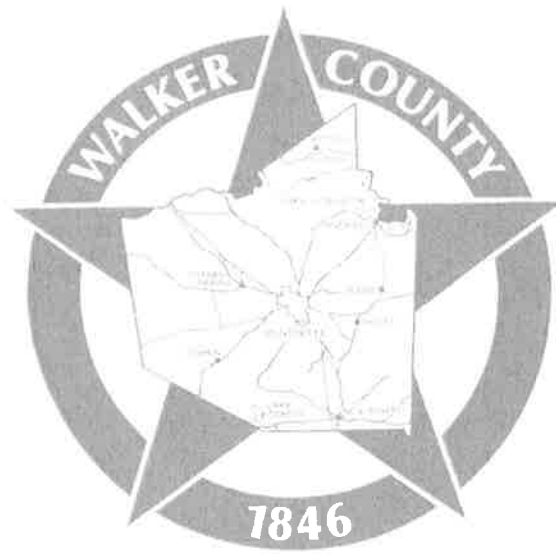
Major Employer information is based on most current information available from the Huntsville Walker County Chamber of Commerce



**WALKER COUNTY, TEXAS**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function	Full-time Equivalent Employees as of September 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Operating										
General Government										
Elected	2	2	2	2	2	1	1	1	1	1
Employees	30	29	27	26	25.5	15.5	15.5	13.5	13.5	13.5
Judicial										
Elected	7.5	7.5	7.5	7.5	7.5	9	9	9	9	9
Employees	46	45.5	44.5	43	43	42	41	40	40	40
Financial										
Elected	2	2	2	2	2	3	3	3	3	3
Appointed	2	2	2	2	2	2	2	2	2	2
Employees	21.5	21.5	21	21	21	30	31	31	31	28
Public Safety										
Elected	5	5	5	5	5	5	5	5	5	5
Employees-Certified	33	33	31	30.5	30	35.5	35.5	35.5	35.5	35.5
Employees-Non-Certified	7.5	7.5	8.5	8.5	8	34.5	34.5	34.5	34.5	34.5
Employee-Certified/Noncertified										
Employees - EMS	39	39	39	39	39	33	33	32	32	32
Corrections and Rehabilitation										
Employees-Certified	39	40.5	40.5	33.5	33.5	0	0	0	0	0
Employees-Non-Certified	3.5	3.5	3.5	3.5	3.5	0	0	0	0	0
Health and Welfare										
Employees	7.5	7.5	7.5	6.5	6.5	10.5	10.5	10	10	10
Culture and Education										
Employees	4	4	4	4	4	0	0	0	0	0
Public Transportation										
Elected	4	4	4	4	4	4	4	4	4	4
Employees	34.5	34.5	34	34	33.5	32.5	32.5	31	31	31
Legislatively Designated										
Judicial	0	0	0	0	0	1	1	1.5	1.5	1.5
Public Safety	0	0	0	0	0	3	2	2	2	1
General Government	0	0	0	0	0	2	2	3	3	2
Grants/State Funding										
Juvenile Probation	6	6	6	6	6	6	6	6	6	6
Adult Probation	29	29	29	29	29	29	29	32	32	31
SPU Criminal/Civil/Juvenile	44	45	45	45	45	45	48	51.4	43	32
Total	367	368	363	352	350	343.5	345.5	347.4	339	322

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



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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Function</b>			
Sheriff Office/Constables			
Papers Served	1,942	1,975	1,647
Jail			
Bookings at Jail	3,671	3,806	3,015
Average Daily Jail Population	171	154	147
Highest Daily Jail Population	228	179	196
Health and Welfare			
Permits Issued	1,164	1,020	861
Judicial/Courts			
Number of indigent cases	1,219	1,127	1,092
Number of cases heard-District Courts-Criminal	2,726	3,081	2,437
Number of cases heard-District Courts-Civil	554	517	489
Cases filed District Courts-Civil	569	500	608
Cases disposed -County Court at Law	935	1,107	1,337
Cases filed in Court at Law-Criminal	796	944	893
Cases filed County Court at Law-Civil	225	284	282
Cases filed in JP Courts-Traffic/Non Traffic Misdemeanors	7,747	8,276	9,172
Cases filed in JP Courts - Civil	819	801	714
Cases Disposed of - JP Courts	7,806	8,084	8,864
County Clerk			
Documents recorded	10,296	9,160	10,172
Adult Probation			
Offenders Supervised	3,293	3,258	3,400
Juvenile Probation			
Juveniles Supervised	61	67	63

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<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
1,853	1,712	1,773	2,003	1,933	2,034	2,236
3,918	4,238	4,456	4,089	4,086	4,035	4,227
146	151	151	143	136	143	145
176	173	175	176	153	173	177
405	897	899	860	250	273	269
1,277	1,330	1,239	1,361	1,462	1,142	1,064
2,253	2,804	2,037	1,968	2,537	1,812	2,250
669	290	521	469	623	346	475
557	513	593	551	598	572	343
1,403	1,508	1,696	1,833	2,073	1,918	2,315
1,198	1,583	1,555	1,605	1,864	1,745	2,353
343	487	478	547	601	706	654
10,899	9,099	12,682	11,732	11,786	11,678	14,933
658	718	587	677	657	659	405
9,939	8,794	12,805	13,060	12,603	13,110	14,387
10,079	9,503	9,036	8,400	8,441	8,984	10,430
3,476	3,415	3,388	3,395	2,409	2,465	2,749
81	90	109	109	111	130	95

**WALKER COUNTY, TEXAS  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Public Safety										
Sheriff Office										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	35	35	35	35	35	35	34	33	33	33
Jail	1	1	1	1	1	1	1	1	1	1
Number of beds	268	268	268	162	162	162	162	162	162	162
Road & Bridge										
Miles of roads	540	537	537	537	537	537	552	531	530	530
Courts										
District Courts	2	2	2	2	2	2	2	2	2	2
County Court at Law	1	1	1	1	1	1	1	1	1	1
JP Courts	4	4	4	4	4	4	4	4	4	4

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**DAVIS, HEINEMANN & COMPANY, P.C.**

***CERTIFIED PUBLIC ACCOUNTANTS***

1300 11TH STREET, SUITE 500

P.O. BOX 6308

HUNTSVILLE, TEXAS 77342

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**Independent Auditor's Report on Internal Control over Financial Reporting and  
On Compliance and Other Matters Based on an Audit of Financial Statements  
Performed In Accordance With Government Auditing Standards**

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

Members of the Commissioners' Court:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Walker County, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Walker County, Texas' basic financial statements, and have issued our report thereon dated March 13, 2017.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Respectfully submitted,

*Davis, Heinemann + Co.*

Davis, Heinemann & Company, P.C.

Huntsville, Texas  
March 13, 2017





**DAVIS, HEINEMANN & COMPANY, P.C.**

***CERTIFIED PUBLIC ACCOUNTANTS***

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HUNTSVILLE, TEXAS 77342

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**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and Texas Uniform Grant Management Standards**

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

Members of the Commissioners' Court:

**Report on Compliance for Each Major Federal and State Program**

We have audited the Walker County, Texas' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Texas Uniform Grant Management Standards* that could have a direct and material effect on Walker County, Texas' major federal program for the year ended September 30, 2016. Walker County, Texas' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Walker County, Texas' major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *Texas Uniform Grant Management Standards*. Those standards and the Uniform Guidance 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 or state program occurred. An audit includes examining, on a test basis, evidence about Walker County, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on Each Major Federal and State Program

In our opinion, Walker County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended September 30, 2016.

## Report on Internal Control Over Compliance

Management of Walker County, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Walker County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance 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 Walker County, Texas' internal control over compliance.

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

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

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

Respectfully submitted,

*Davis, Heinemann + Co.*

Davis, Heinemann & Company, P.C.

Huntsville, Texas  
March 13, 2017

**WALKER COUNTY, TEXAS****SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016****A. Summary of Auditor's Results****1. Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?

       Yes   X   NoOne or more significant deficiencies identified that  
are not considered to be material weaknesses?       Yes   X   None ReportedNoncompliance material to financial  
statements noted?       Yes   X   No**2. Federal and State Awards**

Internal control over major programs:

One or more material weaknesses identified?

       Yes   X   NoOne or more significant deficiencies identified that  
are not considered to be material weaknesses?       Yes   X   None ReportedType of auditor's report issued on compliance for  
major programs:UnmodifiedAny audit findings disclosed that are required to be reported  
in accordance with Title 2 U.S. Code of Federal Regulations  
(CFR) Part 200 and Texas Uniform Grant Management  
Standards?       Yes   X   No

Identification of major programs:

<u>Award Type</u>	<u>CFDA Number(s)</u>	<u>Name of Federal or State Program or Cluster</u>
Federal	97.036	Disaster Grants - Public Assistance
State	N/A	State Aid Contract
State	N/A	CSCD - Basic Supervision
State	N/A	CSCD - Court Services

Dollar threshold used to distinguish between Federal  
and State type A and type B programs:\$750,000

Auditee qualified as low-risk auditee?

Federal: No State: Yes

**B. Financial Statement Findings**

NONE

**C. Federal and State Awards Findings and Questioned Costs**

NONE

**WALKER COUNTY, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

**WALKER COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT D-1**  
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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal/State Expenditures
<b>FOREST SERVICE SCHOOLS AND ROADS CLUSTER:</b>				
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<b>Direct Program:</b>				
U.S. Forest Service - Title 1	10.665	-	\$ 112,170	\$ 112,170
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>112,170</b>	<b>112,170</b>
<b><u>U.S. DEPARTMENT OF INTERIOR</u></b>				
<b>Passed Through State Comptroller of Public Accounts:</b>				
U.S. Forest Service - Mineral Receipts	10.666	-	16,650	16,650
<b>TOTAL U.S. DEPARTMENT OF INTERIOR</b>			<b>16,650</b>	<b>16,650</b>
<b>TOTAL FOREST SERVICE SCHOOLS AND ROADS CLUSTER</b>			<b>128,820</b>	<b>128,820</b>
<b>OTHER PROGRAMS:</b>				
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>				
<b>Passed Through Texas Office of the Governor - Criminal Justice Division</b>				
DA-Victims of Crime Act Formula Grant Program	16.575	2015-VA-GX-9	-	45,616
<b>Total Passed Through Texas Office of the Governor - Criminal Justice Division</b>			<b>-</b>	<b>45,616</b>
<b>Passed Through City of Huntsville:</b>				
2015 Justice Assistance Grant Program (JAG)	16.738	2015-DJ-BX-627	-	7,515
2016 Justice Assistance Grant Program (JAG)	16.738	2016-DJ-BX-267	-	7,474
<b>Total Passed Through the City of Huntsville</b>			<b>-</b>	<b>14,989</b>
<b>Passed Through Bureau of Justice Assistance:</b>				
State Criminal Alien Assistance Program (SCAAP)	16.606	2015-AP-BX-632	246	1,117
Bulletproof Vest Partnership Grant Program	16.607	-	-	13,875
<b>Total Passed Through Bureau of Justice Assistance</b>			<b>246</b>	<b>14,992</b>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>246</b>	<b>75,597</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>				
<b>Passed Through Texas Division of Emergency Management:</b>				
Homeland Security Grant (2015 SHSP)	97.067	EMW-2015-SS-00080	-	103,101
Emergency Management Assistance (EMPG)	97.042	15TX-EMPG-0483	-	8,413
Emergency Management Assistance (EMPG)	97.042	16TX-EMPG-0483	-	19,327
<b>Total Program 97.042</b>			<b>-</b>	<b>27,740</b>
<b>Total Passed Through Texas Division of Emergency Management</b>			<b>-</b>	<b>130,841</b>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<b>-</b>	<b>130,841</b>
<b><u>U.S. EXECUTIVE OFFICE OF THE PRESIDENT</u></b>				
<b>Direct Program:</b>				
High Intensity Drug Trafficking Areas Program	95.001	G16HN0025A	-	26,021
<b>TOTAL U.S. EXECUTIVE OFFICE OF THE PRESIDENT</b>			<b>-</b>	<b>26,021</b>

The accompanying notes are an integral part of this schedule.

**WALKER COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT D-1**  
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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal/State Expenditures
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u></b>				
<b>Passed Through State Division of Emergency Management:</b>				
Emergency Management Assistance	97.036	4223-DR-TX	-	666,437
Emergency Management Assistance	97.036	4245-DR-TX	-	1,830,472
Emergency Management Assistance	97.036	4255-DR-TX	-	43,940
Emergency Management Assistance	97.036	4266-DR-TX	-	20,630
<b>Total Program 97.036</b>			-	<b>2,561,479</b>
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			-	<b>2,561,479</b>
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>				
<b>Passed Through General Land Office:</b>				
CDBG Disaster Recovery Round 2.2 Generators	14.228	DRS220196	-	88,700
CDBG Disaster Recovery Fire Protection	14.228	15-127-0-8837	-	131,415
<b>Total Passed Through General Land Office:</b>			-	<b>220,115</b>
<b>Passed Through Texas Department of Agriculture:</b>				
Community Development Fund - Riverside Water Supply	14.228	713499	-	52,380
Community Development Fund - Frisby Landing	14.228	713017	-	47,260
<b>Total Passed Through Texas Department of Agriculture</b>			-	<b>99,640</b>
<b>Total Program 14.228</b>			-	<b>319,755</b>
<b>TOTAL U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			-	<b>319,755</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<b>Passed Through Texas Juvenile Probation Commission:</b>				
Title IV-E Federal Foster Care	93.658	-	-	3,375
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			-	<b>3,375</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>129,066</b>	<b>3,245,888</b>

The accompanying notes are an integral part of this schedule.

**WALKER COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT D-1**  
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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal/State Expenditures
<b>STATE AWARDS</b>				
<b>Passed Through Office of Court Administration:</b>				
<i>DA-Victims of Crime Act Formula Grant Program</i>		212-16-236	\$ -	\$ 57,267
<b>Passed Through Juvenile Probation Commission:</b>				
<i>State Aid Contract</i>		A-2016-236	-	234,028
<i>Commitment Reduction</i>		C-2016-236	-	48,756
<i>Mental Health Services</i>		N-2016-236	-	34,593
<i>Community Programs</i>		A-2016-236	-	96,062
<i>Regional Diversion Alternatives: Regional Pool</i>		R-2016-236	-	1,620
<b>Total Passed Through Juvenile Probation Commission</b>			-	<b>415,059</b>
<b>Passed Through Department of Corrections:</b>				
<i>CSCD - Basic Supervision</i>		2016-900	-	364,096
<i>CSCD - Court Services</i>		2016-003	-	183,244
<i>CSCD - Substance Abuse Services</i>		2016-002	-	117,278
<b>Total Passed Through Department of Corrections</b>			-	<b>664,618</b>
<b>Passed Through Office of Governor:</b>				
<i>Prosecution of Prison Crimes - Criminal</i>		SF-11-A10-14918-16	-	1,395,712
<b>Passed Through Office of State Comptroller:</b>				
<i>Judiciary Apportionment - CDA</i>		N/A	-	22,500
<b>Passed Through Texas Department of State Health Services:</b>				
<i>AgriLife Extension- Preventative Hospitalization</i>		2016-003789	-	67,852
<b>Passed Through Office of Attorney General:</b>				
<i>Statewide Victim Information and Notification Everyday System</i>		1660638	-	16,500
<b>Passed Through Southeast Texas Trauma Regional Advisory Council:</b>				
<i>EMS Trauma Care System</i>		N/A	-	9,380
<b>Passed Through Mental Health Services:</b>				
<i>Regional Juvenile Mental Health Services</i>		26067-04	-	8,200
<b>Passed Through Montgomery County:</b>				
<i>Texas Department of Motor Vehicles</i>		608-16-1700000	-	72,532
<b>Passed Through Texas Department of Transportation:</b>				
<i>Transportation Infrastructure Funds</i>		CTIF-01-236	-	192,794
<b>Passed Through Office of the Secretary of State:</b>				
<i>Chapter 19 Voter Funds</i>		N/A	-	3,591
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			-	<b>2,926,005</b>

The accompanying notes are an integral part of this schedule.

**WALKER COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**EXHIBIT D-1**  
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Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal/State Expenditures
<b>STATE ALLOCATIONS</b>				
SPU - State Allocation		08-A10-14918-16	\$ -	\$ 314,898
SPU - Civil		08-A10-14918-16	-	2,058,109
SPU - Longevity Pay - Criminal		08-A10-14918-16	-	28,245
SPU - Juvenile		08-A10-14918-16	-	734,990
SPU - Longevity Pay - Juvenile		08-A10-14918-16	-	2,840
Constitutional Judge Salary Supplement		SB 600	-	25,703
CCL Judge Supplement		SB 600	-	84,000
State Prosecutor Salary Supplement		HB 9	-	4,375
Juror Pay		SB 1704	-	17,850
State Longevity Pay		SB 844	-	4,940
Road & Bridge - Lateral Road Allocation		Tax Code-Chap 162	-	98,325
Rider 78 and Rider 81 - Supplement for District Clerk		HB 1	-	12,000
<b>TOTAL STATE ALLOCATIONS</b>			-	<b>3,386,275</b>
<b>STATE REIMBURSEMENTS</b>				
State Funds - Capital Murder		N/A	-	109,175
Sexual Assault Exam		N/A	-	6,041
<b>TOTAL STATE REIMBURSEMENTS</b>			-	<b>115,216</b>
<b>TOTAL STATE AWARDS, ALLOCATIONS, AND REIMBURSEMENTS</b>			\$ -	<b>\$ 6,427,496</b>

The accompanying notes are an integral part of this schedule.



## **WALKER COUNTY, TEXAS**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2016**

#### Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Walker County, Texas and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### Indirect Cost Rate

The County did not elect to use the 10% de minimis indirect cost rate.

#### 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, Automotive 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 \$55,611,000. 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.