



Walker County, Texas



*Comprehensive Annual Financial Report
For the Year Ended September 30, 2017*

**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)

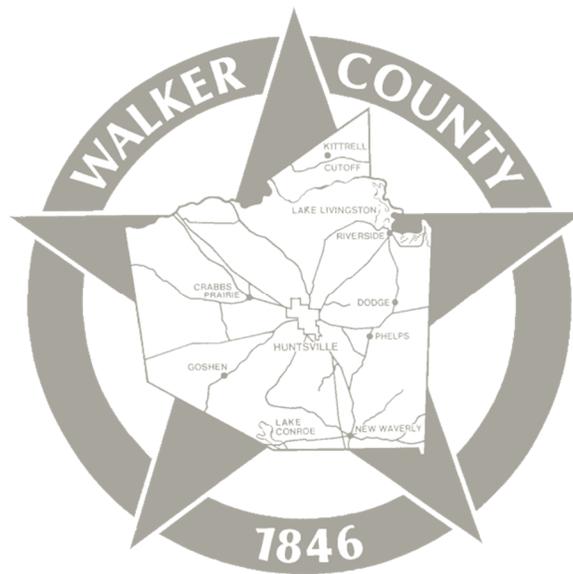
The Austin College building behind the Normal Institute was dedicated in 1851 as a Presbyterian school. The Bell Tower shown in Mr. Paine's Lithograph is now at the Austin College in Sherman, Texas and is rung at graduation there. This building was the main structure at Sam Houston Normal Institute from 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, 2017

Prepared by:
County Auditor Department



WALKER COUNTY, TEXAS
 Comprehensive Annual Financial Report
 For The Year Ended September 30, 2017

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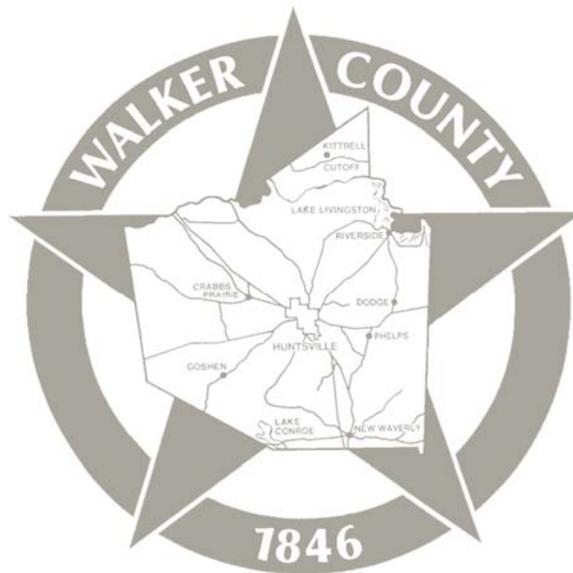
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WALKER COUNTY AUDITOR

1301 Sam Houston Avenue Room 206

Huntsville, Texas 77320

(936) 436-4948

March 26, 2018

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

Gentlemen:

The Comprehensive Annual Financial Report of Walker County, Texas, for the year ended September 30, 2017, 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, 2017 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, 2017 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) Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which superseded *OMB Circular A-133* and other related documents, the *Texas Uniform Grant Management Standards*, and the *State of Texas Single Audit Circular*. 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 2016 census serves a population of approximately 71,484. 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 71,484. 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 2017 was 4.3%, compared with the state unemployment rate of 4.0% and national unemployment rate of 4.1%. This county rate compares to 5.8%, 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 13,941 inmates. Sam Houston State University, also located in Walker County, reported an enrollment of approximately 20,477 students for the fall of 2017 as compared to 20,220 for 2016.

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 high level of preparedness for emergencies. An emergency notification system (Code Red) is in place as well as an updated public safety radio system, 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.

Walker County is very proactive in searching for sources of revenues from granting agencies and monies available thru the state and federal government. Between May 4, 2015 and June 24, 2016 Walker County saw 5 FEMA declared disasters related to flooding. 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 resulted in approximately \$4,400,000 in funds. The funds are being used to repair the damages as well to improve many of the affected areas. Hurricane Harvey affected Walker County on August 26, 2017. Walker County sustained approximately \$2.5 million in damages to roads and buildings. This is the 6th federally declared disaster in Walker County since 2015.

Walker County is also very involved in several interagency public safety task forces and budgeting for grant match needs is a high priority budget item as is funding the personnel needed to address public safety concerns. The Sheriff's Department is very involved in the Organized Crime Drug Enforcement Task Force (OCDETF), which is expanded even nationwide, to reduce the flow of illicit drugs and drug proceeds of major trafficking organizations. They also participate in the High Intensity Drug Trafficking Areas Program (HIDTA), which operates in areas determined to be critical drug trafficking regions of the United States. Walker County works with Montgomery County on the Automobile Burglary and Theft Prevention Authority (AutoTheft) to combat vehicle theft and burglary through enforcement, prevention and education initiatives. Walker County applies for funds through the Homeland Security Grant Program to purchase necessary equipment to help law enforcement achieve a National Preparedness Goal of a secure and resilient nation. The Sheriff Department also works with the City of Huntsville in sharing funds awarded through the Edward Byrne Memorial Justice Assistance Grant Program (JAG) for necessary equipment and software for law enforcement. The Walker County Sheriff's Office has been able to remain above the State average on crime clearance.

Walker County operates a shelter that was funded from FEMA and ORCA monies in previous years. Walker County continues to maintain and update information to Walker County maps for use by emergency

medical services, fire departments, and communications providers among others. As this project progresses, the citizens of Walker County are expected to see more efficient emergency services due to the standardized addressing system as well as have access to updated and more accurate maps.

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

Financial Policies and impact on current period financial statements. The County has the policy of funding all on-going costs with revenues generated in the current year. During the budget process each year fund balances are reviewed and generally one-time and capital costs are funded from available funds (fund balance). Contingency is also historically funded from available funds. The budgeted collections rate in the budget for current property taxes in past years has been budgeted in the 94% - 96% range. Collections have historically been in the 95% - 97% range. For the past several years, collections have been budgeted at 94% due to the volatile economy; however collections have remained stable. In the fiscal year beginning October 1, 2016, 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, 2017, or 2018. The total budget for FY 17/18, that began October 1, 2017 is \$35,119,502 compared to the original budget of \$33,958,251 for the FY 16/17 year covered by this report, an increase of \$1,161,251.

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, 2016. This was the twentieth first 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**

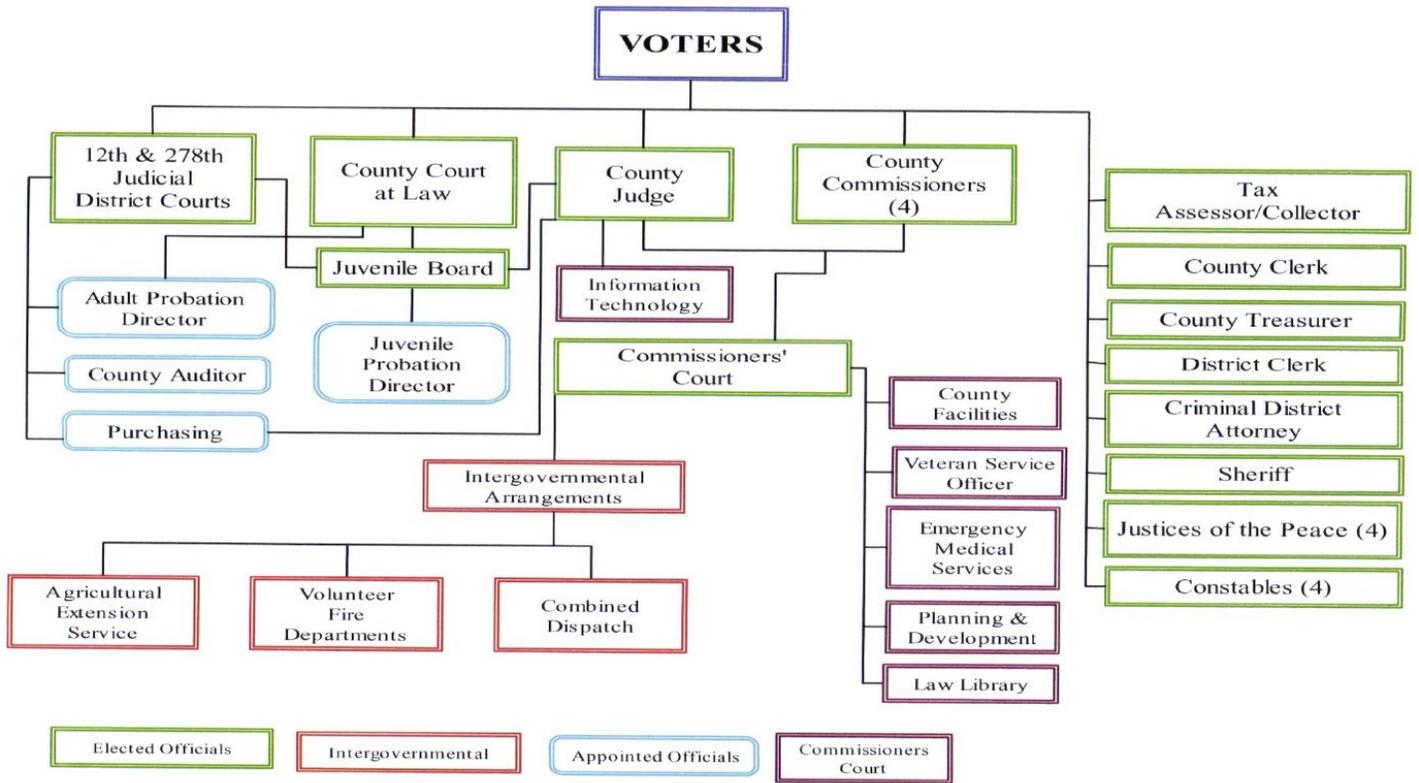
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

Walker County, Texas Organization



WALKER COUNTY, TEXAS

LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2017

Elected Officials

<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
Danny Kuykendall	Commissioner, Precinct 1
Ronnie White	Commissioner, Precinct 2
Bill Daugette	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
Shane Loosier	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





DAVIS, HEINEMANN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

1300 11TH STREET, SUITE 500

P.O. BOX 6308

HUNTSVILLE, TEXAS 77342

PHONE (936) 291-3020

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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 Walker County, Texas ("the County") as of and for the year ended September 30, 2017, 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, 2017, 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 changes in the County's 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 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 26, 2018 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 26, 2018



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, 2017. 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 \$1,233,362 (net position). The unrestricted net position is a negative \$9,765,392. 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 2015 comprehensive annual financial 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 a prior period adjustment of \$10,224,078 in the 2015 fiscal year. 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 \$28,127,162. General revenues of \$23,003,212 (Exhibit A-2) were \$5,123,950 less than expenses net of program revenue. The change in unrestricted is due to the increase in OPEB liabilities, Net Pension Liability and a decrease in total fund balance of governmental funds of \$709,393. Exhibit A-6 on page 32 provides additional information.
- The General Fund, on a current financial resource basis (fund level), reported revenues over expenditures and other financing sources (uses) of \$1,701,561 as compared to a planned reduction of \$1,859,528 (Exhibits A-5 and B-1), the result primarily of decreased spending and revenues over budget.
- As of September 30, 2017, unassigned fund balance in the General Fund was \$6,057,982. The total unassigned Fund Balance for the prior year was \$6,013,553.
- Unassigned Fund balance as a percentage of expenditures for the General Fund is 28%, an amount that exceeds the minimum requirement goal (16.67%) set by Commissioners' Court. The adopted budget for FY 2018 included use of fund balance for one-time expenditures. The amount included in the FY 2018 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-29).

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 2017 with comparative data for 2016. The following schedule focuses on the net position of the County as a whole and gives data as of September 30th (the County's fiscal year end date) of each year.

WALKER COUNTY, TEXAS' NET POSITION

	Governmental Activities					
	2017		2016		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Cash, Cash Equivalents, & Investments	\$ 14,880,936	30	\$ 14,805,857	28	\$ 75,079	1
Receivables and Prepaids	7,379,705	16	7,418,984	9	(39,279)	(1)
Capital Assets, Net of Depreciation	24,985,779	53	26,555,620	63	(1,569,841)	-
Total Assets	47,246,420	100	48,780,461	100	(1,534,041)	
Deferred Outflows of Resources-Pensions	5,939,526		7,038,922			
Deferred Inflows of Resources-Pensions	754,354		974,530			
Current Liabilities	4,318,417	8	3,701,018	14	617,399	17
Noncurrent Liabilities	46,879,903	92	44,786,523	86	2,093,380	5
Total Liabilities	51,198,320	100	48,487,541	100	2,710,779	
Net Position:						
Net Investment in Capital Assets	8,868,866		9,685,620		(816,754)	
Restricted	2,129,888		1,863,075		266,813	
Unrestricted	(9,765,392)		(5,191,383)		(4,574,009)	
Total Net Position	\$ 1,233,362		\$ 6,357,312		\$ (5,123,950)	(81)

As mentioned earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by \$1,233,362 at September 30, 2017 as compared to \$6,367,312 at September 30, 2016. Investment in capital assets (land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding totals \$8,868,866. 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. \$223,112 is restricted for Debt Service and \$1,906,776 is restricted for grants and purposes defined by legislation. Net position not restricted or invested is 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 (\$9,765,392). 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, the cumulative effect of this reduction since GASB 68 and GASB 71 were implemented has amounted to \$13,420,437. Currently the employee's retirement system is funded at 78%. Additional information on the liability for the retirement system is found in Note M, beginning on page 48 of this report.

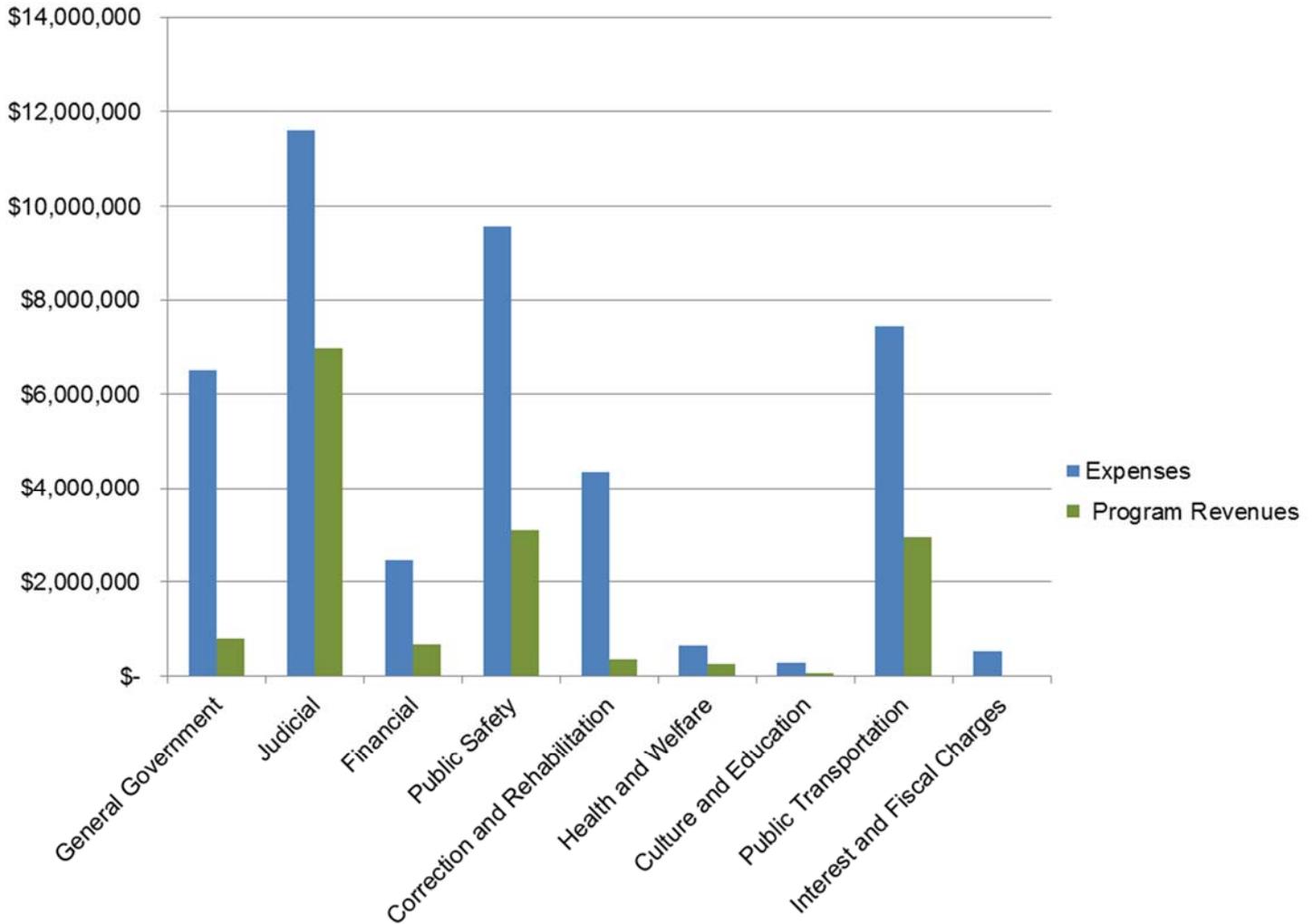
Government-wide Activities. There was a difference in expenses over revenues of \$5,123,950 reported on the Statement of Activities on a government-wide view. Included in the expenses are \$1,760,862 for other post-employment benefits and a \$2,041,094 net increase in pension expense. In addition, depreciation exceeded the addition of capital assets and reduction of debt by \$703,702. Key elements of the overall decrease in net position are as follows.

WALKER COUNTY, TEXAS' CHANGE IN NET POSITION

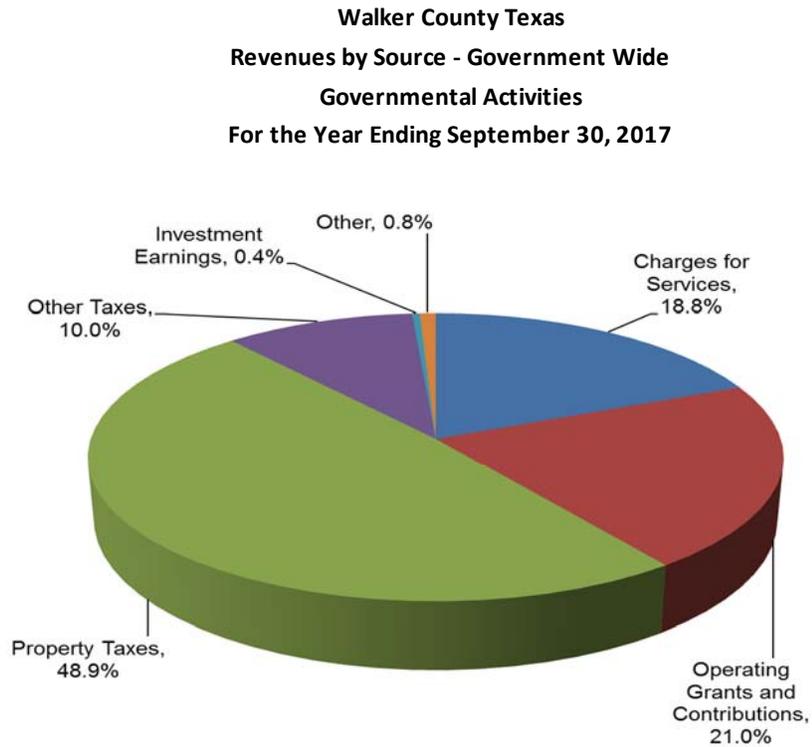
	Governmental Activities					
	2017		2016		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues:						
Program Revenues:						
Charges for Service	\$ 7,177,639	20	\$ 7,316,503	22	\$ (138,864)	(2)
Operating Grants and Contributions	8,046,362	21	8,891,973	18	(845,611)	(10)
Capital Grants and Contributions	-	-	99,640	-	(99,640)	(100)
General Revenues:						
Property Taxes	18,691,980	49	17,975,921	49	716,059	4
Other Taxes	3,839,649	10	3,428,677	10	410,972	-
Investment Earnings	151,111	0	70,920	-	80,191	113
Other	320,472	1	415,061	1	(94,589)	(23)
Total Revenues	38,227,213	100	38,198,695	100	123,107	
Expenses:						
General Government	6,496,973	15	5,543,255	15	953,718	17
Judicial	11,589,784	27	10,040,223	27	1,549,561	15
Financial Administration	2,455,399	6	2,333,148	6	122,251	5
Public Safety	9,566,499	22	9,142,524	24	423,975	5
Correction and Rehabilitation	4,345,175	10	3,860,155	10	485,020	100
Health & Welfare	653,677	2	799,830	2	(146,153)	(18)
Culture and Education	279,911	-	278,594	1	1,317	100
Public Transportation	7,445,266	17	5,917,477	14	1,527,789	26
Interest and Fiscal Charges	518,479	1	535,128	1	(16,649)	(3)
Total Expenses	43,351,163	100	38,450,334	100	4,900,829	
Change in Net Position	(5,123,950)		(251,639)		(4,872,311)	
Net Position - Beginning	6,357,312		6,608,951		(251,639)	
Prior Period Adjustment	-		-		-	
Net Position - Ending	1,233,362		6,357,312		(5,123,950)	(81)

The following graphic presentation depicts expenses and program revenues for fiscal year 2017 for governmental activities (government-wide).

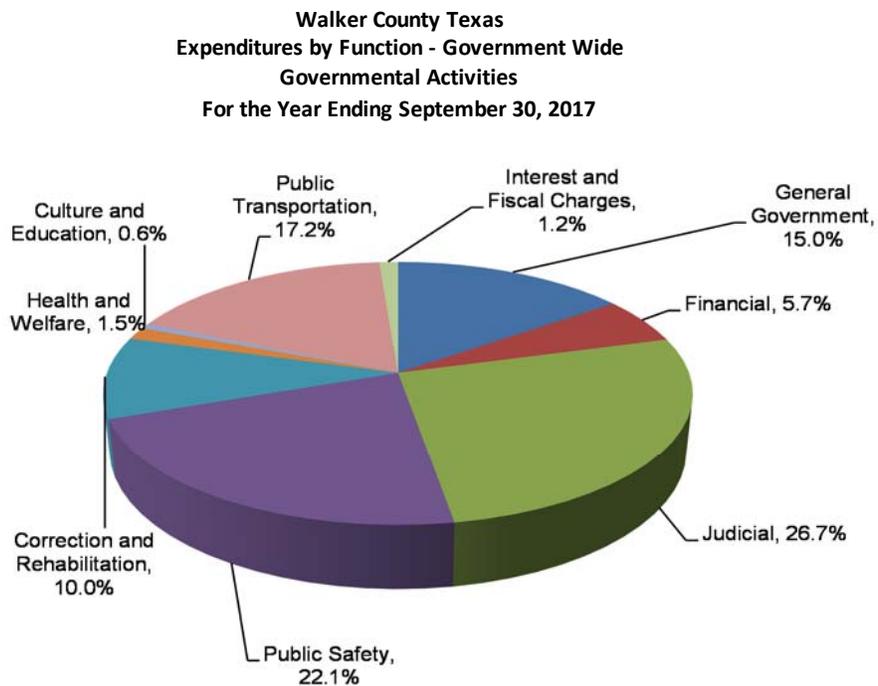
**Walker County Texas
Expenses and Program Revenues
Government-Wide Governmental Activities
For the Year Ending September 30, 2017**



The following graphic presents revenues by source for fiscal year 2017 for governmental activities (government-wide).



The following graphic presentation presents expenditures by function for fiscal year 2017 for governmental activities (government-wide).



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 \$15,610,203 (Exhibit A-3) compared to \$16,319,596, in the prior year, a decrease of \$709,393. The amount includes a decrease in funds for Public Transportation in the Road and Bridge Fund of \$1,018,191, primarily due to the spending of FEMA funds received in the prior year for flood projects. Other increases include an increase in the General Fund of \$128,136, a decrease of \$86 in the Debt Service Fund, a decrease in the EMS Fund of \$124,015 and an increase of \$304,583 in funds restricted for grants and legislatively designated purposes.

As required by GASB Statement 54, fund balances are classified as restricted, committed, assigned or unassigned. Unassigned fund balance as of September 30, 2017 is \$6,057,982 compared to \$6,013,553, a difference of \$44,429 from the fiscal year ending September 30, 2016. This amount is available for day-to-day operations of the County.

One measure of liquidity is to compare fund balance to total fund expenditures. The unassigned fund balance in the General Fund is approximately 28% of General Fund expenditures. Sales tax revenue came in over budget at \$434,825, a significant increase from the prior year, with approximately 50% of that amount due to a taxpayer previously not paying taxes to Walker County, and reporting in error to an adjoining county, catching up for back payments due. Sales tax collections in FY 2018 (our current year) are approximately up 9% from last year. In total, the General Fund, revenues exceeded budget by \$943,444. Other areas showing increases are \$96,107 in intergovernmental revenues and \$100,368 for rental to other counties for excess jail space. Monies included in the General Fund for projects that were not spent during the fiscal year total \$1,311,619. These project monies are carried forward to the next budget year (FY 2018) 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 decrease was \$86.

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 \$50,127 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 \$2,708,608, down from \$3,726,799 at the prior fiscal year end, due primarily to the spending of FEMA funds received in the prior year. The unspent funds continue to be committed for road maintenance in future years

The Walker County EMS fund has a fund balance of \$1,155,639 at year end, a decrease from \$1,279,654 at the end of the prior fiscal year. This is due to a budgeted expenditure for a new ambulance.

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
Revenues					
Ad Valorem Taxes	\$ 14,236,558	68	\$ 14,206,462	65	\$ (30,096)
Property Tax Penalty and Interest	220,000	1	279,109	1	59,109
Other Taxes	3,403,654	16	3,839,649	18	435,995
Licenses and Permits	170,500	1	216,827	1	46,327
Intergovernmental Revenues	788,688	4	884,795	4	96,107
Charges for Service	1,846,560	9	1,996,719	9	150,159
Fines and Forfeitures	85,472	0	135,363	1	49,891
Interest Income	35,025	0	117,140	1	82,115
Other Income	185,628	1	239,465	1	53,837
Total Revenues	20,972,085	100	21,915,529	100	943,444
Expenditures					
Salaries/Other Pay/Benefits	14,437,292	63	13,929,700	69	507,592
Operations	4,371,078	19	3,861,105	19	509,973
Intergovernmental/Contracts	1,409,389	6	1,406,389	7	3,000
Contingency	295,593	1	-	-	295,593
Projects	2,021,058	9	718,798	4	1,302,260
Capital	297,203	1	297,976	1	(773)
Total Expenditures	22,831,613	100	20,213,968	100	2,617,645
Total Revenues over Expenditures	\$ (1,859,528)		\$ 1,701,561		\$ 3,561,089
Other Financing Sources(Uses)					
Transfers In	20,000		20,000		-
Transfers Out	(1,593,245)		(1,593,245)		-
Total Other Financing Sources(Uses)	(1,573,245)		(1,573,245)		-
Net Change in Fund Balance	(3,432,773)		128,316		3,561,089

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 2017 (current year). The portion of fund balance that was committed for projects decreased from \$1,794,683 to \$1,311,619 at the end of the fiscal year ended September 30, 2017. Project expenditures for the fiscal year were \$718,798, primarily for facilities major repairs.

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 \$128,316.

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 \$534,559. The increase includes intergovernmental transfers primarily from the state in the amount of \$401,931 and \$132,628 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, 2017.

Capital Assets and Debt Administration

Capital Assets. Walker County's investment in capital assets on a government-wide basis as of September 30, 2017 is \$24,985,779 (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					
	2017		2016		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land	\$ 680,552	3	\$ 680,552	3	\$ -	-
Buildings	20,810,395	83	21,437,398	81	(627,003)	(3)
Vehicles	1,373,947	5	1,174,894	4	199,053	17
Furniture, Fixtures, Office Equipment	306,610	1	318,277	1	(11,667)	(4)
Machinery & Equipment	1,814,275	7	2,125,898	8	(311,623)	(15)
Construction in Progress	-	-	818,601	3	(818,601)	100
Totals	\$ 24,985,779	100	\$ 26,555,620	100	\$ (1,569,841)	

Additional information on the County's capital assets can be found in Note H and in the supplementary information on Exhibits C-31 thru C-33 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 \$16,025,000.

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					
	2017		2016		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Certificates of Obligation:						
Capital Projects	\$ 16,025,000	100	\$ 16,870,000	100	\$ (845,000)	(5)
Equipment	-	-	-	-	-	-
Totals	\$ 16,025,000	100	\$ 16,870,000	100	\$ (845,000)	

For the fiscal year ended September 30, 2017, payments on certificates of obligation debt totaled \$845,000.

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 \$852,786, and a long-term obligation for post-employment benefits of \$11,304,595. The obligation for post-employment benefits is discussed in Note N of

this report. In addition, the liability of \$18,605,609 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, 2018

- The unemployment rate in the County for 2017 was 4.3%, as compared to the state unemployment rate of 4.0% and national unemployment rate of 4.1%. This rate compares to 5.8% 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 13,941 inmates.
- The new improvement/construction value added to the tax roll for FY 2018 (tax year 2017) totaled \$94,310,912 as compared to \$80,381,544 for the prior year. \$50,000,000+ had been consistent for the last ten years.
- Commissioners' Court approved a \$35,119,502 expenditure budget for FY 2018, an increase from the \$33,958,251 budget for the 2017 fiscal year.
- The tax rate adopted for the FY 2018 budget is \$0.5815 per \$100 of valuation, down from the \$0.6157 for FY 2017. 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 2018 at the date of this report generally continue to be in line with expectations. Total sales tax receipts in FY 2018 are up approximately 9% from FY 2017. 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, 2017

	Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 14,880,937
Taxes Receivable	1,721,283
Accounts Receivable, Net	1,684,308
Fines Receivable	695,502
Internal Balances	-
Prepaid items	34,146
Due from Other Governments	3,150,974
Due from Others	93,491
Capital Assets Not Being Depreciated:	
Land	680,552
Capital Assets, Net of Accumulated Depreciation	24,305,227
Total Assets	<u>47,246,420</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows of Resources from Pensions	5,939,526
Total Outflows of Resources	<u>5,939,526</u>
LIABILITIES:	
Accounts Payable	807,239
Accrued Interest	84,674
Due to Other Governments	444,937
Due to Others	1,228,463
Accrued Liabilities	1,744,461
Unearned Revenue	8,553
Noncurrent Liabilities:	
Due Within One Year	865,000
Due in More Than One Year	46,014,903
Total Liabilities	<u>51,198,230</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows of Resources from Pensions	754,354
Total Inflows of Resources	<u>754,354</u>
NET POSITION:	
Net Investment in Capital Assets	8,868,866
Restricted For:	
Debt Service	223,112
Grants or by Legislation	1,906,776
Unrestricted	(9,765,392)
Total Net Position	<u>\$ 1,233,362</u>

The accompanying notes are an integral part of this statement.

WALKER COUNTY, TEXAS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
General Government	\$ 6,496,973	\$ 771,922	\$ 37,599	\$ (5,687,452)
Financial	2,455,399	676,956	-	(1,778,443)
Judicial	11,589,784	731,024	6,246,357	(4,612,403)
Public Safety	9,566,499	2,798,656	311,346	(6,456,497)
Correction and Rehabilitation	4,345,175	365,119	3,463	(3,976,593)
Health and Welfare	653,677	216,964	50,000	(386,713)
Culture and Recreation	279,911	-	69,721	(210,190)
Public Transportation	7,445,266	1,616,998	1,327,876	(4,500,392)
Interest and Fiscal Charges	518,479	-	-	(518,479)
Total Governmental Activities	<u>43,351,163</u>	<u>7,177,639</u>	<u>8,046,362</u>	<u>(28,127,162)</u>
Total Primary Government	<u>\$ 43,351,163</u>	<u>\$ 7,177,639</u>	<u>\$ 8,046,362</u>	<u>(28,127,162)</u>
General Revenues:				
Property Taxes				18,691,980
Sales Taxes				3,704,825
Mixed Beverage and Other Taxes				134,824
Investment Earnings				151,111
Miscellaneous				320,472
Transfers				-
Total General Revenues				<u>23,003,212</u>
Change in Net Position				<u>(5,123,950)</u>
Net Position - Beginning				<u>6,357,312</u>
Net Position - Ending				<u>\$ 1,233,362</u>

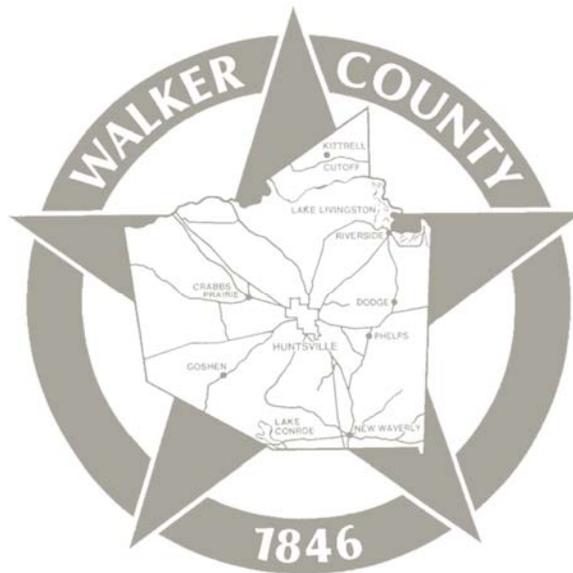
The accompanying notes are an integral part of this statement.

WALKER COUNTY, TEXAS
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	Debt Service Fund	Road and Bridge Fund
ASSETS:			
Cash and Cash Equivalents	\$ 11,082,575	\$ 180,334	\$ 631,107
Taxes Receivable	1,593,745	127,538	-
Accounts Receivable, Net	93,657	-	-
Prepaid items	34,146	-	-
Due from Other Governments	692,934	-	2,352,863
Due from Other Funds	1,154,290	-	-
Due from Others	93,045	-	-
Total Assets	<u>\$ 14,744,392</u>	<u>\$ 307,872</u>	<u>\$ 2,983,970</u>
LIABILITIES:			
Accounts Payable	\$ 380,263	\$ -	\$ 197,073
Due to Other Governments	442,223	-	-
Due to Other Funds	-	-	-
Due to Others	1,134,030	-	40,178
Accrued Liabilities	1,585,412	-	38,111
Unearned Revenue	-	-	-
Total Liabilities	<u>3,541,928</u>	<u>-</u>	<u>275,362</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Revenue - Property Taxes	1,593,745	127,538	-
Total Deferred Inflows of Resources	<u>1,593,745</u>	<u>127,538</u>	<u>-</u>
FUND BALANCES:			
Nonspendable - Prepaid Items	34,146	-	-
Restricted for Debt Service	-	180,334	-
Restricted for Grants or by Legislation	-	-	-
Committed for Projects	1,311,619	-	-
Committed for Public Transportation	-	-	2,708,608
Committed for Public Safety	-	-	-
Assigned - One-Time-Allocation	2,204,972	-	-
Unassigned	6,057,982	-	-
Total Fund Balance	<u>9,608,719</u>	<u>180,334</u>	<u>2,708,608</u>
Total Liabilities and Fund Balance	<u>\$ 14,744,392</u>	<u>\$ 307,872</u>	<u>\$ 2,983,970</u>

The accompanying notes are an integral part of this statement.

Walker County EMS Fund	Grants and Contracts Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,003,589	\$ 50,127	\$ 1,933,205	\$ 14,880,937
-	-	-	1,721,283
338,305	1,250,846	1,500	1,684,308
-	-	-	34,146
-	76,567	28,610	3,150,974
-	-	-	1,154,290
87	246	113	93,491
<u>\$ 1,341,981</u>	<u>\$ 1,377,786</u>	<u>\$ 1,963,428</u>	<u>\$ 22,719,429</u>
\$ 84,931	\$ 122,887	\$ 22,085	\$ 807,239
-	-	2,714	444,937
-	1,135,509	18,781	1,154,290
54,255	-	-	1,228,463
47,156	66,481	7,301	1,744,461
-	2,782	5,771	8,553
<u>186,342</u>	<u>1,327,659</u>	<u>56,652</u>	<u>5,387,943</u>
-	-	-	1,721,283
-	-	-	<u>1,721,283</u>
-	-	-	34,146
-	-	-	180,334
-	50,127	1,906,776	1,956,903
-	-	-	1,311,619
-	-	-	2,708,608
1,155,639	-	-	1,155,639
-	-	-	2,204,972
-	-	-	6,057,982
<u>1,155,639</u>	<u>50,127</u>	<u>1,906,776</u>	<u>15,610,203</u>
<u>\$ 1,341,981</u>	<u>\$ 1,377,786</u>	<u>\$ 1,963,428</u>	<u>\$ 22,719,429</u>



WALKER COUNTY, TEXASRECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

Total fund balances - governmental funds balance sheet	\$ 15,610,203
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.	24,985,779
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,721,283
Payables for bond principal which are not due in the current period are not reported in the funds.	(16,025,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(84,674)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(852,786)
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	695,502
Other post-employment benefit liabilities are not reported in the funds.	(11,304,595)
Recognition of the County's net pension liability is not reported in the funds.	(18,605,609)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(754,354)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	5,939,526
Bond premiums are amortized in the SNA but not in the funds.	(91,913)
Net position of governmental activities - Statement of Net Position	<u>\$ 1,233,362</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, 2017

	General Fund	Debt Service Fund	Road and Bridge Fund
REVENUES:			
Property Taxes	\$ 14,206,462	\$ 1,345,725	\$ 2,693,917
Property Tax Penalty and Interest	279,109	22,276	-
Sales Tax	3,704,825	-	-
In Lieu of Tax	20,335	-	-
Mixed Beverage	114,489	-	-
License and Permits	216,827	-	-
Intergovernmental	884,795	-	1,327,876
Fees of Office/Charges for Services	1,996,719	-	837,589
Fines & Forfeitures	135,363	-	779,409
Interest Income	117,140	4,681	10,589
Other Income	239,465	-	21,742
Total revenues	<u>21,915,529</u>	<u>1,372,682</u>	<u>5,671,122</u>
EXPENDITURES:			
Current:			
General Government	4,049,512	-	-
Financial	2,314,602	-	-
Judicial	5,002,011	-	-
Public Safety	5,096,517	-	-
Correction and Rehabilitation	2,945,935	-	-
Health and Welfare	613,494	-	-
Culture and Education	191,897	-	-
Public Transportation	-	-	7,269,313
Debt Service:			
Principal Retirement	-	845,000	-
Interest and Fiscal Charges	-	527,768	-
Total Expenditures	<u>20,213,968</u>	<u>1,372,768</u>	<u>7,269,313</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,701,561</u>	<u>(86)</u>	<u>(1,598,191)</u>
Other Financing Sources (Uses):			
Transfers In	20,000	-	600,000
Transfers Out	(1,593,245)	-	(20,000)
Total Other Financing Sources (Uses)	<u>(1,573,245)</u>	<u>-</u>	<u>580,000</u>
Net Change in Fund Balances	128,316	(86)	(1,018,191)
Fund Balances - Beginning	9,480,403	180,420	3,726,799
Fund Balances - Ending	<u>\$ 9,608,719</u>	<u>\$ 180,334</u>	<u>\$ 2,708,608</u>

The accompanying notes are an integral part of this statement.

Walker County EMS Fund	Grants and Contracts Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 18,246,104
-	-	-	301,385
-	-	-	3,704,825
-	-	-	20,335
-	-	-	114,489
-	-	-	216,827
11,495	5,669,626	455,186	8,348,978
2,355,279	-	387,405	5,576,992
-	-	185,840	1,100,612
7,867	127	10,707	151,111
43,892	31,262	5,250	341,611
<u>2,418,533</u>	<u>5,701,015</u>	<u>1,044,388</u>	<u>38,123,269</u>
-	-	77,659	4,127,171
-	-	-	2,314,602
-	5,395,618	598,137	10,995,766
3,479,316	227,519	128,643	8,931,995
-	-	-	2,945,935
-	-	-	613,494
-	69,721	-	261,618
-	-	-	7,269,313
-	-	-	845,000
-	-	-	527,768
<u>3,479,316</u>	<u>5,692,858</u>	<u>804,439</u>	<u>38,832,662</u>
<u>(1,060,783)</u>	<u>8,157</u>	<u>239,949</u>	<u>(709,393)</u>
936,768	41,970	14,507	1,613,245
-	-	-	(1,613,245)
<u>936,768</u>	<u>41,970</u>	<u>14,507</u>	<u>-</u>
(124,015)	50,127	254,456	(709,393)
1,279,654	-	1,652,320	16,319,596
<u>\$ 1,155,639</u>	<u>\$ 50,127</u>	<u>\$ 1,906,776</u>	<u>\$ 15,610,203</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, 2017

Net change in fund balances - total governmental funds	\$ (709,393)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,266,074
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,814,776)
The gain or loss on the sale of capital assets is not reported in the funds.	(10,414)
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(10,725)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	144,491
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(19,408)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	845,000
(Increase) decrease in accrued interest from beginning of period to end of period.	2,801
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(22,132)
The (increase)/decrease in other post-employment benefits liability that is not reported in the funds.	(1,760,862)
Bond premiums are reported in the funds but not in the SOA.	6,488
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	<u>(2,041,094)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ (5,123,950)</u>

The accompanying notes are an integral part of this statement.

WALKER COUNTY, TEXAS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2017

	Agency Funds
ASSETS:	
Cash and Cash Equivalents	\$ 4,451,335
Total Assets	<u>4,451,335</u>
LIABILITIES:	
Accounts Payable	\$ 38,474
Due to Other Governments	1,695,772
Due to Others	2,676,601
Accrued Liabilities	40,488
Total Liabilities	<u>\$ 4,451,335</u>

The accompanying notes are an integral part of this statement.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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, 2017

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, 2017

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.,

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

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 2017, the County adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- 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. 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 adoption of Statement No. 74 had no impact on the County's financial statements.

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 adoption of Statement No. 78 had no impact on the County's financial statements.

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 adoption of Statement No. 80 had no impact on the County's financial statements.

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 adoption of Statement No. 82 had no impact on the County's financial statements.

4. New Pronouncements

The GASB has issued the following statements:

- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Statement No. 81, *Irrevocable Split-Interest Agreements*
- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 85, *Omnibus 2017*
- Statement No. 86, *Certain Debt Extinguishment Issues*
- Statement No. 87, *Leases*

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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. 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. 83, *Certain Asset Retirement Obligations*, requires the recognition of a liability and a corresponding deferred outflows of resources associated with an asset retirement obligation based on the criteria and the measurement established in the statement. This statement also requires disclosure of required information about the asset retirement obligations. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. The County will implement this statement in fiscal year 2019.

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement also describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. The County will implement this statement in fiscal year 2020.

Statement No. 85, *Omnibus 2017*, addresses issues that have been identified during implementation and application of certain GASB Statements. The topics include issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits and more. The requirements of this statement are effective for reporting periods beginning after June 15, 2017. The County will implement this statement in fiscal year 2018.

Statement No. 86, *Certain Debt Extinguishment Issues*, establishes disclosure requirements of in-substance defeasance of debt using only existing resources and prepaid insurance related to extinguished debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2017. The County will implement this statement in fiscal year 2018.

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset, and a lessor to recognize a lease receivable and a deferred inflows of resources. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The County will implement this statement in fiscal year 2021.

The County has not fully determined the effect that implementation of Statements No. 75, 81, 83, 84, 85, 86, and 87 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.

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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.

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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

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

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

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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 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 TCDSR's Fiduciary Net Position have been determined on the same basis as they are reported by TCDSR. 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.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

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.

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.

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

1. Cash Deposits

The County's cash and cash equivalents at September 30, 2017 are summarized as follows:

	Carrying Amount
Cash Deposits	\$ 4,838,042
Investments Considered Cash and Cash Equivalents	
Wells Fargo Investment Portfolio - USA Mutuals	6,094,744
Texas Local Government Investment Pool	5,271,271
Texas Class	2,223,774
Investors Cash Trust	904,441
Total Cash and Cash Equivalents	\$ 19,332,272

2. Investments

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

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

The Act determines the types of investments which are allowable for the County. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) 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, 2017, 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.

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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. The County's investments have average maturities of less than 90 days and are considered to be cash equivalents.

E. Receivables

Receivables, including applicable allowances for uncollectible accounts, as of September 30, 2017 are as follows:

	General	Debt Service	Grants and Contracts	Road and Bridge Fund	EMS	Nonmajor Governmental	Total
Receivables:							
Taxes	\$ 1,593,745	\$ 127,538	\$ -	\$ -	\$ -	\$ -	\$ 1,721,283
Accounts	93,657	-	1,250,846	-	2,255,365	1,500	3,601,368
Due from Other Governments	692,934	-	76,567	2,352,863	-	28,610	3,150,974
Due from Others	93,045	-	246	-	87	113	93,491
Less: Allowance for Uncollectibles	-	-	-	-	(1,917,060)	-	(1,917,060)
Net Total Receivables	\$ 2,473,381	\$ 127,538	\$ 1,327,659	\$ 2,352,863	\$ 338,392	\$ 30,223	\$ 6,650,056

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, 2017 the various components of unearned revenue reported in the governmental funds are as follows:

	Unearned
Grant funds received prior to meeting eligibility requirements	\$ 8,553
Total Unearned Revenue for Governmental Funds	\$ 8,553

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. 2016 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 2017 fiscal year (2016 tax year), the County levied property taxes of \$0.6157 per \$100 of assessed valuation. The 2016 rates resulted in total tax levies of approximately \$18.4 million based on a total adjusted valuation of approximately \$3.1 billion. The total tax rate in the 2016 tax year was prorated as follows:

	2016 Rate
General Fund/Road and Bridge	\$ 0.5708
Debt Service Fund	0.0449
Total Tax Rate	\$ 0.6157

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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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.

For the fiscal year ended September 30, 2017, the County abated property taxes totaling \$24,344 under this program, including the following tax abatement agreement:

- A 20 percent property tax abatement on the assessed value of improvements to an oil and gas company. The abatement amounted to \$17,298.
- A 100 percent property tax abatement on the assessed value of improvements to a manufacturing company. The abatement amounted to \$7,046.

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 \$32,038,100, an incremental value increase of \$31,655,519. Walker County contributed \$97,599 in the tax year that includes the October 1, 2016 to September 30, 2017 fiscal year.

G. Interfund Receivables and Payables

At September 30, 2017, 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	\$ 1,154,290	Short-term Loan
Total		\$ 1,154,290	

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
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H. Capital Assets

Capital asset activity for the year ended September 30, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers, Adjustments and Dispositions</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 680,552	\$ -	\$ -	\$ 680,552
Construction in Progress	818,601	-	(818,601)	-
Total Capital Assets, Not Being Depreciated	<u>1,499,153</u>	<u>-</u>	<u>(818,601)</u>	<u>680,552</u>
Capital Assets, Being Depreciated:				
Vehicles	5,524,657	691,911	(385,261)	5,831,307
Office Furniture and Fixtures	1,784,437	127,330	(37,111)	1,874,656
Machinery and Equipment	7,589,787	303,281	(86,859)	7,806,209
Buildings, Facilities, and Improvements	39,603,190	962,153	(3,076,828)	37,488,515
Total Capital Assets, Being Depreciated	<u>54,502,071</u>	<u>2,084,675</u>	<u>(3,586,059)</u>	<u>53,000,687</u>
Less Accumulated Depreciation for:				
Vehicles	(4,349,763)	(475,496)	367,899	(4,457,360)
Office Furniture and Fixtures	(1,466,160)	(138,997)	37,111	(1,568,046)
Machinery and Equipment	(5,463,889)	(611,127)	83,082	(5,991,934)
Buildings, Facilities, and Improvements	(18,165,792)	(1,589,156)	3,076,828	(16,678,120)
Total Accumulated Depreciation	<u>(29,445,604)</u>	<u>(2,814,776)</u>	<u>3,564,920</u>	<u>(28,695,460)</u>
Total Capital Assets, Being Depreciated, Net	<u>25,056,467</u>	<u>(730,101)</u>	<u>(21,139)</u>	<u>24,305,227</u>
Capital Assets, Net	<u>\$ 26,555,620</u>	<u>\$ (730,101)</u>	<u>\$ (839,740)</u>	<u>\$ 24,985,779</u>

Depreciation was charged to functions as follows:

General Government	\$ 374,019
Financial	51,945
Judicial	109,153
Public Safety	890,018
Correction and Rehabilitation	1,140,129
Health and Welfare	16,511
Culture and Education	2,269
Public Transportation	230,732
Total Depreciation Expense	<u>\$ 2,814,776</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, 2017 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	\$ 16,025,000
Totals				<u>\$ 20,000,000</u>	<u>\$ 16,025,000</u>

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

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

A summary of long-term liability transactions of the County for the year ended September 30, 2017, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Certificates of Obligation	\$ 16,870,000	\$ -	\$ (845,000)	\$ 16,025,000	\$ 865,000
Adjustments for:					
Issuance Premiums	98,401	-	(6,488)	91,913	-
Total Certificates of Obligation, Net	16,968,401	-	(851,488)	16,116,913	865,000
Compensated Absences*	830,654	894,908	(872,776)	852,786	-
OPEB Obligations*	9,543,733	2,130,930	(370,068)	11,304,595	-
Net Pension Liability*	17,443,735	11,954,977	(10,793,103)	18,605,609	-
Total Long-term Liabilities	\$ 44,786,523	\$ 14,980,815	\$ (12,887,435)	\$ 46,879,903	\$ 865,000

*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>Year Ending September 30,</u>	<u>Certificates of Obligation</u>		
	<u>Principal Value</u>	<u>Interest</u>	<u>Total Requirements</u>
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
Totals	\$ 16,025,000	\$ 4,604,681	\$ 20,629,681

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

J. Leases

Operating Leases

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

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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, 2016 through September 30, 2017. 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	<u>\$ -</u>
Current Year Depreciation	\$ -

Powell Family Home

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

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	<u>\$ -</u>
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.

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, 2017:

<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	936,768
General Fund	Other Governmental Funds - Nonmajor	56,477
Road and Bridge Fund	General Fund	20,000
Total		<u><u>\$ 1,613,245</u></u>

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

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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, 2017:

	General	Debt Service	Road and Bridge	Walker County EMS	Grants and Contracts	Nonmajor Governmental	Total
Fund Balances:							
Nonspendable:							
Prepays	\$ 34,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,146
Total Nonspendable	34,146	-	-	-	-	-	34,146
Restricted for:							
Debt Service	-	180,334	-	-	-	-	180,334
Legislative/Grants	-	-	-	-	50,127	1,906,776	1,956,903
Capital Projects	-	-	-	-	-	-	-
Total Restricted	-	180,334	-	-	50,127	1,906,776	2,137,237
Committed to:							
Legislative	-	-	2,708,608	-	-	-	2,708,608
Emergency Medical Services	-	-	-	1,155,639	-	-	1,155,639
Projects	1,311,619	-	-	-	-	-	1,311,619
Total Committed	1,311,619	-	2,708,608	1,155,639	-	-	5,175,866
Assigned to:							
Projects	2,204,972	-	-	-	-	-	2,204,972
Total Assigned	2,204,972	-	-	-	-	-	2,204,972
Unassigned	6,057,982	-	-	-	-	-	6,057,982
Total Fund Balances	\$ 9,608,719	\$ 180,334	\$ 2,708,608	\$ 1,155,639	\$ 50,127	\$ 1,906,776	\$ 15,610,203

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

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 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.

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

3. Employees Covered by Benefit Terms

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	214
Inactive employees entitled to but not yet receiving benefits	194
Active employees	391
Total	<u>799</u>

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 12.55 percent during calendar year 2016 and 12.50 percent during calendar year 2017. The County contributed \$2,272,862 for fiscal year 2017.

The deposit rate payable by the employee member for calendar year 2016 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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Payroll growth	3.50%
Real rate of return	5.00%
Long-term investment return	8.10%

Updated mortality assumptions were adopted in 2015. All other actuarial assumptions that determined the total pension liability as of December 31, 2016, 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 2017 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:

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equities	13.50 %	4.70%
Private Equity	16.00	7.70%
Global Equities	1.50	5.00%
International Equities - Developed	10.00	4.70%
International Equities - Emerging	7.00	5.70%
Investment-Grade Bonds	3.00	0.60%
High-Yield Bonds	3.00	3.70%
Opportunistic Credit	2.00	3.83%
Direct Lending	10.00	8.15%
Distressed Debt	3.00	6.70%
REIT Equities	2.00	3.85%
Master Limited Partnerships	3.00	5.60%
Private Real Estate Partnerships	6.00	7.20%
Hedge Funds	20.00	3.85%
Total	100.00 %	

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.

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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, 2015	\$ 76,772,006	\$ 59,328,271	\$ 17,443,735
Changes for the year:			
Service cost	2,907,140	-	2,907,140
Interest	6,215,848	-	6,215,848
Effect of plan changes	-	-	-
Effect of economic demographic gains or losses	(139,557)	-	(139,557)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	(110,395)	(110,395)	-
Benefit payments	(2,864,353)	(2,864,353)	-
Administrative expense	-	(47,778)	47,778
Member contributions	-	1,227,862	(1,227,862)
Net investment income	-	4,389,111	(4,389,111)
Employer contributions	-	2,201,382	(2,201,382)
Other changes	-	50,980	(50,980)
Net changes	<u>6,008,683</u>	<u>4,846,809</u>	<u>1,161,874</u>
Balances at December 31, 2016	<u>\$ 82,780,689</u>	<u>\$ 64,175,080</u>	<u>\$ 18,605,609</u>

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	\$ 30,627,309	\$ 18,605,609	\$ 8,810,159

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

For the fiscal year ended September 30, 2017, the County recognized pension expense of \$4,313,947.

At September 30, 2017, 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	\$ 118,819	\$ 754,354
Effect of assumption changes or inputs	485,664	-
Net difference between projected and actual earnings on pension plan investments	3,671,187	-
Contributions made subsequent to the measurement date	1,663,856	-
Totals	<u>\$ 5,939,526</u>	<u>\$ 754,354</u>

WALKER COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2017

The \$1,663,856 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>		
2018	\$	1,245,790
2019		1,126,967
2020		1,061,628
2021		86,931
Total	\$	<u>3,521,316</u>

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.

WALKER COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2017

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:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual OPEB cost:			
Annual Required Contribution (ARC)	\$ 2,099,392	\$ 1,595,930	\$ 1,600,640
Interest on Prior Year Net OPEB Obligation	429,468	367,917	305,776
Adjustment to the ARC	<u>(397,930)</u>	<u>(338,335)</u>	<u>(283,321)</u>
Annual OPEB cost	<u>2,130,930</u>	<u>1,625,512</u>	<u>1,623,095</u>
Employer Contributions	<u>(370,068)</u>	<u>(257,704)</u>	<u>(242,190)</u>
Total Contributions	<u>(370,068)</u>	<u>(257,704)</u>	<u>(242,190)</u>
Net OPEB Obligation Increase (Decrease)	1,760,862	1,367,808	1,380,905
Net OPEB Obligation - October 1	<u>9,543,733</u>	<u>8,175,925</u>	<u>6,795,020</u>
Net OPEB Obligation - September 30	<u>\$ 11,304,595</u>	<u>\$ 9,543,733</u>	<u>\$ 8,175,925</u>
Percentage of Annual OPEB Cost Contributed	17.37%	15.85%	14.92%

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, 2016, 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%
2016	\$ -	\$ 22,503,540	\$ 22,503,540	0.00%	\$ 9,346,989	240.76%

Under the reporting parameters, the County's retiree health plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$22,503,540 at October 1, 2016.

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, 2017

The following is a summary of the actuarial assumptions:

Actuarial valuation date	October 1, 2014	October 1, 2016
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 M/F with Projection AA 2015	RPH-2014 Total Table with Projection MP-2016

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, 2017.

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 \$735 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 26, 2018, 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, 2017.

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
AD VALOREM TAXES				
Current Taxes	\$ 13,951,558	\$ 13,951,558	\$ 13,857,363	\$ (94,195)
Delinquent Taxes	285,000	285,000	349,099	64,099
Total Ad Valorem Taxes	<u>14,236,558</u>	<u>14,236,558</u>	<u>14,206,462</u>	<u>(30,096)</u>
Penalty and Interest	220,000	220,000	279,109	59,109
OTHER TAXES				
Sales Taxes	3,270,000	3,270,000	3,704,825	434,825
In Lieu of Tax	20,494	20,494	20,335	(159)
Mixed Beverage Tax	113,160	113,160	114,489	1,329
Total Other Taxes	<u>3,403,654</u>	<u>3,403,654</u>	<u>3,839,649</u>	<u>435,995</u>
LICENSES AND PERMITS				
Building and Utility Permits	170,500	170,500	216,827	46,327
Total Licenses and Permits	<u>170,500</u>	<u>170,500</u>	<u>216,827</u>	<u>46,327</u>
INTERGOVERNMENTAL				
Federal Funds				
Local Law Enforcement	-	58,345	104,610	46,265
Criminal Justice Grant	25,000	25,000	-	(25,000)
Total Federal Funds	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
State Funds				
Other State Funds	176,474	475,225	491,833	16,608
Total State Funds	<u>176,474</u>	<u>475,225</u>	<u>491,833</u>	<u>16,608</u>
Other InterGovernmental Funds				
Appraisal District	15,000	15,000	-	(15,000)
Other Intergovernmental	170,283	215,118	288,352	73,234
Total Other Intergovernmental Funds	<u>185,283</u>	<u>230,118</u>	<u>288,352</u>	<u>58,234</u>
Total Intergovernmental	<u>386,757</u>	<u>788,688</u>	<u>884,795</u>	<u>96,107</u>
FEES OF OFFICE/CHARGES FOR SERVICES				
General Administrative	50,000	50,000	54,520	4,520
IT	12,000	12,000	12,000	-
County Clerk	375,000	375,000	365,415	(9,585)
Courts - Central Service	500	500	3,672	3,172
County Court-at-Law	49,100	49,100	61,560	12,460
12th and 278th District Courts	37,000	37,000	18,979	(18,021)
District Clerk	102,000	102,000	116,189	14,189
Justice of the Peace - Precinct 1	80,000	80,000	64,728	(15,272)
Justice of the Peace - Precinct 2	29,000	29,000	23,680	(5,320)
Justice of the Peace - Precinct 3	18,400	18,400	16,399	(2,001)
Justice of the Peace - Precinct 4	80,000	80,000	75,419	(4,581)
County Auditor	41,700	41,700	42,218	518
County Treasurer	-	-	72	72
County Treasurer - Collections	6,700	6,700	5,665	(1,035)
Vehicle Registration	607,700	607,700	629,001	21,301
Voter Registration	300	300	395	95
County Facilities	10,620	10,620	10,676	56

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Jail	156,000	156,000	256,368	100,368
Sheriff's Office	6,270	6,270	3,928	(2,342)
Sheriff's Estray	1,500	1,500	1,851	351
Constables Central Service	175,000	175,000	186,148	11,148
Constable - Precinct 1	-	-	415	415
Constable - Precinct 2	-	-	4,125	4,125
Constable - Precinct 3	-	-	1,515	1,515
Constable - Precinct 4	-	-	18,337	18,337
Probation Support	2,770	2,770	14,857	12,087
Emergency Management	5,000	5,000	8,450	3,450
Planning and Development	-	-	137	137
Total Fees of Office/Charges for Services	<u>1,846,560</u>	<u>1,846,560</u>	<u>1,996,719</u>	<u>150,159</u>
FINES AND FORFEITURES				
Bond Forfeiture	-	-	49,891	49,891
License and Weight - Operations	85,472	85,472	85,472	-
Total Fines and Forfeitures	<u>85,472</u>	<u>85,472</u>	<u>135,363</u>	<u>49,891</u>
Interest Income	35,025	35,025	117,140	82,115
Other Income	53,000	185,628	239,465	53,837
TOTAL REVENUES	<u>20,437,526</u>	<u>20,972,085</u>	<u>21,915,529</u>	<u>943,444</u>
EXPENDITURES:				
GENERAL GOVERNMENT				
County Judge				
Salary, Other Pay, and Benefits	202,662	202,662	194,550	8,112
Operations	8,454	8,454	3,740	4,714
Total County Judge	<u>211,116</u>	<u>211,116</u>	<u>198,290</u>	<u>12,826</u>
IT Operations - County Judge				
Salary, Other Pay, and Benefits	315,905	315,905	184,593	131,312
Operations	9,530	9,530	1,073	8,457
Total IT	<u>325,435</u>	<u>325,435</u>	<u>185,666</u>	<u>139,769</u>
IT Hardware/Software - County Judge				
Operations	313,171	295,171	238,150	57,021
Total IT	<u>313,171</u>	<u>295,171</u>	<u>238,150</u>	<u>57,021</u>
Commissioner's Court				
Salary, Other Pay, and Benefits	65,740	65,740	65,674	66
Operations	8,746	8,746	6,256	2,490
Total Commissioner's Court	<u>74,486</u>	<u>74,486</u>	<u>71,930</u>	<u>2,556</u>
County Clerk				
Salary, Other Pay, and Benefits	532,747	532,747	523,583	9,164
Operations	103,401	103,401	84,150	19,251
Total County Clerk	<u>636,148</u>	<u>636,148</u>	<u>607,733</u>	<u>28,415</u>

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Healthy County Initiative				
Operations	3,000	3,000	1,136	1,864
Total Healthy County Initiative	3,000	3,000	1,136	1,864
Elections				
Salary, Other Pay, and Benefits	120,667	134,536	129,938	4,598
Operations	31,228	39,745	43,526	(3,781)
Total Elections	151,895	174,281	173,464	817
Voter Registration				
Salary, Other Pay, and Benefits	46,450	50,797	50,718	79
Operations	25,500	25,928	14,741	11,187
Total Voter Registration	71,950	76,725	65,459	11,266
County Facilities				
Salary, Other Pay, and Benefits	427,298	407,298	376,410	30,888
Operations	308,444	355,944	330,664	25,280
Capital Expenditures	-	-	7,694	(7,694)
Total County Facilities	735,742	763,242	714,768	48,474
Facilities - Justice Center Municipal Allocation				
Operations	10,983	10,983	6,715	4,268
Total Facilities - Justice Center Municipal Allocation	10,983	10,983	6,715	4,268
Centralized Costs				
Salary, Other Pay, and Benefits	502,830	502,830	480,087	22,743
Operations	617,951	802,863	730,658	72,205
Capital Expenditures	-	33,709	33,709	-
Total Centralized Costs	1,120,781	1,339,402	1,244,454	94,948
Contingency				
Contingency	849,435	295,593	-	295,593
Total Contingency	849,435	295,593	-	295,593
General Governmental Projects				
Projects	1,392,509	1,650,903	541,747	1,109,156
Total General Governmental Projects	1,392,509	1,650,903	541,747	1,109,156
TOTAL GENERAL GOVERNMENT	5,896,651	5,856,485	4,049,512	1,806,973
FINANCIAL ADMINISTRATION				
Financial Systems				
Operations	64,833	64,833	64,733	100
Total Financial Systems	64,833	64,833	64,733	100
County Auditor				
Salary, Other Pay, and Benefits	642,645	642,645	623,096	19,549
Operations	47,775	50,775	50,437	338
Total County Auditor	690,420	693,420	673,533	19,887

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Treasurer				
Salary, Other Pay, and Benefits	327,322	327,322	319,723	7,599
Operations	41,579	41,579	19,511	22,068
Total County Treasurer	368,901	368,901	339,234	29,667
County Treasurer - Collections				
Salary, Other Pay, and Benefits	111,774	111,774	110,501	1,273
Operations	21,820	21,820	16,452	5,368
Total County Treasurer - Collections	133,594	133,594	126,953	6,641
Purchasing				
Salary, Other Pay, and Benefits	230,499	230,499	230,031	468
Operations	11,961	11,961	8,733	3,228
Total Purchasing	242,460	242,460	238,764	3,696
Vehicle Registration				
Salary, Other Pay, and Benefits	412,029	412,029	399,755	12,274
Operations	13,002	13,002	7,800	5,202
Total Vehicle Registration	425,031	425,031	407,555	17,476
Financial Service Contracts				
Intergovernmental Contracts	457,935	457,935	457,935	-
Total Financial Service Contracts	457,935	457,935	457,935	-
Financial Projects				
Projects	127,221	130,543	5,895	124,648
Total Financial Projects	127,221	130,543	5,895	124,648
TOTAL FINANCIAL ADMINISTRATION	2,510,395	2,516,717	2,314,602	202,115
JUDICIAL				
Courts - Central Costs				
Salary, Other Pay, and Benefits	24,568	24,568	24,508	60
Operations	175,848	403,445	398,017	5,428
Total Courts - Central Costs	200,416	428,013	422,525	5,488
County Court-at-Law				
Salary, Other Pay, and Benefits	422,938	428,438	428,205	233
Operations	191,093	265,093	259,334	5,759
Total County Court-at-Law	614,031	693,531	687,539	5,992
12th Judicial District Court				
Salary, Other Pay, and Benefits	210,324	210,324	210,051	273
Operations	171,306	225,206	216,286	8,920
Total District Court	381,630	435,530	426,337	9,193
278th Judicial District Court				
Salary, Other Pay, and Benefits	214,034	214,034	203,888	10,146
Operations	171,123	234,823	232,016	2,807
Total District Court	385,157	448,857	435,904	12,953

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
District Clerk				
Salary, Other Pay, and Benefits	420,378	420,378	419,799	579
Operations	33,639	33,639	31,057	2,582
Total District Clerk	454,017	454,017	450,856	3,161
Criminal District Attorney				
Salary, Other Pay, and Benefits	1,547,184	1,554,384	1,517,393	36,991
Operations	54,427	54,427	46,180	8,247
Total Criminal District Attorney	1,601,611	1,608,811	1,563,573	45,238
Justice of the Peace - Precinct 1				
Salary, Other Pay, and Benefits	205,465	205,465	204,931	534
Operations	13,474	13,474	8,713	4,761
Total Justice of the Peace - Precinct 1	218,939	218,939	213,644	5,295
Justice of the Peace - Precinct 2				
Salary, Other Pay, and Benefits	197,547	197,547	192,420	5,127
Operations	9,895	9,895	5,564	4,331
Total Justice of the Peace - Precinct 2	207,442	207,442	197,984	9,458
Justice of the Peace - Precinct 3				
Salary, Other Pay, and Benefits	201,624	201,624	198,532	3,092
Operations	11,404	11,404	8,637	2,767
Total Justice of the Peace - Precinct 3	213,028	213,028	207,169	5,859
Justice of the Peace - Precinct 4				
Salary, Other Pay, and Benefits	251,310	251,310	250,136	1,174
Operations	17,137	16,887	10,504	6,383
Total Justice of the Peace - Precinct 4	268,447	268,197	260,640	7,557
Juvenile Probation Support				
Salary, Other Pay, and Benefits	42,607	42,607	42,574	33
Operations	81,128	96,128	93,266	2,862
Total Juvenile Probation Support	123,735	138,735	135,840	2,895
TOTAL JUDICIAL	4,668,453	5,115,100	5,002,011	113,089
PUBLIC SAFETY				
Sheriff's Office				
Salary, Other Pay, and Benefits	2,578,202	2,611,122	2,549,118	62,004
Operations	310,000	335,000	265,207	69,793
Capital Expenditures	246,718	246,718	242,968	3,750
Total Sheriff's Office	3,134,920	3,192,840	3,057,293	135,547
Estray				
Operations	6,000	6,000	2,163	3,837
Total Estray	6,000	6,000	2,163	3,837
Courthouse Security General Fund				
Salary, Other Pay, and Benefits	243,758	243,758	240,010	3,748
Total Courthouse Security General Fund	243,758	243,758	240,010	3,748

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Constable Central				
Salary, Other Pay, and Benefits	48,850	48,850	45,423	3,427
Operations	9,119	8,635	4,601	4,034
Total Constable Central	<u>57,969</u>	<u>57,485</u>	<u>50,024</u>	<u>7,461</u>
Constable - Precinct 1				
Salary, Other Pay, and Benefits	73,990	73,990	72,911	1,079
Operations	9,015	17,384	12,870	4,514
Total Constable - Precinct 1	<u>83,005</u>	<u>91,374</u>	<u>85,781</u>	<u>5,593</u>
Constable - Precinct 2				
Salary, Other Pay, and Benefits	73,990	73,990	72,568	1,422
Operations	6,223	7,963	7,567	396
Total Constable - Precinct 2	<u>80,213</u>	<u>81,953</u>	<u>80,135</u>	<u>1,818</u>
Constable - Precinct 3				
Salary, Other Pay, and Benefits	73,990	73,990	73,084	906
Operations	6,264	8,633	6,931	1,702
Total Constable - Precinct 3	<u>80,254</u>	<u>82,623</u>	<u>80,015</u>	<u>2,608</u>
Constable - Precinct 4				
Salary, Other Pay, and Benefits	193,568	193,568	192,256	1,312
Operations	25,291	30,967	27,308	3,659
Total Constable - Precinct 4	<u>218,859</u>	<u>224,535</u>	<u>219,564</u>	<u>4,971</u>
Support Personnel - DPS				
Salary, Other Pay, and Benefits	57,925	57,925	56,943	982
Operations	2,215	2,215	559	1,656
Total Support Personnel - DPS	<u>60,140</u>	<u>60,140</u>	<u>57,502</u>	<u>2,638</u>
Weigh Station Utilities and Services				
Operations	25,187	23,387	20,882	2,505
Total Weigh Station Utilities and Services	<u>25,187</u>	<u>23,387</u>	<u>20,882</u>	<u>2,505</u>
Weigh Station Site Support				
Salary, Other Pay, and Benefits	18,689	18,689	16,027	2,662
Operations	10,000	400	400	-
Total Weigh Station Site Support	<u>28,689</u>	<u>19,089</u>	<u>16,427</u>	<u>2,662</u>
Emergency Management				
Salary, Other Pay, and Benefits	78,218	78,218	81,525	(3,307)
Operations	94,413	113,203	86,420	26,783
Capital Expenditures	7,576	7,276	6,680	596
Total Emergency Management	<u>180,207</u>	<u>198,697</u>	<u>174,625</u>	<u>24,072</u>
Public Safety Governmental Services Contracts				
Intergovernmental Contracts	862,724	850,724	850,724	-
Total Public Safety Governmental Services Contracts	<u>862,724</u>	<u>850,724</u>	<u>850,724</u>	<u>-</u>

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-1
Page 7 of 8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety Projects				
Projects	241,954	206,612	161,372	45,240
Total Public Safety Projects	241,954	206,612	161,372	45,240
TOTAL PUBLIC SAFETY	5,303,879	5,339,217	5,096,517	242,700
CORRECTION AND REHABILITATION				
County Jail				
Salary, Other Pay, and Benefits	2,080,427	2,080,427	2,068,844	11,583
Operations	571,609	606,609	506,090	100,519
Total County Jail	2,652,036	2,687,036	2,574,934	112,102
Jail-Inmate Medical Cost Center				
Salary, Other Pay, and Benefits	150,194	151,994	151,695	299
Operations	99,478	121,978	115,431	6,547
Total Jail-Inmate Medical Cost Center	249,672	273,972	267,126	6,846
Probation Support				
Operations	56,498	59,992	48,860	11,132
Capital Expenditures	-	7,949	7,949	-
Total Probation Support	56,498	67,941	56,809	11,132
Adult - Community Service				
Salary, Other Pay, and Benefits	52,501	52,501	47,051	5,450
Operations	850	850	15	835
Total Adult - Community Service	53,351	53,351	47,066	6,285
TOTAL CORRECTION AND REHABILITATION	3,011,557	3,082,300	2,945,935	136,365
HEALTH AND WELFARE				
Veterans Service				
Salary, Other Pay, and Benefits	29,500	29,500	28,743	757
Operations	2,137	2,137	521	1,616
Total Veterans Service	31,637	31,637	29,264	2,373
Social Services				
Operations	23,800	23,800	2,759	21,041
Total Utility Department	23,800	23,800	2,759	21,041
Planning and Development				
Salary, Other Pay, and Benefits	436,890	436,890	402,696	34,194
Operations	65,072	65,072	50,982	14,090
Capital Expenditures	9,500	9,500	6,925	2,575
Total Planning and Development	511,462	511,462	460,603	50,859
Litter Control - General Fund				
Operations	14,476	14,476	13,354	1,122
Total Litter Control - General Fund	14,476	14,476	13,354	1,122
Health and Welfare - Governmental Service Contracts				
Intergovernmental Contracts	115,730	100,730	97,730	3,000
Total Health and Welfare - Governmental Service Contracts	115,730	100,730	97,730	3,000

WALKER COUNTY, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare Projects				
Projects	33,000	33,000	9,784	23,216
Total Health and Welfare Projects	33,000	33,000	9,784	23,216
TOTAL HEALTH AND WELFARE	730,105	715,105	613,494	101,611
CULTURE AND EDUCATION				
Historical Commission				
Operations	5,780	5,780	4,457	1,323
Total Historical Commission	5,780	5,780	4,457	1,323
Texas AgriLife Extension Service				
Salary, Other Pay, and Benefits	169,254	169,254	162,700	6,554
Operations	30,655	31,655	24,740	6,915
Total Texas AgriLife Extension Service	199,909	200,909	187,440	13,469
TOTAL CULTURE AND EDUCATION	205,689	206,689	191,897	14,792
TOTAL EXPENDITURES	22,326,729	22,831,613	20,213,968	2,617,645
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,889,203)	(1,859,528)	1,701,561	3,561,089
OTHER FINANCING SOURCES (USES)				
Transfers In	20,000	20,000	20,000	-
Transfers Out	(1,563,477)	(1,593,245)	(1,593,245)	-
Total Other Financing Sources (Uses)	(1,543,477)	(1,573,245)	(1,573,245)	-
NET CHANGE IN FUND BALANCE	(3,432,680)	(3,432,773)	128,316	3,561,089
FUND BALANCE AT BEGINNING OF YEAR	9,480,403	9,480,403	9,480,403	-
FUND BALANCE AT END OF YEAR	\$ 6,047,723	\$ 6,047,630	\$ 9,608,719	\$ 3,561,089

WALKER COUNTY, TEXAS
ROAD & BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-2
Page 1 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
AD VALOREM TAXES				
Current Taxes	\$ 2,373,499	\$ 2,373,499	\$ 2,693,917	\$ 320,418
Total Ad Valorem Taxes	<u>2,373,499</u>	<u>2,373,499</u>	<u>2,693,917</u>	<u>320,418</u>
INTERGOVERNMENTAL				
Federal Funds				
Federal Surplus	-	10,660	10,600	(60)
Disaster Relief	-	930,176	872,035	(58,141)
Total Federal Funds	<u>-</u>	<u>940,836</u>	<u>882,635</u>	<u>(58,201)</u>
State Funds				
Other State Funds	90,000	429,500	421,719	(7,781)
Total State Funds	<u>90,000</u>	<u>429,500</u>	<u>421,719</u>	<u>(7,781)</u>
Other InterGovernmental Funds				
U.S. Forest Service	115,932	115,932	23,522	(92,410)
Total Other Intergovernmental Funds	<u>115,932</u>	<u>115,932</u>	<u>23,522</u>	<u>(92,410)</u>
Total Intergovernmental	<u>205,932</u>	<u>1,486,268</u>	<u>1,327,876</u>	<u>(158,392)</u>
FEES OF OFFICE/CHARGES FOR SERVICES				
Road and Bridge Fees	817,600	817,600	837,589	19,989
Total Fees of Office/Charges for Services	<u>817,600</u>	<u>817,600</u>	<u>837,589</u>	<u>19,989</u>
FINES AND FORFEITURES				
License and Weight - Operations	280,000	280,000	209,148	(70,852)
Other Fines and Forfeitures	760,089	760,089	570,261	(189,828)
Total Fines and Forfeitures	<u>1,040,089</u>	<u>1,040,089</u>	<u>779,409</u>	<u>(260,680)</u>
Interest Income	1,200	1,200	10,589	9,389
Other Income	-	20,939	21,742	803
TOTAL REVENUES	<u>4,438,320</u>	<u>5,739,595</u>	<u>5,671,122</u>	<u>(68,473)</u>
EXPENDITURES:				
PUBLIC TRANSPORTATION				
Contingency				
Contingency	1,000,000	-	-	-
Total Contingency	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Road and Bridge General				
Operations	70,000	166,415	97,481	68,934
Contingency	-	90,610	-	90,610
Total Road and Bridge General	<u>70,000</u>	<u>257,025</u>	<u>97,481</u>	<u>159,544</u>
Road and Bridge - Precinct 1				
Salary, Other Pay, and Benefits	581,692	581,692	564,929	16,763
Operations	600,315	1,067,416	713,249	354,167
Capital Expenditures	-	49,950	49,950	-
Total Road and Bridge - Precinct 1	<u>1,182,007</u>	<u>1,699,058</u>	<u>1,328,128</u>	<u>370,930</u>

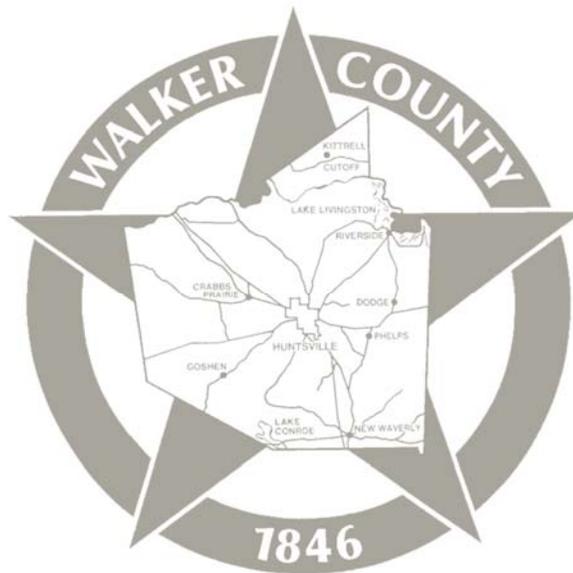
WALKER COUNTY, TEXAS
ROAD & BRIDGE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Road and Bridge - Precinct 2				
Salary, Other Pay, and Benefits	643,904	643,904	641,663	2,241
Operations	614,211	1,230,585	1,004,325	226,260
Capital Expenditures	-	12,211	12,150	61
Total Road and Bridge - Precinct 2	<u>1,258,115</u>	<u>1,886,700</u>	<u>1,658,138</u>	<u>228,562</u>
Road and Bridge - Precinct 3				
Salary, Other Pay, and Benefits	726,489	726,489	673,552	52,937
Operations	576,439	2,163,965	863,384	1,300,581
Capital Expenditures	-	76,110	74,910	1,200
Total Road and Bridge - Precinct 3	<u>1,302,928</u>	<u>2,966,564</u>	<u>1,611,846</u>	<u>1,354,718</u>
Road and Bridge - Precinct 4				
Salary, Other Pay, and Benefits	633,670	654,170	653,849	321
Operations	670,126	2,263,516	1,809,049	454,467
Capital Expenditures	-	106,250	106,250	-
Total Road and Bridge - Precinct 4	<u>1,303,796</u>	<u>3,023,936</u>	<u>2,569,148</u>	<u>454,788</u>
Road and Bridge - Precinct 4 - Grant				
Operations	-	-	4,572	(4,572)
Total Road and Bridge - Precinct 4 - Grant	<u>-</u>	<u>-</u>	<u>4,572</u>	<u>(4,572)</u>
Road and Bridge Projects				
Operations	-	59,800	-	59,800
Capital Expenditures	-	59,720	-	59,720
Total Road and Bridge Projects	<u>-</u>	<u>119,520</u>	<u>-</u>	<u>119,520</u>
TOTAL PUBLIC TRANSPORTATION	<u>6,116,846</u>	<u>9,952,803</u>	<u>7,269,313</u>	<u>2,683,490</u>
TOTAL EXPENDITURES	<u>6,116,846</u>	<u>9,952,803</u>	<u>7,269,313</u>	<u>2,683,490</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,678,526)</u>	<u>(4,213,208)</u>	<u>(1,598,191)</u>	<u>2,615,017</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	600,000	600,000	600,000	-
Transfers Out	(20,000)	(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	<u>580,000</u>	<u>580,000</u>	<u>580,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(1,098,526)</u>	<u>(3,633,208)</u>	<u>(1,018,191)</u>	<u>2,615,017</u>
FUND BALANCE AT BEGINNING OF YEAR	3,726,799	3,726,799	3,726,799	-
FUND BALANCE AT END OF YEAR	<u>\$ 2,628,273</u>	<u>\$ 93,591</u>	<u>\$ 2,708,608</u>	<u>\$ 2,615,017</u>

WALKER COUNTY, TEXAS
WALKER COUNTY EMS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-3

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
State Funds				
Other State Funds	\$ -	\$ 11,495	\$ 11,495	\$ -
Total State Funds	-	11,495	11,495	-
Total Intergovernmental	-	11,495	11,495	-
FEES OF OFFICE/CHARGES FOR SERVICES				
Emergency Medical Services	2,100,000	2,100,000	2,355,279	255,279
Total Fees of Office/Charges for Services	2,100,000	2,100,000	2,355,279	255,279
Interest Income	1,000	1,000	7,867	6,867
Other Income	-	-	43,892	43,892
TOTAL REVENUES	<u>2,101,000</u>	<u>2,112,495</u>	<u>2,418,533</u>	<u>306,038</u>
EXPENDITURES:				
PUBLIC SAFETY				
Walker County EMS				
Salary, Other Pay, and Benefits	2,449,190	2,491,190	2,475,308	15,882
Operations	473,522	492,628	439,377	53,251
Capital Expenditures	142,132	164,289	159,301	4,988
Total Walker County EMS	<u>3,064,844</u>	<u>3,148,107</u>	<u>3,073,986</u>	<u>74,121</u>
EMS Transfer				
Salary, Other Pay, and Benefits	452,762	410,762	393,603	17,159
Operations	29,200	29,200	11,727	17,473
Total EMS Transfer	<u>481,962</u>	<u>439,962</u>	<u>405,330</u>	<u>34,632</u>
TOTAL PUBLIC SAFETY	<u>3,546,806</u>	<u>3,588,069</u>	<u>3,479,316</u>	<u>108,753</u>
TOTAL EXPENDITURES	<u>3,546,806</u>	<u>3,588,069</u>	<u>3,479,316</u>	<u>108,753</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,445,806)</u>	<u>(1,475,574)</u>	<u>(1,060,783)</u>	<u>414,791</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	907,000	936,768	936,768	-
Total Other Financing Sources (Uses)	<u>907,000</u>	<u>936,768</u>	<u>936,768</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(538,806)	(538,806)	(124,015)	414,791
FUND BALANCE AT BEGINNING OF YEAR	1,279,654	1,279,654	1,279,654	-
FUND BALANCE AT END OF YEAR	<u>\$ 740,848</u>	<u>\$ 740,848</u>	<u>\$ 1,155,639</u>	<u>\$ 414,791</u>



WALKER COUNTY, TEXAS
 GRANTS AND CONTRACTS FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
Federal Funds				
Homeland Security Grant	\$ 58,200	\$ 58,200	\$ 58,200	\$ -
CDBG Grant	53,154	53,154	66,762	13,608
Justice Assistance Grant	903	903	866	(37)
District Attorney Grants	150,747	150,747	82,413	(68,334)
Total Federal Funds	<u>263,004</u>	<u>263,004</u>	<u>208,241</u>	<u>(54,763)</u>
State Funds				
Other State Funds	5,338,762	5,524,745	5,411,385	(113,360)
Total State Funds	<u>5,338,762</u>	<u>5,524,745</u>	<u>5,411,385</u>	<u>(113,360)</u>
Other InterGovernmental Funds				
Other Intergovernmental	-	50,000	50,000	-
Total Other Intergovernmental Funds	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Intergovernmental	<u>5,601,766</u>	<u>5,837,749</u>	<u>5,669,626</u>	<u>(168,123)</u>
Interest Income	-	-	127	127
Other Income	-	-	31,262	31,262
TOTAL REVENUES	<u>5,601,766</u>	<u>5,837,749</u>	<u>5,701,015</u>	<u>(136,734)</u>
EXPENDITURES:				
JUDICIAL				
District Attorney Victim Assistance Coordinator				
Salary, Other Pay, and Benefits	98,849	98,849	59,932	38,917
Operations	6,780	6,780	1,282	5,498
Total District Attorney Victim Assistance Coordinator	<u>105,629</u>	<u>105,629</u>	<u>61,214</u>	<u>44,415</u>
District Attorney Prosecutor Grant				
Salary, Other Pay, and Benefits	87,088	87,088	63,169	23,919
Total District Attorney Prosecutor Grant	<u>87,088</u>	<u>87,088</u>	<u>63,169</u>	<u>23,919</u>
SPU Criminal - State General Allocation				
Salary, Other Pay, and Benefits	1,630,561	1,664,181	1,570,010	94,171
Operations	213,415	280,493	233,663	46,830
Capital Expenditures	-	146,873	146,873	-
Total SPU Criminal - State General Allocation	<u>1,843,976</u>	<u>2,091,547</u>	<u>1,950,546</u>	<u>141,001</u>
SPU/Civil Division				
Salary, Other Pay, and Benefits	1,501,274	1,508,704	1,465,634	43,070
Operations	1,012,179	1,500,556	1,063,410	437,146
Total SPU/Civil Division	<u>2,513,453</u>	<u>3,009,260</u>	<u>2,529,044</u>	<u>480,216</u>
SPU - Juvenile Division				
Salary, Other Pay, and Benefits	652,058	670,018	644,883	25,135
Operations	186,379	285,401	146,762	138,639
Total SPU - Juvenile Division	<u>838,437</u>	<u>955,419</u>	<u>791,645</u>	<u>163,774</u>
TOTAL JUDICIAL	<u>5,388,583</u>	<u>6,248,943</u>	<u>5,395,618</u>	<u>853,325</u>

WALKER COUNTY, TEXAS
 GRANTS AND CONTRACTS FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT B-4
 Page 2 of 2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
PUBLIC SAFETY				
Auto Theft Task Force				
Salary, Other Pay, and Benefits	71,412	71,412	72,804	(1,392)
Total Auto Theft Task Force	71,412	71,412	72,804	(1,392)
Homeland Security Grant 2016				
Operations	58,200	9,060	1,475	7,585
Capital Expenditures	-	49,140	56,725	(7,585)
Total Homeland Security Grant 2016	58,200	58,200	58,200	-
JAG Grant 2016				
Operations	903	903	866	37
Total JAG Grant 2016	903	903	866	37
CDBG Grant - Fire Protections				
Capital Expenditures	96,057	96,057	95,649	408
Total CDBG Grant - Fire Protections	96,057	96,057	95,649	408
TOTAL PUBLIC SAFETY	226,572	226,572	227,519	(947)
HEALTH AND WELFARE				
Affordable Housing Initiatives				
Operations	-	50,000	-	50,000
Total Affordable Housing Initiatives	-	50,000	-	50,000
TOTAL HEALTH AND WELFARE	-	50,000	-	50,000
CULTURE AND EDUCATION				
DSHS AgriLife Grant				
Salary, Other Pay, and Benefits	21,218	18,988	18,806	182
Operations	50,266	52,496	50,915	1,581
Total DSHS AgriLife Grant	71,484	71,484	69,721	1,763
TOTAL CULTURE AND EDUCATION	71,484	71,484	69,721	1,763
TOTAL EXPENDITURES	5,686,639	6,596,999	5,692,858	904,141
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(84,873)	(759,250)	8,157	767,407
OTHER FINANCING SOURCES (USES)				
Transfers In	41,970	41,970	41,970	-
Total Other Financing Sources (Uses)	41,970	41,970	41,970	-
NET CHANGE IN FUND BALANCE	(42,903)	(717,280)	50,127	767,407
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ (42,903)	\$ (717,280)	\$ 50,127	\$ 767,407

WALKER COUNTY, TEXAS

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

	Measurement Year		
	2016	2015	2014
Total pension liability:			
Service cost	\$ 2,907,140	\$ 2,412,090	\$ 2,368,490
Interest (on the total pension liability)	6,215,848	5,847,175	5,370,303
Changes of benefit terms	-	(438,596)	-
Differences between expected and actual experience	(139,557)	(1,299,374)	-
Changes of assumptions	-	971,330	475,276
Refunds of employee contributions	(110,395)	(141,788)	(187,830)
Benefit payments	(2,864,353)	(2,730,734)	(2,168,317)
Net change in total pension liability	6,008,683	4,620,103	5,857,922
Total pension liability - beginning	76,772,006	72,151,903	66,293,981
Total pension liability - ending (a)	<u>\$ 82,780,689</u>	<u>\$ 76,772,006</u>	<u>\$ 72,151,903</u>
Plan fiduciary net position:			
Contributions - County	\$ 2,201,382	\$ 2,143,232	\$ 1,981,978
Contributions - employee	1,227,862	1,207,941	1,141,438
Net investment income	4,389,111	(203,510)	3,755,184
Refunds of employee contributions	(110,395)	(141,788)	(187,830)
Benefit payments	(2,864,353)	(2,730,734)	(2,168,317)
Administrative expense	(47,778)	(42,642)	(43,790)
Other	50,980	55,451	1,767
Net change in plan fiduciary net position	4,846,809	287,950	4,480,430
Plan fiduciary net position - beginning	59,328,271	59,040,321	54,559,891
Plan fiduciary net position - ending (b)	<u>\$ 64,175,080</u>	<u>\$ 59,328,271</u>	<u>\$ 59,040,321</u>
County's net pension liability - ending (a) - (b)	<u>\$ 18,605,609</u>	<u>\$ 17,443,735</u>	<u>\$ 13,111,582</u>
Plan fiduciary net position as a percentage of the total pension liability	77.52%	77.28%	81.83%
Covered-employee payroll	\$ 17,540,889	\$ 17,256,294	\$ 16,048,404
County's net pension liability as a percentage of covered-employee payroll	106.07%	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		
	2017	2016	2015
Actuarially determined contribution	\$ 2,272,855	\$ 2,164,392	\$ 2,043,190
Contributions in relation to the actuarially determined contribution	(2,272,855)	(2,164,392)	(2,043,190)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 18,163,487	\$ 17,293,855	\$ 16,472,340
Contributions as a percentage of covered-employee payroll	12.51%	12.52%	12.40%

*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, 2017
 (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%
10/01/2016	-	22,503,540	22,503,540	-	9,346,989	240.76%

WALKER COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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.

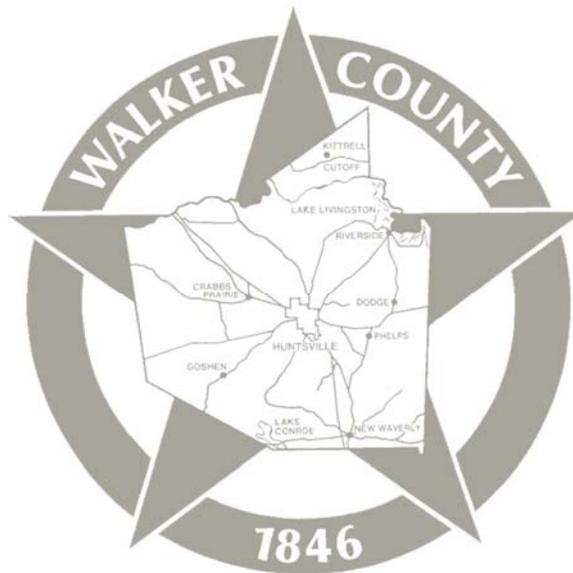
B. Pension

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.

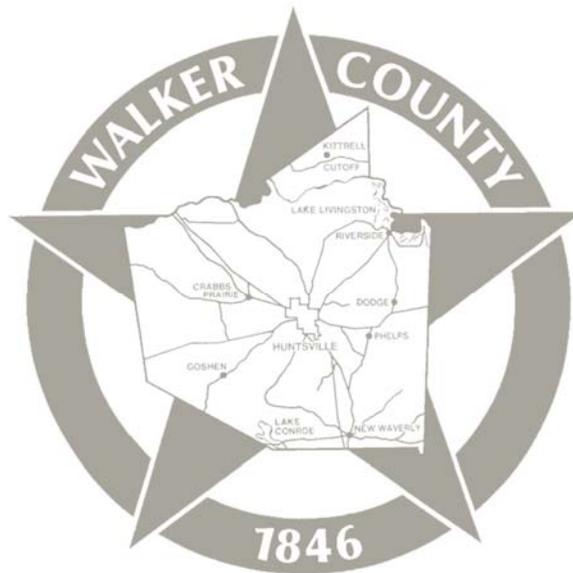
Methods and assumptions used to determine contribution rates:

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, 2017

	County Records Management and Preservation Fund	County Records Preservation II Fund	County Clerk Records Management and Preservation Fund	County Clerk Records Archive Fund
ASSETS:				
Cash and Cash Equivalents	\$ 5,745	\$ 31,551	\$ 362,049	\$ 491,131
Accounts Receivable, Net	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Others	-	-	-	-
Total Assets	<u>\$ 5,745</u>	<u>\$ 31,551</u>	<u>\$ 362,049</u>	<u>\$ 491,131</u>
LIABILITIES:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Accrued Liabilities	-	-	132	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>132</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:				
FUND BALANCES:				
Restricted for Grants or by Legislation	<u>5,745</u>	<u>31,551</u>	<u>361,917</u>	<u>491,131</u>
Total Fund Balance	<u>5,745</u>	<u>31,551</u>	<u>361,917</u>	<u>491,131</u>
 Total Liabilities and Fund Balance	 <u>\$ 5,745</u>	 <u>\$ 31,551</u>	 <u>\$ 362,049</u>	 <u>\$ 491,131</u>

District Clerk Records Management and Preservation Fund	District Clerk Rider Fund	District Clerk Archive Fund	County Jury Fee Fund	Court Reporter Service Fund
\$ 1,477	\$ 21,720	\$ 4,682	\$ -	\$ 987
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,477</u>	<u>\$ 21,720</u>	<u>\$ 4,682</u>	<u>\$ -</u>	<u>\$ 987</u>
\$ -	\$ -	\$ -	\$ -	\$ 987
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>987</u>
<u>1,477</u>	<u>21,720</u>	<u>4,682</u>	<u>-</u>	<u>-</u>
<u>1,477</u>	<u>21,720</u>	<u>4,682</u>	<u>-</u>	<u>-</u>
<u>\$ 1,477</u>	<u>\$ 21,720</u>	<u>\$ 4,682</u>	<u>\$ -</u>	<u>\$ 987</u>

WALKER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2017

	County Law Library Fund	Courthouse Security Fund	Justice Courts Building Security Fund	Justice Courts Technology Fund
ASSETS:				
Cash and Cash Equivalents	\$ 34,587	\$ 15,189	\$ 33,887	\$ 53,219
Accounts Receivable, Net	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Others	-	-	-	-
Total Assets	<u>\$ 34,587</u>	<u>\$ 15,189</u>	<u>\$ 33,887</u>	<u>\$ 53,219</u>
LIABILITIES:				
Accounts Payable	\$ 4,118	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Accrued Liabilities	-	941	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>4,118</u>	<u>941</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:				
FUND BALANCES:				
Restricted for Grants or by Legislation	<u>30,469</u>	<u>14,248</u>	<u>33,887</u>	<u>53,219</u>
Total Fund Balance	<u>30,469</u>	<u>14,248</u>	<u>33,887</u>	<u>53,219</u>
Total Liabilities and Fund Balance	<u>\$ 34,587</u>	<u>\$ 15,189</u>	<u>\$ 33,887</u>	<u>\$ 53,219</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
\$ 7,590	\$ 7,821	\$ 732	\$ 172,158	\$ 1,668
-	-	-	1,500	-
-	-	-	-	-
-	-	-	113	-
<u>\$ 7,590</u>	<u>\$ 7,821</u>	<u>\$ 732</u>	<u>\$ 173,771</u>	<u>\$ 1,668</u>
\$ -	\$ 2,856	\$ -	\$ 9,916	\$ 55
-	-	-	-	-
-	-	-	-	-
-	-	732	-	-
-	4,965	-	-	-
<u>-</u>	<u>7,821</u>	<u>732</u>	<u>9,916</u>	<u>55</u>
7,590	-	-	163,855	1,613
<u>7,590</u>	<u>-</u>	<u>-</u>	<u>163,855</u>	<u>1,613</u>
<u>\$ 7,590</u>	<u>\$ 7,821</u>	<u>\$ 732</u>	<u>\$ 173,771</u>	<u>\$ 1,668</u>

WALKER COUNTY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2017

	Sheriff Forfeiture Fund	Sheriff Inmate Medical Fund	DOJ Equitable Sharing Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS:			
Cash and Cash Equivalents	\$ 184,214	\$ 29,419	\$ 342,825
Accounts Receivable, Net	-	-	-
Due from Other Governments	-	-	-
Due from Others	-	-	-
Total Assets	<u>\$ 184,214</u>	<u>\$ 29,419</u>	<u>\$ 342,825</u>
LIABILITIES:			
Accounts Payable	\$ 2,488	\$ -	\$ -
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Accrued Liabilities	-	-	-
Unearned Revenue	-	-	-
Total Liabilities	<u>2,488</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:			
FUND BALANCES:			
Restricted for Grants or by Legislation	<u>181,726</u>	<u>29,419</u>	<u>342,825</u>
Total Fund Balance	<u>181,726</u>	<u>29,419</u>	<u>342,825</u>
 Total Liabilities and Fund Balance	 <u>\$ 184,214</u>	 <u>\$ 29,419</u>	 <u>\$ 342,825</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-3)
\$ 6,686	\$ 23,681	\$ 19	\$ 100,168	\$ 1,933,205
-	-	-	-	1,500
-	-	-	28,610	28,610
-	-	-	-	113
<u>\$ 6,686</u>	<u>\$ 23,681</u>	<u>\$ 19</u>	<u>\$ 128,778</u>	<u>\$ 1,963,428</u>
\$ -	\$ -	\$ -	\$ 1,665	\$ 22,085
-	-	-	2,714	2,714
-	-	-	18,781	18,781
-	-	-	5,496	7,301
-	-	-	806	5,771
<u>-</u>	<u>-</u>	<u>-</u>	<u>29,462</u>	<u>56,652</u>
<u>6,686</u>	<u>23,681</u>	<u>19</u>	<u>99,316</u>	<u>1,906,776</u>
<u>6,686</u>	<u>23,681</u>	<u>19</u>	<u>99,316</u>	<u>1,906,776</u>
<u>\$ 6,686</u>	<u>\$ 23,681</u>	<u>\$ 19</u>	<u>\$ 128,778</u>	<u>\$ 1,963,428</u>

WALKER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	County Records Management and Preservation Fund	County Records Preservation II Fund	County Clerk Records Management and Preservation Fund	County Clerk Records Archive Fund
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fees of Office/Charges for Services	18,115	11,281	95,804	98,955
Fines & Forfeitures	-	-	-	-
Interest Income	31	213	2,129	2,760
Other Income	-	-	-	-
Total revenues	<u>18,146</u>	<u>11,494</u>	<u>97,933</u>	<u>101,715</u>
EXPENDITURES:				
Current:				
General Government	23,457	12,677	19,179	-
Judicial	-	-	-	-
Public Safety	-	-	-	-
Debt Service:				
Total Expenditures	<u>23,457</u>	<u>12,677</u>	<u>19,179</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,311)</u>	<u>(1,183)</u>	<u>78,754</u>	<u>101,715</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(5,311)	(1,183)	78,754	101,715
Fund Balances - Beginning	11,056	32,734	283,163	389,416
Fund Balances - Ending	<u>\$ 5,745</u>	<u>\$ 31,551</u>	<u>\$ 361,917</u>	<u>\$ 491,131</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	\$ -	\$ -	\$ -
3,555	-	1,912	7,938	14,154
-	-	-	-	-
-	104	-	-	-
-	-	-	-	-
<u>3,555</u>	<u>12,104</u>	<u>1,912</u>	<u>7,938</u>	<u>14,154</u>
-	-	-	-	-
2,996	9,923	-	7,938	14,154
-	-	-	-	-
<u>2,996</u>	<u>9,923</u>	<u>-</u>	<u>7,938</u>	<u>14,154</u>
<u>559</u>	<u>2,181</u>	<u>1,912</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
<u>559</u>	<u>2,181</u>	<u>1,912</u>	<u>-</u>	<u>-</u>
918	19,539	2,770	-	-
<u>\$ 1,477</u>	<u>\$ 21,720</u>	<u>\$ 4,682</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, 2017

	County Law Library Fund	Courthouse Security Fund	Justice Courts Building Security Fund	Justice Courts Technology Fund
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fees of Office/Charges for Services	32,973	32,918	5,439	21,979
Fines & Forfeitures	-	-	-	-
Interest Income	125	130	134	106
Other Income	-	-	-	-
Total revenues	<u>33,098</u>	<u>33,048</u>	<u>5,573</u>	<u>22,085</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial	51,030	-	-	1,851
Public Safety	-	58,951	267	-
Debt Service:				
Total Expenditures	<u>51,030</u>	<u>58,951</u>	<u>267</u>	<u>1,851</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,932)</u>	<u>(25,903)</u>	<u>5,306</u>	<u>20,234</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(17,932)	(25,903)	5,306	20,234
Fund Balances - Beginning	48,401	40,151	28,581	32,985
Fund Balances - Ending	<u>\$ 30,469</u>	<u>\$ 14,248</u>	<u>\$ 33,887</u>	<u>\$ 53,219</u>

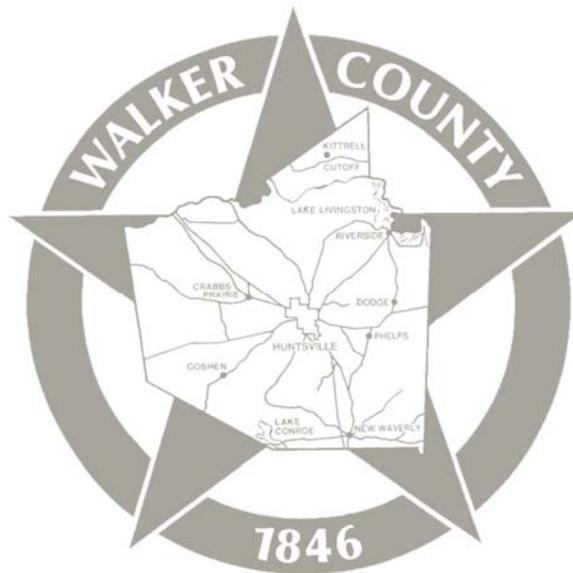
County and District Courts Technology Fund	District Attorney Prosecutors Supplement Fund	Pretrial Intervention Program Fund	District Attorney Forfeiture Fund	District Attorney Hot Check Fee Fund
\$ -	\$ 22,500	\$ -	\$ -	\$ -
1,735	-	23,755	-	6,665
-	-	-	47,300	-
7	-	-	1,047	-
-	-	-	250	-
<u>1,742</u>	<u>22,500</u>	<u>23,755</u>	<u>48,597</u>	<u>6,665</u>
-	-	-	-	-
1,424	22,500	38,262	34,986	5,052
-	-	-	-	-
<u>1,424</u>	<u>22,500</u>	<u>38,262</u>	<u>34,986</u>	<u>5,052</u>
318	-	(14,507)	13,611	1,613
-	-	14,507	-	-
-	-	14,507	-	-
318	-	-	13,611	1,613
7,272	-	-	150,244	-
<u>\$ 7,590</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,855</u>	<u>\$ 1,613</u>

WALKER COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Sheriff Forfeiture Fund	Sheriff Inmate Medical Fund	DOJ Equitable Sharing Fund
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
Fees of Office/Charges for Services	-	1,872	-
Fines & Forfeitures	123,737	-	14,803
Interest Income	933	146	2,344
Other Income	5,000	-	-
Total revenues	<u>129,670</u>	<u>2,018</u>	<u>17,147</u>
EXPENDITURES:			
Current:			
General Government	-	-	-
Judicial	-	-	-
Public Safety	69,425	-	-
Debt Service:			
Total Expenditures	<u>69,425</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>60,245</u>	<u>2,018</u>	<u>17,147</u>
Other Financing Sources (Uses):			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	60,245	2,018	17,147
Fund Balances - Beginning	121,481	27,401	325,678
Fund Balances - Ending	<u>\$ 181,726</u>	<u>\$ 29,419</u>	<u>\$ 342,825</u>

				Total Nonmajor
Elections Equipment Fund	Tax Assessor Elections Service Contract Fund	Tax Assessor Special Inventory Fee Fund	Juvenile Grant Fund	Special Revenue Funds (See Exhibit A-5)
\$ 13,964	\$ 300	\$ -	\$ 406,422	\$ 455,186
-	8,355	-	-	387,405
-	-	-	-	185,840
23	135	-	340	10,707
-	-	-	-	5,250
<u>13,987</u>	<u>8,790</u>	<u>-</u>	<u>406,762</u>	<u>1,044,388</u>
20,120	2,226	-	-	77,659
-	-	-	408,021	598,137
-	-	-	-	128,643
<u>20,120</u>	<u>2,226</u>	<u>-</u>	<u>408,021</u>	<u>804,439</u>
<u>(6,133)</u>	<u>6,564</u>	<u>-</u>	<u>(1,259)</u>	<u>239,949</u>
-	-	-	-	14,507
-	-	-	-	14,507
<u>(6,133)</u>	<u>6,564</u>	<u>-</u>	<u>(1,259)</u>	<u>254,456</u>
12,819	17,117	19	100,575	1,652,320
<u>\$ 6,686</u>	<u>\$ 23,681</u>	<u>\$ 19</u>	<u>\$ 99,316</u>	<u>\$ 1,906,776</u>



Budgetary Comparison Schedules

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

COUNTY RECORDS MANAGEMENT AND PRESERVATION FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Records Preservation	\$ 19,000	\$ 19,000	\$ 18,115	\$ (885)
Total Fees of Office/Charges for Services	<u>19,000</u>	<u>19,000</u>	<u>18,115</u>	<u>(885)</u>
Interest Income	15	15	31	16
TOTAL REVENUES	<u>19,015</u>	<u>19,015</u>	<u>18,146</u>	<u>(869)</u>
EXPENDITURES:				
GENERAL GOVERNMENT				
County Records Management				
Operations	<u>28,070</u>	<u>28,070</u>	<u>23,457</u>	<u>4,613</u>
Total County Records Management	<u>28,070</u>	<u>28,070</u>	<u>23,457</u>	<u>4,613</u>
TOTAL GENERAL GOVERNMENT	<u>28,070</u>	<u>28,070</u>	<u>23,457</u>	<u>4,613</u>
TOTAL EXPENDITURES	<u>28,070</u>	<u>28,070</u>	<u>23,457</u>	<u>4,613</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,055)</u>	<u>(9,055)</u>	<u>(5,311)</u>	<u>3,744</u>
NET CHANGE IN FUND BALANCE	(9,055)	(9,055)	(5,311)	3,744
FUND BALANCE AT BEGINNING OF YEAR	11,056	11,056	11,056	-
FUND BALANCE AT END OF YEAR	<u>\$ 2,001</u>	<u>\$ 2,001</u>	<u>\$ 5,745</u>	<u>\$ 3,744</u>

WALKER COUNTY, TEXAS
 COUNTY RECORDS PRESERVATION II FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-4

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Records Preservation	\$ 10,000	\$ 10,000	\$ 11,281	\$ 1,281
Total Fees of Office/Charges for Services	<u>10,000</u>	<u>10,000</u>	<u>11,281</u>	<u>1,281</u>
Interest Income	-	-	213	213
TOTAL REVENUES	<u>10,000</u>	<u>10,000</u>	<u>11,494</u>	<u>1,494</u>
EXPENDITURES:				
GENERAL GOVERNMENT				
County Records Preservation II Fund				
Salary, Other Pay, and Benefits	34,435	34,435	12,677	21,758
Operations	1,388	1,388	-	1,388
Total County Records Preservation II Fund	<u>35,823</u>	<u>35,823</u>	<u>12,677</u>	<u>23,146</u>
TOTAL GENERAL GOVERNMENT	<u>35,823</u>	<u>35,823</u>	<u>12,677</u>	<u>23,146</u>
TOTAL EXPENDITURES	<u>35,823</u>	<u>35,823</u>	<u>12,677</u>	<u>23,146</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(25,823)</u>	<u>(25,823)</u>	<u>(1,183)</u>	<u>24,640</u>
NET CHANGE IN FUND BALANCE	<u>(25,823)</u>	<u>(25,823)</u>	<u>(1,183)</u>	<u>24,640</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>32,734</u>	<u>32,734</u>	<u>32,734</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 6,911</u>	<u>\$ 6,911</u>	<u>\$ 31,551</u>	<u>\$ 24,640</u>

WALKER COUNTY, TEXAS

EXHIBIT C-5

COUNTY CLERK RECORDS MANAGEMENT AND PRESERVATION FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Records Preservation	\$ 100,000	\$ 100,000	\$ 95,804	\$ (4,196)
Total Fees of Office/Charges for Services	<u>100,000</u>	<u>100,000</u>	<u>95,804</u>	<u>(4,196)</u>
Interest Income	100	100	2,129	2,029
TOTAL REVENUES	<u>100,100</u>	<u>100,100</u>	<u>97,933</u>	<u>(2,167)</u>
EXPENDITURES:				
GENERAL GOVERNMENT				
County Clerk Records Preservation				
Salary, Other Pay, and Benefits	18,466	18,466	17,034	1,432
Operations	2,500	2,500	2,145	355
Total County Clerk Records Preservation	<u>20,966</u>	<u>20,966</u>	<u>19,179</u>	<u>1,787</u>
TOTAL GENERAL GOVERNMENT	<u>20,966</u>	<u>20,966</u>	<u>19,179</u>	<u>1,787</u>
TOTAL EXPENDITURES	<u>20,966</u>	<u>20,966</u>	<u>19,179</u>	<u>1,787</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>79,134</u>	<u>79,134</u>	<u>78,754</u>	<u>(380)</u>
NET CHANGE IN FUND BALANCE	79,134	79,134	78,754	(380)
FUND BALANCE AT BEGINNING OF YEAR	283,163	283,163	283,163	-
FUND BALANCE AT END OF YEAR	<u>\$ 362,297</u>	<u>\$ 362,297</u>	<u>\$ 361,917</u>	<u>\$ (380)</u>

WALKER COUNTY, TEXAS
COUNTY CLERK RECORDS ARCHIVE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Records Preservation	\$ 101,000	\$ 101,000	\$ 98,955	\$ (2,045)
Total Fees of Office/Charges for Services	<u>101,000</u>	<u>101,000</u>	<u>98,955</u>	<u>(2,045)</u>
Interest Income	100	100	2,760	2,660
TOTAL REVENUES	<u>101,100</u>	<u>101,100</u>	<u>101,715</u>	<u>615</u>
EXPENDITURES:				
GENERAL GOVERNMENT				
County Clerk Archive				
Operations	-	180,080	-	180,080
Contingency	200,000	19,920	-	19,920
Total County Clerk Archive	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
TOTAL GENERAL GOVERNMENT	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
TOTAL EXPENDITURES	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(98,900)</u>	<u>(98,900)</u>	<u>101,715</u>	<u>200,615</u>
NET CHANGE IN FUND BALANCE	(98,900)	(98,900)	101,715	200,615
FUND BALANCE AT BEGINNING OF YEAR	389,416	389,416	389,416	-
FUND BALANCE AT END OF YEAR	<u>\$ 290,516</u>	<u>\$ 290,516</u>	<u>\$ 491,131</u>	<u>\$ 200,615</u>

WALKER COUNTY, TEXAS

EXHIBIT C-7

DISTRICT CLERK RECORDS MANAGEMENT AND PRESERVATION FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Records Preservation	\$ 3,340	\$ 3,340	\$ 3,555	\$ 215
Total Fees of Office/Charges for Services	<u>3,340</u>	<u>3,340</u>	<u>3,555</u>	<u>215</u>
TOTAL REVENUES	<u>3,340</u>	<u>3,340</u>	<u>3,555</u>	<u>215</u>
EXPENDITURES:				
JUDICIAL				
District Clerk Records Preservation				
Operations	2,400	3,100	2,996	104
Contingency	940	240	-	240
Total District Clerk Records Preservation	<u>3,340</u>	<u>3,340</u>	<u>2,996</u>	<u>344</u>
TOTAL JUDICIAL	<u>3,340</u>	<u>3,340</u>	<u>2,996</u>	<u>344</u>
TOTAL EXPENDITURES	<u>3,340</u>	<u>3,340</u>	<u>2,996</u>	<u>344</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>559</u>	<u>559</u>
NET CHANGE IN FUND BALANCE	-	-	559	559
FUND BALANCE AT BEGINNING OF YEAR	918	918	918	-
FUND BALANCE AT END OF YEAR	<u>\$ 918</u>	<u>\$ 918</u>	<u>\$ 1,477</u>	<u>\$ 559</u>

WALKER COUNTY, TEXAS
DISTRICT CLERK RIDER FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
State Funds				
Other State Funds	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
Total State Funds	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Total Intergovernmental	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Interest Income	-	-	104	104
TOTAL REVENUES	<u>12,000</u>	<u>12,000</u>	<u>12,104</u>	<u>104</u>
EXPENDITURES:				
JUDICIAL				
Rider Prosecution Fund				
Salary, Other Pay, and Benefits	4,828	4,828	4,639	189
Operations	-	5,930	5,284	646
Contingency	9,532	3,602	-	3,602
Total Rider Prosecution Fund	<u>14,360</u>	<u>14,360</u>	<u>9,923</u>	<u>4,437</u>
TOTAL JUDICIAL	<u>14,360</u>	<u>14,360</u>	<u>9,923</u>	<u>4,437</u>
TOTAL EXPENDITURES	<u>14,360</u>	<u>14,360</u>	<u>9,923</u>	<u>4,437</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,360)</u>	<u>(2,360)</u>	<u>2,181</u>	<u>4,541</u>
NET CHANGE IN FUND BALANCE	(2,360)	(2,360)	2,181	4,541
FUND BALANCE AT BEGINNING OF YEAR	19,539	19,539	19,539	-
FUND BALANCE AT END OF YEAR	<u>\$ 17,179</u>	<u>\$ 17,179</u>	<u>\$ 21,720</u>	<u>\$ 4,541</u>

WALKER COUNTY, TEXAS
DISTRICT CLERK ARCHIVE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
District Clerk Archive	\$ 700	\$ 700	\$ 1,912	\$ 1,212
Total Fees of Office/Charges for Services	<u>700</u>	<u>700</u>	<u>1,912</u>	<u>1,212</u>
TOTAL REVENUES	<u>700</u>	<u>700</u>	<u>1,912</u>	<u>1,212</u>
EXPENDITURES:				
JUDICIAL				
District Clerk Archive				
Operations	2,594	2,594	-	2,594
Total District Clerk Archive	<u>2,594</u>	<u>2,594</u>	<u>-</u>	<u>2,594</u>
TOTAL JUDICIAL	<u>2,594</u>	<u>2,594</u>	<u>-</u>	<u>2,594</u>
TOTAL EXPENDITURES	<u>2,594</u>	<u>2,594</u>	<u>-</u>	<u>2,594</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,894)</u>	<u>(1,894)</u>	<u>1,912</u>	<u>3,806</u>
NET CHANGE IN FUND BALANCE	(1,894)	(1,894)	1,912	3,806
FUND BALANCE AT BEGINNING OF YEAR	2,770	2,770	2,770	-
FUND BALANCE AT END OF YEAR	<u>\$ 876</u>	<u>\$ 876</u>	<u>\$ 4,682</u>	<u>\$ 3,806</u>

WALKER COUNTY, TEXAS
COUNTY JURY FEE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-10

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
County Jury Fee	\$ 3,000	\$ 3,000	\$ 7,938	\$ 4,938
Total Fees of Office/Charges for Services	<u>3,000</u>	<u>3,000</u>	<u>7,938</u>	<u>4,938</u>
TOTAL REVENUES	<u>3,000</u>	<u>3,000</u>	<u>7,938</u>	<u>4,938</u>
EXPENDITURES:				
JUDICIAL				
County Jury				
Operations	5,633	5,633	7,938	(2,305)
Total County Jury	<u>5,633</u>	<u>5,633</u>	<u>7,938</u>	<u>(2,305)</u>
TOTAL JUDICIAL	<u>5,633</u>	<u>5,633</u>	<u>7,938</u>	<u>(2,305)</u>
TOTAL EXPENDITURES	<u>5,633</u>	<u>5,633</u>	<u>7,938</u>	<u>(2,305)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,633)</u>	<u>(2,633)</u>	<u>-</u>	<u>2,633</u>
NET CHANGE IN FUND BALANCE	(2,633)	(2,633)	-	2,633
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	<u>\$ (2,633)</u>	<u>\$ (2,633)</u>	<u>\$ -</u>	<u>\$ 2,633</u>

WALKER COUNTY, TEXAS
 COURT REPORTER SERVICE FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-11

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Court Reporter Fees	\$ 14,000	\$ 14,000	\$ 14,154	\$ 154
Total Fees of Office/Charges for Services	<u>14,000</u>	<u>14,000</u>	<u>14,154</u>	<u>154</u>
TOTAL REVENUES	<u>14,000</u>	<u>14,000</u>	<u>14,154</u>	<u>154</u>
EXPENDITURES:				
JUDICIAL				
Court Reporter Services				
Operations	14,000	14,000	14,154	(154)
Total Court Reporter Services	<u>14,000</u>	<u>14,000</u>	<u>14,154</u>	<u>(154)</u>
TOTAL JUDICIAL	<u>14,000</u>	<u>14,000</u>	<u>14,154</u>	<u>(154)</u>
TOTAL EXPENDITURES	<u>14,000</u>	<u>14,000</u>	<u>14,154</u>	<u>(154)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WALKER COUNTY, TEXAS
COUNTY LAW LIBRARY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-12

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Law Library	\$ 33,400	\$ 33,400	\$ 32,973	\$ (427)
Total Fees of Office/Charges for Services	<u>33,400</u>	<u>33,400</u>	<u>32,973</u>	<u>(427)</u>
Interest Income	50	50	125	75
TOTAL REVENUES	<u>33,450</u>	<u>33,450</u>	<u>33,098</u>	<u>(352)</u>
EXPENDITURES:				
JUDICIAL				
Law Library				
Salary, Other Pay, and Benefits	9,414	9,414	7,818	1,596
Operations	37,579	37,579	43,212	(5,633)
Contingency	14,000	14,000	-	14,000
Total Law Library	<u>60,993</u>	<u>60,993</u>	<u>51,030</u>	<u>9,963</u>
TOTAL JUDICIAL	<u>60,993</u>	<u>60,993</u>	<u>51,030</u>	<u>9,963</u>
TOTAL EXPENDITURES	<u>60,993</u>	<u>60,993</u>	<u>51,030</u>	<u>9,963</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(27,543)</u>	<u>(27,543)</u>	<u>(17,932)</u>	<u>9,611</u>
NET CHANGE IN FUND BALANCE	<u>(27,543)</u>	<u>(27,543)</u>	<u>(17,932)</u>	<u>9,611</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>48,401</u>	<u>48,401</u>	<u>48,401</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 20,858</u>	<u>\$ 20,858</u>	<u>\$ 30,469</u>	<u>\$ 9,611</u>

WALKER COUNTY, TEXAS
 COURTHOUSE SECURITY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Court House Security	\$ 36,700	\$ 36,700	\$ 32,918	\$ (3,782)
Total Fees of Office/Charges for Services	<u>36,700</u>	<u>36,700</u>	<u>32,918</u>	<u>(3,782)</u>
Interest Income	-	-	130	130
TOTAL REVENUES	<u>36,700</u>	<u>36,700</u>	<u>33,048</u>	<u>(3,652)</u>
EXPENDITURES:				
PUBLIC SAFETY				
Courthouse Security				
Salary, Other Pay, and Benefits	<u>65,449</u>	<u>65,449</u>	<u>58,951</u>	<u>6,498</u>
Total Courthouse Security	<u>65,449</u>	<u>65,449</u>	<u>58,951</u>	<u>6,498</u>
TOTAL PUBLIC SAFETY	<u>65,449</u>	<u>65,449</u>	<u>58,951</u>	<u>6,498</u>
TOTAL EXPENDITURES	<u>65,449</u>	<u>65,449</u>	<u>58,951</u>	<u>6,498</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(28,749)</u>	<u>(28,749)</u>	<u>(25,903)</u>	<u>2,846</u>
NET CHANGE IN FUND BALANCE	(28,749)	(28,749)	(25,903)	2,846
FUND BALANCE AT BEGINNING OF YEAR	40,151	40,151	40,151	-
FUND BALANCE AT END OF YEAR	<u>\$ 11,402</u>	<u>\$ 11,402</u>	<u>\$ 14,248</u>	<u>\$ 2,846</u>

WALKER COUNTY, TEXAS
 JUSTICE COURTS BUILDING SECURITY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Justice Court Security	\$ 6,200	\$ 6,200	\$ 5,439	\$ (761)
Total Fees of Office/Charges for Services	<u>6,200</u>	<u>6,200</u>	<u>5,439</u>	<u>(761)</u>
Interest Income	8	8	134	126
TOTAL REVENUES	<u>6,208</u>	<u>6,208</u>	<u>5,573</u>	<u>(635)</u>
EXPENDITURES:				
PUBLIC SAFETY				
Justice Courts Security				
Operations	-	350	267	83
Contingency	10,000	9,650	-	9,650
Total Justice Courts Security	<u>10,000</u>	<u>10,000</u>	<u>267</u>	<u>9,733</u>
TOTAL PUBLIC SAFETY	<u>10,000</u>	<u>10,000</u>	<u>267</u>	<u>9,733</u>
TOTAL EXPENDITURES	<u>10,000</u>	<u>10,000</u>	<u>267</u>	<u>9,733</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,792)</u>	<u>(3,792)</u>	<u>5,306</u>	<u>9,098</u>
NET CHANGE IN FUND BALANCE	(3,792)	(3,792)	5,306	9,098
FUND BALANCE AT BEGINNING OF YEAR	28,581	28,581	28,581	-
FUND BALANCE AT END OF YEAR	<u>\$ 24,789</u>	<u>\$ 24,789</u>	<u>\$ 33,887</u>	<u>\$ 9,098</u>

WALKER COUNTY, TEXAS
 JUSTICE COURTS TECHNOLOGY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Justice Court Technology	\$ 25,200	\$ 25,200	\$ 21,979	\$ (3,221)
Total Fees of Office/Charges for Services	<u>25,200</u>	<u>25,200</u>	<u>21,979</u>	<u>(3,221)</u>
Interest Income	5	5	106	101
TOTAL REVENUES	<u>25,205</u>	<u>25,205</u>	<u>22,085</u>	<u>(3,120)</u>
EXPENDITURES:				
JUDICIAL				
Justice Court Technology				
Operations	22,200	22,200	1,851	20,349
Contingency	2,800	2,800	-	2,800
Total Justice Court Technology	<u>25,000</u>	<u>25,000</u>	<u>1,851</u>	<u>23,149</u>
TOTAL JUDICIAL	<u>25,000</u>	<u>25,000</u>	<u>1,851</u>	<u>23,149</u>
TOTAL EXPENDITURES	<u>25,000</u>	<u>25,000</u>	<u>1,851</u>	<u>23,149</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>205</u>	<u>205</u>	<u>20,234</u>	<u>20,029</u>
NET CHANGE IN FUND BALANCE	205	205	20,234	20,029
FUND BALANCE AT BEGINNING OF YEAR	32,985	32,985	32,985	-
FUND BALANCE AT END OF YEAR	<u>\$ 33,190</u>	<u>\$ 33,190</u>	<u>\$ 53,219</u>	<u>\$ 20,029</u>

WALKER COUNTY, TEXAS

EXHIBIT C-16

COUNTY AND DISTRICT COURTS TECHNOLOGY FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
County and District Court Technology	\$ 1,400	\$ 1,400	\$ 1,735	\$ 335
Total Fees of Office/Charges for Services	<u>1,400</u>	<u>1,400</u>	<u>1,735</u>	<u>335</u>
Interest Income	-	-	7	7
TOTAL REVENUES	<u>1,400</u>	<u>1,400</u>	<u>1,742</u>	<u>342</u>
EXPENDITURES:				
JUDICIAL				
County and District Courts Technology				
Operations	<u>8,276</u>	<u>8,276</u>	<u>1,424</u>	<u>6,852</u>
Total County and District Courts Technology	<u>8,276</u>	<u>8,276</u>	<u>1,424</u>	<u>6,852</u>
TOTAL JUDICIAL	<u>8,276</u>	<u>8,276</u>	<u>1,424</u>	<u>6,852</u>
TOTAL EXPENDITURES	<u>8,276</u>	<u>8,276</u>	<u>1,424</u>	<u>6,852</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,876)</u>	<u>(6,876)</u>	<u>318</u>	<u>7,194</u>
NET CHANGE IN FUND BALANCE	(6,876)	(6,876)	318	7,194
FUND BALANCE AT BEGINNING OF YEAR	<u>7,272</u>	<u>7,272</u>	<u>7,272</u>	-
FUND BALANCE AT END OF YEAR	<u>\$ 396</u>	<u>\$ 396</u>	<u>\$ 7,590</u>	<u>\$ 7,194</u>

WALKER COUNTY, TEXAS

EXHIBIT C-17

DISTRICT ATTORNEY PROSECUTORS SUPPLEMENT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

WALKER COUNTY, TEXAS
 PRETRIAL INTERVENTION PROGRAM FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-18

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Pretrial Intervention	\$ 23,400	\$ 23,400	\$ 23,755	\$ 355
Total Fees of Office/Charges for Services	<u>23,400</u>	<u>23,400</u>	<u>23,755</u>	<u>355</u>
TOTAL REVENUES	<u>23,400</u>	<u>23,400</u>	<u>23,755</u>	<u>355</u>
EXPENDITURES:				
JUDICIAL				
Pretrial Intervention				
Salary, Other Pay, and Benefits	44,421	44,421	38,262	6,159
Total Pretrial Intervention	<u>44,421</u>	<u>44,421</u>	<u>38,262</u>	<u>6,159</u>
TOTAL JUDICIAL	<u>44,421</u>	<u>44,421</u>	<u>38,262</u>	<u>6,159</u>
TOTAL EXPENDITURES	<u>44,421</u>	<u>44,421</u>	<u>38,262</u>	<u>6,159</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,021)</u>	<u>(21,021)</u>	<u>(14,507)</u>	<u>6,514</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	14,507	14,507	14,507	-
Total Other Financing Sources (Uses)	<u>14,507</u>	<u>14,507</u>	<u>14,507</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(6,514)	(6,514)	-	6,514
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	<u>\$ (6,514)</u>	<u>\$ (6,514)</u>	<u>\$ -</u>	<u>\$ 6,514</u>

WALKER COUNTY, TEXAS
DISTRICT ATTORNEY FORFEITURE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-19

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FINES AND FORFEITURES				
Fines and Forfeitures	\$ -	\$ -	\$ 47,300	\$ 47,300
Total Fines and Forfeitures	-	-	47,300	47,300
Interest Income	-	-	1,047	1,047
Other Income	-	-	250	250
TOTAL REVENUES	-	-	48,597	48,597
EXPENDITURES:				
JUDICIAL				
District Attorney Forfeitures				
Operations	-	13,608	27,115	(13,507)
Capital Expenditures	-	7,900	7,871	29
Contingency	60,000	38,492	-	38,492
Total District Attorney Forfeitures	60,000	60,000	34,986	25,014
TOTAL JUDICIAL	60,000	60,000	34,986	25,014
TOTAL EXPENDITURES	60,000	60,000	34,986	25,014
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(60,000)	(60,000)	13,611	73,611
NET CHANGE IN FUND BALANCE	(60,000)	(60,000)	13,611	73,611
FUND BALANCE AT BEGINNING OF YEAR	150,244	150,244	150,244	-
FUND BALANCE AT END OF YEAR	\$ 90,244	\$ 90,244	\$ 163,855	\$ 73,611

WALKER COUNTY, TEXAS
DISTRICT ATTORNEY HOT CHECK FEE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-20

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Hot Check	\$ 7,000	\$ 7,000	\$ 6,665	\$ (335)
Total Fees of Office/Charges for Services	<u>7,000</u>	<u>7,000</u>	<u>6,665</u>	<u>(335)</u>
TOTAL REVENUES	<u>7,000</u>	<u>7,000</u>	<u>6,665</u>	<u>(335)</u>
EXPENDITURES:				
JUDICIAL				
Hot Checks				
Salary, Other Pay, and Benefits	3,042	3,042	2,703	339
Operations	<u>3,958</u>	<u>3,958</u>	<u>2,349</u>	<u>1,609</u>
Total Hot Checks	<u>7,000</u>	<u>7,000</u>	<u>5,052</u>	<u>1,948</u>
TOTAL JUDICIAL	<u>7,000</u>	<u>7,000</u>	<u>5,052</u>	<u>1,948</u>
TOTAL EXPENDITURES	<u>7,000</u>	<u>7,000</u>	<u>5,052</u>	<u>1,948</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,613</u>	<u>1,613</u>
NET CHANGE IN FUND BALANCE	-	-	1,613	1,613
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,613</u>	<u>\$ 1,613</u>

WALKER COUNTY, TEXAS
 SHERIFF FORFEITURE FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-21

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FINES AND FORFEITURES				
Fines and Forfeitures	\$ -	\$ 59,169	\$ 123,737	\$ 64,568
Total Fines and Forfeitures	-	59,169	123,737	64,568
Interest Income	-	-	933	933
Other Income	-	-	5,000	5,000
TOTAL REVENUES	-	59,169	129,670	70,501
EXPENDITURES:				
PUBLIC SAFETY				
Sheriff Forfeiture				
Operations	-	68,935	69,425	(490)
Contingency	40,000	30,234	-	30,234
Total Sheriff Forfeiture	40,000	99,169	69,425	29,744
TOTAL PUBLIC SAFETY	40,000	99,169	69,425	29,744
TOTAL EXPENDITURES	40,000	99,169	69,425	29,744
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,000)	(40,000)	60,245	100,245
NET CHANGE IN FUND BALANCE	(40,000)	(40,000)	60,245	100,245
FUND BALANCE AT BEGINNING OF YEAR	121,481	121,481	121,481	-
FUND BALANCE AT END OF YEAR	\$ 81,481	\$ 81,481	\$ 181,726	\$ 100,245

WALKER COUNTY, TEXAS
 SHERIFF INMATE MEDICAL FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-22

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Inmate Medical Services	\$ 2,000	\$ 2,000	\$ 1,872	\$ (128)
Total Fees of Office/Charges for Services	<u>2,000</u>	<u>2,000</u>	<u>1,872</u>	<u>(128)</u>
Interest Income	5	5	146	141
TOTAL REVENUES	<u>2,005</u>	<u>2,005</u>	<u>2,018</u>	<u>13</u>
EXPENDITURES:				
CORRECTION AND REHABILITATION				
Sheriff Inmate Medical				
Operations	<u>10,000</u>	<u>10,000</u>	-	10,000
Total Sheriff Inmate Medical	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
TOTAL CORRECTION AND REHABILITATION	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
TOTAL EXPENDITURES	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,995)</u>	<u>(7,995)</u>	<u>2,018</u>	<u>10,013</u>
NET CHANGE IN FUND BALANCE	(7,995)	(7,995)	2,018	10,013
FUND BALANCE AT BEGINNING OF YEAR	27,401	27,401	27,401	-
FUND BALANCE AT END OF YEAR	<u>\$ 19,406</u>	<u>\$ 19,406</u>	<u>\$ 29,419</u>	<u>\$ 10,013</u>

WALKER COUNTY, TEXAS
 DOJ EQUITABLE SHARING FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-23

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FINES AND FORFEITURES				
Fines and Forfeitures	\$ -	\$ -	\$ 14,803	\$ 14,803
Total Fines and Forfeitures	-	-	14,803	14,803
Interest Income	-	-	2,344	2,344
TOTAL REVENUES	-	-	17,147	17,147
EXPENDITURES:				
PUBLIC SAFETY				
DOJ Equitable Sharing				
Contingency	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)	17,147	121,554
NET CHANGE IN FUND BALANCE	(104,407)	(104,407)	17,147	121,554
FUND BALANCE AT BEGINNING OF YEAR	325,678	325,678	325,678	-
FUND BALANCE AT END OF YEAR	\$ 221,271	\$ 221,271	\$ 342,825	\$ 121,554

WALKER COUNTY, TEXAS
 ELECTIONS EQUIPMENT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-24

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
Federal Funds				
Other InterGovernmental Funds				
Other Intergovernmental	\$ 10,000	\$ 10,000	\$ 13,964	\$ 3,964
Total Other Intergovernmental Funds	<u>10,000</u>	<u>10,000</u>	<u>13,964</u>	<u>3,964</u>
Total Intergovernmental	<u>10,000</u>	<u>10,000</u>	<u>13,964</u>	<u>3,964</u>
Interest Income	-	-	23	23
TOTAL REVENUES	<u>10,000</u>	<u>10,000</u>	<u>13,987</u>	<u>3,987</u>
EXPENDITURES:				
GENERAL GOVERNMENT				
Elections Equipment				
Operations	19,539	20,120	20,120	-
Total Elections Equipment	<u>19,539</u>	<u>20,120</u>	<u>20,120</u>	<u>-</u>
TOTAL GENERAL GOVERNMENT	<u>19,539</u>	<u>20,120</u>	<u>20,120</u>	<u>-</u>
TOTAL EXPENDITURES	<u>19,539</u>	<u>20,120</u>	<u>20,120</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,539)</u>	<u>(10,120)</u>	<u>(6,133)</u>	<u>3,987</u>
NET CHANGE IN FUND BALANCE	(9,539)	(10,120)	(6,133)	3,987
FUND BALANCE AT BEGINNING OF YEAR	12,819	12,819	12,819	-
FUND BALANCE AT END OF YEAR	<u>\$ 3,280</u>	<u>\$ 2,699</u>	<u>\$ 6,686</u>	<u>\$ 3,987</u>

WALKER COUNTY, TEXAS

EXHIBIT C-25

TAX ASSESSOR ELECTIONS SERVICE CONTRACT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
Federal Funds				
Other InterGovernmental Funds				
Other Intergovernmental	\$ -	\$ -	\$ 300	\$ 300
Total Other Intergovernmental Funds	-	-	300	300
Total Intergovernmental	-	-	300	300
FEES OF OFFICE/CHARGES FOR SERVICES				
Tax Assessor Election Service Contract	3,500	3,500	8,355	4,855
Total Fees of Office/Charges for Services	3,500	3,500	8,355	4,855
Interest Income	-	-	135	135
TOTAL REVENUES	3,500	3,500	8,790	5,290
EXPENDITURES:				
GENERAL GOVERNMENT				
Elections Services Contracts				
Salary, Other Pay, and Benefits	3,938	3,938	-	3,938
Operations	-	2,227	2,226	1
Total Elections Services Contracts	3,938	6,165	2,226	3,939
TOTAL GENERAL GOVERNMENT	3,938	6,165	2,226	3,939
TOTAL EXPENDITURES	3,938	6,165	2,226	3,939
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(438)	(2,665)	6,564	9,229
NET CHANGE IN FUND BALANCE	(438)	(2,665)	6,564	9,229
FUND BALANCE AT BEGINNING OF YEAR	17,117	17,117	17,117	-
FUND BALANCE AT END OF YEAR	\$ 16,679	\$ 14,452	\$ 23,681	\$ 9,229

WALKER COUNTY, TEXAS

TAX ASSESSOR SPECIAL INVENTORY FEE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-26

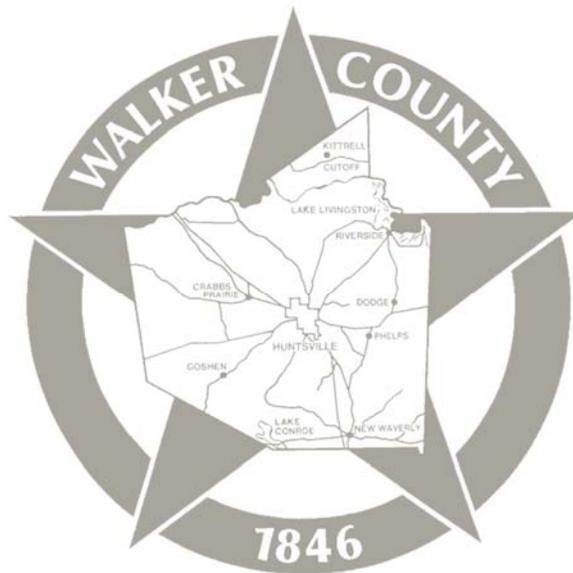
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
EXPENDITURES:				
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	19	19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

WALKER COUNTY, TEXAS
 JUVENILE GRANT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
State Funds				
State Grant Funds	\$ -	\$ 11,900	\$ 11,850	\$ (50)
Other State Funds	406,083	406,083	394,572	(11,511)
Total State Funds	<u>406,083</u>	<u>417,983</u>	<u>406,422</u>	<u>(11,561)</u>
Total Intergovernmental	<u>406,083</u>	<u>417,983</u>	<u>406,422</u>	<u>(11,561)</u>
Interest Income	-	-	340	340
Other Income	100,575	100,575	-	(100,575)
TOTAL REVENUES	<u>506,658</u>	<u>518,558</u>	<u>406,762</u>	<u>(111,796)</u>
EXPENDITURES:				
JUDICIAL				
Title IV-E Funds				
Salary, Other Pay, and Benefits	3,604	3,604	-	3,604
Operations	51,988	51,988	1,599	50,389
Contingency	44,983	44,983	-	44,983
Total Title IV-E Funds	<u>100,575</u>	<u>100,575</u>	<u>1,599</u>	<u>98,976</u>
TJPC-A-94-236				
Salary, Other Pay, and Benefits	213,239	213,239	208,953	4,286
Total TJPC-A-94-236	<u>213,239</u>	<u>213,239</u>	<u>208,953</u>	<u>4,286</u>
Juvenile Grants				
Operations	43,907	43,907	39,058	4,849
Total Juvenile Grants	<u>43,907</u>	<u>43,907</u>	<u>39,058</u>	<u>4,849</u>
Medical Services Fund				
Salary, Other Pay, and Benefits	32,526	32,526	32,174	352
Operations	1,452	1,452	1,202	250
Total Medical Services Fund	<u>33,978</u>	<u>33,978</u>	<u>33,376</u>	<u>602</u>
HGAC Services Grant				
Operations	-	11,900	11,850	50
Total HGAC Services Grant	<u>-</u>	<u>11,900</u>	<u>11,850</u>	<u>50</u>
Pre-Post Adjudication				
Operations	16,329	16,329	16,329	-
Total Pre-Post Adjudication	<u>16,329</u>	<u>16,329</u>	<u>16,329</u>	<u>-</u>
Community Programs				
Salary, Other Pay, and Benefits	88,849	88,849	89,141	(292)
Operations	6,562	6,562	7,715	(1,153)
Total Community Programs	<u>95,411</u>	<u>95,411</u>	<u>96,856</u>	<u>(1,445)</u>

WALKER COUNTY, TEXAS
 JUVENILE GRANT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Juvenile Regionalization Money				
Operations	3,219	3,219	-	3,219
Total Juvenile Regionalization Money	3,219	3,219	-	3,219
TOTAL JUDICIAL	506,658	518,558	408,021	110,537
TOTAL EXPENDITURES	506,658	518,558	408,021	110,537
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,259)	(1,259)
NET CHANGE IN FUND BALANCE	-	-	(1,259)	(1,259)
FUND BALANCE AT BEGINNING OF YEAR	100,575	100,575	100,575	-
FUND BALANCE AT END OF YEAR	\$ 100,575	\$ 100,575	\$ 99,316	\$ (1,259)



Debt Service Fund

WALKER COUNTY, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

EXHIBIT C-28

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
AD VALOREM TAXES				
Current Taxes	\$ 1,154,877	\$ 1,154,877	\$ 1,315,844	\$ 160,967
Delinquent Taxes	23,500	23,500	29,881	6,381
Total Ad Valorem Taxes	<u>1,178,377</u>	<u>1,178,377</u>	<u>1,345,725</u>	<u>167,348</u>
Penalty and Interest	16,800	16,800	22,276	5,476
Interest Income	1,200	1,200	4,681	3,481
TOTAL REVENUES	<u>1,196,377</u>	<u>1,196,377</u>	<u>1,372,682</u>	<u>176,305</u>
EXPENDITURES:				
DEBT SERVICE				
Principal Retirement	845,000	845,000	845,000	-
Interest and Fiscal Charges	527,768	527,768	527,768	-
Total Debt Service	<u>1,372,768</u>	<u>1,372,768</u>	<u>1,372,768</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,372,768</u>	<u>1,372,768</u>	<u>1,372,768</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(176,391)</u>	<u>(176,391)</u>	<u>(86)</u>	<u>176,305</u>
NET CHANGE IN FUND BALANCE	(176,391)	(176,391)	(86)	176,305
FUND BALANCE AT BEGINNING OF YEAR	180,420	180,420	180,420	-
FUND BALANCE AT END OF YEAR	<u>\$ 4,029</u>	<u>\$ 4,029</u>	<u>\$ 180,334</u>	<u>\$ 176,305</u>

Fiduciary Funds

WALKER COUNTY, TEXAS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

SEPTEMBER 30, 2017

	Adult Probation	Sheriff Commissary Fund	Walker County Public Safety Communications Center
ASSETS:			
Cash and Cash Equivalents	\$ 410,485	\$ 56,228	\$ 467,795
Total Assets	<u>410,485</u>	<u>56,228</u>	<u>467,795</u>
LIABILITIES:			
Accounts Payable	\$ 5,133	\$ 842	\$ 32,499
Due to Other Governments	1,842	-	422,543
Due to Others	375,775	55,386	-
Accrued Liabilities	27,735	-	12,753
Total Liabilities	<u>\$ 410,485</u>	<u>\$ 56,228</u>	<u>\$ 467,795</u>

LEOSE Training Fund	Walker County Entergy Transportation TRZ #1	County Officials Trust & Agency Funds	Total Agency Funds (See Exhibit A-7)
\$ <u>38,752</u>	\$ <u>362</u>	\$ <u>3,477,713</u>	\$ <u>4,451,335</u>
<u>38,752</u>	<u>362</u>	<u>3,477,713</u>	<u>4,451,335</u>
\$ -	\$ -	\$ -	\$ 38,474
38,752	-	1,655,178	2,118,315
-	362	1,822,535	2,254,058
-	-	-	40,488
\$ <u>38,752</u>	\$ <u>362</u>	\$ <u>3,477,713</u>	\$ <u>4,451,335</u>

WALKER COUNTY, TEXAS

EXHIBIT C-30

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
COUNTY OFFICIALS TRUST & AGENCY FUNDS				
ASSETS				
Cash & Investments	\$ 2,463,330	\$ 19,204,074	\$ 18,189,691	\$ 3,477,713
Total Assets	<u>\$ 2,463,330</u>	<u>\$ 19,204,074</u>	<u>\$ 18,189,691</u>	<u>\$ 3,477,713</u>
LIABILITIES				
Due to Other Governments	\$ 1,263,409	\$ 15,543,160	\$ 15,151,391	\$ 1,655,178
Due to Others	1,199,921	3,596,803	2,974,189	1,822,535
Total Liabilities	<u>\$ 2,463,330</u>	<u>\$ 19,139,963</u>	<u>\$ 18,125,580</u>	<u>\$ 3,477,713</u>
WALKER COUNTY PUBLIC SAFETY COMMUNICATIONS CENTER				
ASSETS				
Cash & Investments	\$ 361,974	\$ 1,139,009	\$ 1,033,188	\$ 467,795
Accounts Receivable, Net	257	15,229	15,486	-
Due from Others	34	-	34	-
Total Assets	<u>\$ 362,265</u>	<u>\$ 1,154,238</u>	<u>\$ 1,048,708</u>	<u>\$ 467,795</u>
LIABILITIES				
Accounts Payable	\$ 4,889	\$ 216,480	\$ 188,870	\$ 32,499
Accrued Liabilities	11,972	12,753	11,972	12,753
Due to Other Governments	345,404	1,125,181	1,048,042	422,543
Total Liabilities	<u>\$ 362,265</u>	<u>\$ 1,354,414</u>	<u>\$ 1,248,884</u>	<u>\$ 467,795</u>
SHERIFF COMMISSARY FUND				
ASSETS				
Cash & Investments	\$ 57,819	\$ 42,142	\$ 43,733	\$ 56,228
Total Assets	<u>\$ 57,819</u>	<u>\$ 42,142</u>	<u>\$ 43,733</u>	<u>\$ 56,228</u>
LIABILITIES				
Accounts Payable	\$ 5,370	\$ 36,852	\$ 41,380	\$ 842
Due to Others	52,449	39,249	36,312	55,386
Total Liabilities	<u>\$ 57,819</u>	<u>\$ 76,101</u>	<u>\$ 77,692</u>	<u>\$ 56,228</u>
ADULT PROBATION				
ASSETS				
Cash & Investments	\$ 378,939	\$ 1,737,549	\$ 1,706,003	\$ 410,485
Total Assets	<u>\$ 378,939</u>	<u>\$ 1,737,549</u>	<u>\$ 1,706,003</u>	<u>\$ 410,485</u>
LIABILITIES				
Accounts Payable	\$ 11,663	\$ 165,485	\$ 172,015	\$ 5,133
Accrued Liabilities	26,151	49,577	47,993	27,735
Due to Other Governments	-	1,842	-	1,842
Due to Others	341,125	1,892,561	1,857,911	375,775
Total Liabilities	<u>\$ 378,939</u>	<u>\$ 2,109,465</u>	<u>\$ 2,077,919</u>	<u>\$ 410,485</u>
AGENCY FUND - LOOSE TRAINING FUND				
ASSETS				
Cash & Investments	\$ 37,623	\$ 10,846	\$ 9,717	\$ 38,752
Total Assets	<u>\$ 37,623</u>	<u>\$ 10,846</u>	<u>\$ 9,717</u>	<u>\$ 38,752</u>
LIABILITIES				
Due to Other Governments	\$ 37,623	\$ 9,746	\$ 8,617	\$ 38,752
Total Liabilities	<u>\$ 37,623</u>	<u>\$ 9,746</u>	<u>\$ 8,617</u>	<u>\$ 38,752</u>

WALKER COUNTY, TEXAS**EXHIBIT C-30**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

YEAR ENDED SEPTEMBER 30, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
WALKER COUNTY TIRZ #1				
ASSETS				
Cash & Investments	\$ 20	\$ 342	\$ -	\$ 362
Total Assets	<u>\$ 20</u>	<u>\$ 342</u>	<u>\$ -</u>	<u>\$ 362</u>
LIABILITIES				
Due to Others	\$ 20	\$ 342	\$ -	\$ 362
Total Liabilities	<u>\$ 20</u>	<u>\$ 342</u>	<u>\$ -</u>	<u>\$ 362</u>
TOTAL AGENCY FUNDS:				
ASSETS				
Cash & Investments	\$ 3,299,705	\$ 22,133,962	\$ 20,982,332	\$ 4,451,335
Accounts Receivable, Net	257	15,229	15,486	-
Due from Others	34	-	34	-
Total Assets	<u>\$ 3,299,996</u>	<u>\$ 22,149,191</u>	<u>\$ 20,997,852</u>	<u>\$ 4,451,335</u>
LIABILITIES				
Accounts Payable	\$ 21,922	\$ 418,817	\$ 402,265	\$ 38,474
Accrued Liabilities	38,123	62,330	59,965	40,488
Due to Other Governments	1,646,436	16,679,929	16,208,050	2,118,315
Due to Others	1,593,515	5,528,955	4,868,412	2,254,058
Total Liabilities	<u>\$ 3,299,996</u>	<u>\$ 22,690,031</u>	<u>\$ 21,538,692</u>	<u>\$ 4,451,335</u>



WALKER COUNTY, TEXAS
 COMPARATIVE SCHEDULES BY SOURCE OF
 CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2017 AND 2016

EXHIBIT C-31

	<u>2017</u>	<u>2016</u>
Capital Assets:		
Land	\$ 680,552	\$ 680,552
CIP	-	818,601
Vehicles	5,831,307	5,524,657
Office Furniture and Fixtures	1,874,656	1,784,437
Machinery and equipment	7,806,209	7,589,787
Buildings and Facilities	33,181,755	35,175,188
Improvements	4,306,760	4,428,002
Total Capital Assets	<u>\$ 53,681,239</u>	<u>\$ 56,001,224</u>
Investment in Capital Assets by Source:		
Operating Fund	\$ 8,462,720	\$ 7,995,660
Special Revenue Funds	24,571,570	27,358,615
Capital Projects Funds	20,646,949	20,646,949
Total Investment in Capital Assets	<u>\$ 53,681,239</u>	<u>\$ 56,001,224</u>

WALKER COUNTY, TEXAS

EXHIBIT C-32

SCHEDULE OF DEPRECIATION EXPENSE BY FUNCTION AND ACTIVITY OF
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

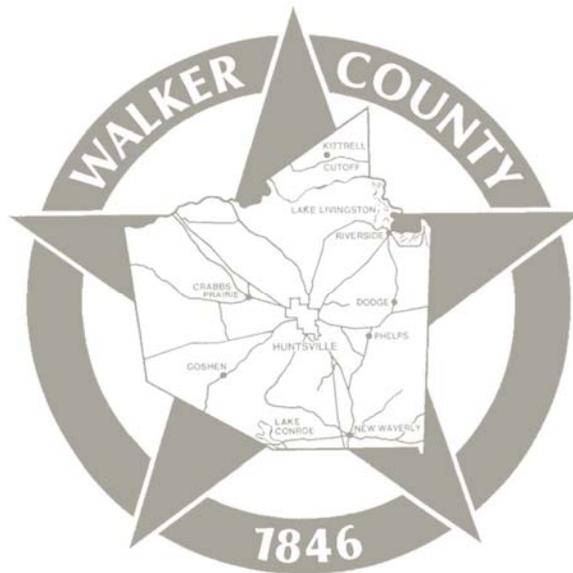
Function and Activity	Buildings and Facilities	Improvements	Office Furniture and Fixtures	Machinery and Equipment	Vehicles	Total
General Government:						
County Judge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT Operations-County Judge	-	-	32,994	-	-	32,994
Commissioners Court	-	-	1,901	-	-	1,901
County Clerk	-	-	3,757	-	-	3,757
Voter Registration	-	-	2,000	-	-	2,000
Elections	974	-	-	-	-	974
County Facilities	-	90,585	-	34,688	7,808	133,081
H.E.A.R.T.S Complex	98,131	-	-	285	-	98,416
Courthouse Annex-Sam Houston Avenue	75,125	-	-	15,181	-	90,306
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	178,538	96,867	40,652	50,154	7,808	374,019
Financial:						
County Auditor	-	-	49,028	-	-	49,028
County Treasurer	-	-	2,210	-	-	2,210
Purchasing	-	-	707	-	-	707
Total Financial	-	-	51,945	-	-	51,945
Judicial:						
County Court at Law	\$ -	\$ -	1,058	1,576	\$ -	2,634
12th Judicial District	-	-	649	-	-	649
278th Judicial District	-	-	1,142	-	-	1,142
District Clerk	-	-	7,228	-	-	7,228
Criminal District Attorney	-	759	4,892	-	5,850	11,501
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	-	-	4,433	-	-	4,433
SPU State Allocation	-	-	-	-	45,887	45,887
SPU Civil	-	-	5,960	-	16,343	22,303
SPU Juvenile	-	-	-	-	8,324	8,324
Juvenile Probation Support	-	-	1,268	-	-	1,268
Juvenile Title IV E	-	-	-	-	-	-
Total Judicial	-	3,305	27,868	1,576	76,404	109,153
Public Safety:						
Sheriff's Office	112,874	-	10,508	23,036	190,355	336,773
Courthouse Security	-	-	-	20,049	-	20,049
Constable - Precinct 1	-	-	-	-	-	-
Constable - Precinct 2	-	-	-	-	6,569	6,569
Constable - Precinct 3	-	-	-	1,199	7,233	8,432
Constable - Precinct 4	-	-	-	3,195	9,325	12,520
Department of Public Safety	-	-	-	787	-	787
Weigh Station	5,732	616	-	-	-	6,348
Emergency Operations	168,721	-	668	6,792	-	176,181
Walker County EMS - Emergency Services	-	-	1,080	46,303	98,886	146,269
CDBG Grant	-	-	-	166,525	9,565	176,090
Total Public Safety	287,327	616	12,256	267,886	321,933	890,018
Correction and Rehabilitation:						
County Jail	902,395	3,578	1,393	174,349	6,857	1,088,572
Probation Support	46,101	-	1,636	795	-	48,532
Adult Basic Supervision	-	-	-	-	3,025	3,025
Total Correction and Rehabilitation	948,496	3,578	3,029	175,144	9,882	1,140,129
Health and Welfare:						
Planning and Development	-	-	1,964	887	5,195	8,046
Litter Control- General Fund	-	-	-	1,321	7,144	8,465
Total Health and Welfare	-	-	1,964	2,208	12,339	16,511
Culture and Education:						
Texas AgriLife Extension Service	-	-	648	1,621	-	2,269
Total Culture and Education	-	-	648	1,621	-	2,269
Public Transportation:						
Road and Bridge General	-	-	-	6,971	-	6,971
Road and Bridge - Precinct 1	-	20,544	-	34,068	8,326	62,938
Road and Bridge - Precinct 2	432	2,078	635	15,390	13,696	32,231
Road and Bridge - Precinct 3	-	8,381	-	10,960	10,122	29,463
Road and Bridge - Precinct 4	12,017	26,976	-	45,149	14,987	99,129
Total Public Transportation	12,449	57,979	635	112,538	47,131	230,732
Total Capital Assets	\$ 1,426,810	\$ 162,345	\$ 138,997	\$ 611,127	\$ 475,497	\$ 2,814,776

WALKER COUNTY, TEXAS

EXHIBIT C-33

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2017

Function and Activity	Capital Assets October 1, 2016	Additions	Deductions	Capital Assets September 30, 2017
General Government:				
County Judge	\$ 13,231	\$ -	\$ -	\$ 13,231
IT Operations-County Judge	707,619	7,817	-	715,436
Commissioners Court	9,503	-	-	9,503
County Clerk	50,105	-	(31,322)	18,783
Voter Registration	9,998	-	-	9,998
Elections	138,205	-	(5,074)	133,131
County Facilities	4,194,428	159,821	(55,101)	4,299,148
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	10,048,563	167,638	(91,497)	10,124,704
Financial:				
County Auditor	245,141	-	-	245,141
County Treasurer	11,049	-	-	11,049
Purchasing	-	44,501	-	44,501
Total Financial	256,190	44,501	-	300,691
Judicial:				
12th Judicial District	5,244	-	-	5,244
278th Judicial District	5,712	6,494	-	12,206
County Court at Law	13,168	-	-	13,168
District Clerk	36,142	-	-	36,142
Criminal District Attorney	483,223	-	(30,170)	453,053
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	104,687	22,400	(85,024)	42,063
SPU State Allocation	79,975	222,897	-	302,872
SPU Civil	119,741	-	-	119,741
SPU Juvenile	70,122	-	-	70,122
Juvenile Probation Support	15,740	-	-	15,740
Juvenile Title IV E	5,789	-	(5,789)	-
Total Judicial	1,244,518	251,791	(120,983)	1,375,326
Public Safety:				
Sheriff's Office	4,449,530	450,560	(123,326)	4,776,764
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	87,402	-	-	87,402
Department of Public Safety	14,226	7,871	(14,226)	7,871
Weigh Station	400,893	-	-	400,893
Emergency Management (Operations)	4,085,890	6,680	-	4,092,570
CDBG Grant - Radios	832,621	95,649	-	928,270
EMS - Emergency Services	1,682,559	159,301	(220,228)	1,621,632
Total Public Safety	11,809,366	720,061	(357,780)	12,171,647
Correction and Rehabilitation:				
County Jail	24,450,556	20,620	(3,109,266)	21,361,910
Probation Support	930,191	7,949	-	938,140
Adult Basic Supervision	73,212	-	(23,985)	49,227
Total Correction and Rehabilitation	25,453,959	28,569	(3,133,251)	22,349,277
Health and Welfare:				
Planning and Development	149,668	31,520	-	181,188
Litter Control- General Fund	69,922	-	-	69,922
Total Health and Welfare	219,590	31,520	-	251,110
Culture and Education:				
Texas AgriLife Extension Service	8,104	6,478	-	14,582
Total Culture and Education	8,104	6,478	-	14,582
Public Transportation:				
Road and Bridge General	789,858	-	-	789,858
Road and Bridge - Precinct 1	1,503,274	49,950	(24,595)	1,528,629
Road and Bridge - Precinct 2	1,271,902	18,501	-	1,290,403
Road and Bridge - Precinct 3	1,509,283	74,910	(50,125)	1,534,068
Road and Bridge - Precinct 4	1,886,617	106,250	(41,923)	1,950,944
Total Public Transportation	6,960,934	249,611	(116,643)	7,093,902
Total Capital Assets	\$ 56,001,224	\$ 1,500,169	\$ (3,820,154)	\$ 53,681,239



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.

Contents	Page
Financial Trends	132
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	142
These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Debt Capacity	149
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	154
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.	
Operating Information	155
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.	

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>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities			
Invested in capital assets, net of related debt	\$ 8,868,866	\$ 9,685,620	\$ 10,521,448
Restricted	2,129,888	1,863,075	1,584,821
Unrestricted	(9,765,392)	(5,191,383)	(5,497,318)
Total governmental activities net assets	<u>\$ 1,233,362</u>	<u>\$ 6,357,312</u>	<u>\$ 6,608,951</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	\$ 8,868,866	\$ 9,685,620	\$ 10,521,448
Restricted	2,129,888	1,863,075	1,584,821
Unrestricted	(9,765,392)	(5,191,383)	(5,497,318)
Total governmental activities net assets	<u>\$ 1,233,362</u>	<u>\$ 6,357,312</u>	<u>\$ 6,608,951</u>

Table E-1

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 11,004,750	\$ 12,086,797	\$ 12,439,349	\$ 13,032,866	\$ 12,704,554	\$ 13,024,741	\$ 11,143,016
83,580	116,489	-	83,707	1,336,137	1,232,050	3,414,486
5,487,590	4,122,953	5,270,066	7,234,637	7,364,026	7,784,884	9,864,761
<u>\$ 16,575,920</u>	<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>\$ -</u>						
\$ 11,004,750	\$ 12,086,797	\$ 12,439,349	\$ 13,032,866	\$ 12,704,554	\$ 13,024,741	\$ 11,143,016
83,580	116,489	-	83,707	1,336,137	1,232,050	3,414,486
5,487,590	4,122,953	5,270,066	7,234,637	7,364,026	7,784,884	9,864,761
<u>\$ 16,575,920</u>	<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>

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

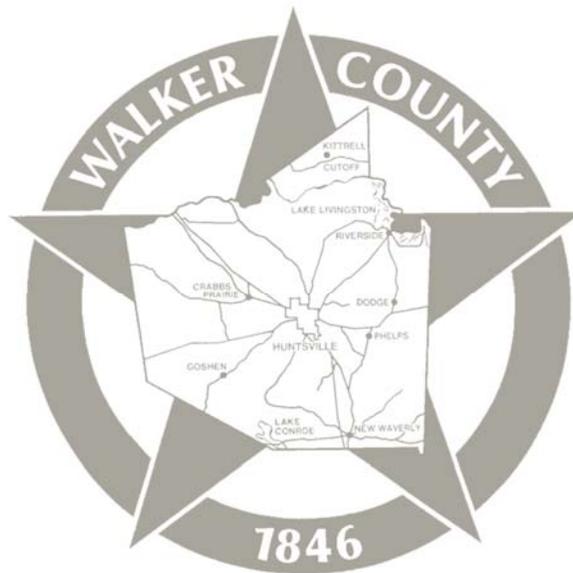
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses			
Governmental Activities:			
General Government	\$ 6,496,973	\$ 5,543,255	\$ 5,034,941
Financial	2,455,399	2,333,148	\$ 2,228,163
Judicial	11,589,784	10,040,223	\$ 9,785,092
Public Safety	9,566,499	9,142,524	\$ 7,358,381
Correction and Rehabilitation	4,345,175	3,860,155	\$ 3,809,298
Health & Welfare	653,677	799,830	\$ 1,101,500
Culture and Education	279,911	278,594	\$ 267,349
Public Transportation	7,445,266	5,917,477	\$ 5,255,590
Intergovernmental Expenditure	-	-	\$ -
Interest & Fiscal Charges	518,479	535,128	\$ 551,478
Total Governmental Activities	<u>\$ 43,351,163</u>	<u>\$ 38,450,334</u>	<u>\$ 35,391,792</u>
Business-type activities			
EMS	\$ -	\$ -	\$ -
Total primary government	<u>\$ 43,351,163</u>	<u>\$ 38,450,334</u>	<u>\$ 35,391,792</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General Government	\$ 771,922	\$ 819,957	\$ 745,490
Financial	676,956	687,049	\$ 668,773
Judicial	731,024	705,742	\$ 646,069
Public Safety	2,798,656	2,630,156	\$ 3,089,754
Correction and Rehabilitation	365,119	383,983	\$ 195,042
Health & Welfare	216,964	221,049	\$ 197,043
Culture and Education	-	-	\$ -
Public Transportation	1,616,998	1,868,567	\$ 1,823,854
Operating grants and contributions	8,046,362	8,891,973	\$ 6,840,859
Capital grants and contributions	-	99,640	\$ 393,558
Total Governmental Activities	<u>\$ 15,224,001</u>	<u>\$ 16,308,116</u>	<u>\$ 14,600,442</u>
Business-type activities			
Charges for service	\$ -	\$ -	\$ -
Operating grants and contributions	-	-	\$ -
EMS	\$ -	\$ -	\$ -
Total primary government	<u>\$ 15,224,001</u>	<u>\$ 16,308,116</u>	<u>\$ 14,600,442</u>
Net (expense)/revenue			
Governmental activities	\$ (28,127,162)	\$ (22,142,218)	\$ (20,791,350)
Business-type activities	-	-	\$ -
Total primary government net expense	<u>\$ (28,127,162)</u>	<u>\$ (22,142,218)</u>	<u>\$ (20,791,350)</u>
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Taxes			
Property taxes	\$ 18,691,980	\$ 17,975,921	\$ 17,294,805
Sales taxes	3,704,825	3,261,313	\$ 3,293,984
Other taxes	20,335	34,120	\$ 28,452
Vehicle Registration	-	-	\$ -
Alcoholic beverage taxes	114,489	133,244	\$ 123,386
Investment earnings	151,111	70,920	\$ 24,256
Transfers	-	-	\$ -
Other	320,472	415,061	\$ 283,576
Total governmental activities	<u>\$ 23,003,212</u>	<u>\$ 21,890,579</u>	<u>\$ 21,048,459</u>
Business-type activities:			
Investment earnings	\$ -	\$ -	\$ -
Transfers	-	-	\$ -
Total business-type activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 23,003,212</u>	<u>\$ 21,890,579</u>	<u>\$ 21,048,459</u>
Change in Net Assets			
Governmental activities	\$ (5,123,950)	\$ (251,639)	\$ 257,109
Adjustment-Implementation GASB 68 & 71 for Pensions	\$ -	\$ -	\$ (10,224,078)
Prior Period Adjustment (EMS Receivables)	-	-	\$ -
Business-type activities	-	-	\$ -
Total primary government	<u>\$ (5,123,950)</u>	<u>\$ (251,639)</u>	<u>\$ (9,966,969)</u>

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 4,981,792	\$ 6,320,712	\$ 4,863,509	\$ 3,495,070	\$ 3,759,057	\$ 3,000,402	\$ 2,284,682
2,010,372	1,057,993	1,496,460	2,344,939	1,951,551	2,186,499	2,065,268
9,308,556	8,780,081	8,912,108	9,150,956	9,071,422	8,457,490	7,613,070
8,034,882	7,749,329	7,622,032	10,244,585	10,617,796	10,775,866	10,290,778
3,240,101	2,397,990	1,940,555	-	-	-	-
687,926	620,634	580,721	1,151,364	666,885	603,749	573,404
246,614	279,181	184,623	-	-	-	-
4,604,784	4,921,612	5,347,720	5,018,699	4,744,706	4,596,948	4,632,488
-	-	-	-	-	-	-
637,620	672,971	11,750	38,128	62,340	85,581	101,016
<u>\$ 33,752,647</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>\$ 33,752,647</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>
\$ 842,054	\$ 5,438,239	\$ 859,145	\$ 412,098	\$ 829,984	\$ 930,385	\$ 878,401
544,054	503,007	450,135	834,039	330,896	330,732	305,531
769,676	530,432	658,268	805,272	681,587	650,617	610,773
2,810,452	253,021	2,525,266	3,274,199	3,543,133	3,351,915	3,063,739
199,606	160,918	172,042	-	-	-	-
162,037	109,604	170,754	112,731	110,969	88,115	97,707
-	-	8,369	-	-	-	-
2,040,526	83,040	2,009,110	2,184,655	2,129,055	2,285,532	1,402,777
6,284,264	6,363,325	5,823,400	7,690,227	7,488,881	6,903,805	6,310,443
40,301	-	-	-	-	54,254	4,773,084
<u>\$ 13,692,970</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>\$ 13,692,970</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>
\$ (20,059,677)	\$ (19,358,917)	\$ (18,282,989)	\$ (16,130,520)	\$ (15,759,252)	\$ (15,111,180)	\$ (10,118,251)
<u>\$ (20,059,677)</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 16,804,691	\$ 15,468,449	\$ 13,019,116	\$ 12,842,095	\$ 12,625,076	\$ 11,522,727	\$ 10,460,117
3,114,639	2,696,082	2,488,739	2,442,426	2,343,620	2,423,490	2,260,752
20,494	367,715	26,669	25,190	21,982	24,399	14,326
-	-	-	-	-	-	970,798
113,186	70,775	92,974	137,417	92,676	89,173	69,668
17,952	35,570	13,696	15,303	38,938	152,407	437,532
-	-	-	-	-	-	-
238,396	-	-	-	-	-	-
<u>\$ 20,309,358</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>\$ 20,309,358</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>
\$ 249,681	\$ (720,326)	\$ (2,641,795)	\$ (668,089)	\$ (636,960)	\$ (898,984)	\$ 4,094,942
-	-	-	-	-	-	-
<u>\$ 249,681</u>	<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>

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

Fiscal Year	Property Tax	Sales Tax	Other Taxes	Alcoholic Beverage Tax	Total
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
2017	18,691,980	3,704,825	20,335	114,489	22,531,629



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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund			
Nonspendable - Prepaid Expenditures	\$ 34,146	\$ 34,146	\$ 35,538
Committed for Projects	1,311,619	1,794,683	1,499,348
Assigned - One Time Allocation	2,204,972	1,638,021	1,747,376
Unassigned	6,057,982	6,013,553	5,516,930
Unreserved	-	-	-
Total general fund	<u>\$ 9,608,719</u>	<u>\$ 9,480,403</u>	<u>\$ 8,799,192</u>
All other governmental funds			
Reserved	\$ -	\$ -	\$ -
Restricted - Debt Service	180,334	180,420	159,259
Restricted - Other Governmental Funds	1,956,903	1,652,320	1,412,114
Restricted - Capital Projects	-	-	629,092
Committed for Public Transportation	2,708,608	3,726,799	1,964,019
Committed for Public Safety	1,155,639	1,279,654	1,518,682
Unassigned	-	-	-
Unreserved, reported in:	-	-	-
Special revenue funds	-	-	-
Total all other governmental funds	<u>\$ 6,001,484</u>	<u>\$ 6,839,193</u>	<u>\$ 5,683,166</u>

Notes

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

(1)						
<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 30,081	\$ 33,227	\$ 34,434	\$ 33,383	\$ -	\$ -	\$ -
1,054,938	862,695	721,980	1,362,950	-	-	-
1,580,532	1,231,385	1,433,682	1,076,540	-	-	-
5,006,369	3,887,335	3,327,237	4,040,071	-	-	-
-	-	-	-	5,636,281	5,586,097	5,082,124
<u>\$ 7,671,920</u>	<u>\$ 6,014,642</u>	<u>\$ 5,517,333</u>	<u>\$ 6,512,944</u>	<u>\$ 5,636,281</u>	<u>\$ 5,586,097</u>	<u>\$ 5,082,124</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,288,853	\$ 1,179,475	\$ 3,348,611
176,508	141,977	9	97,168	-	-	-
1,054,960	819,058	783,523	686,705	-	-	-
975,602	6,368,829	18,888,014	-	-	-	-
1,391,850	1,008,717	1,208,584	954,656	-	-	-
1,125,825	547,155	402,593	637,029	-	-	-
-	-	-	376,094	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,631,726	2,371,763	4,133,784
<u>\$ 4,724,745</u>	<u>\$ 8,885,736</u>	<u>\$ 21,282,723</u>	<u>\$ 2,751,652</u>	<u>\$ 3,920,579</u>	<u>\$ 3,551,238</u>	<u>\$ 7,482,395</u>

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues			
Property Taxes	\$ 18,547,489	\$ 17,800,474	\$ 17,181,150
Other Taxes	3,839,649	3,428,677	3,445,822
Licenses and permits	216,827	220,856	224,649
Intergovernmental	8,348,978	9,382,483	8,492,303
Charges for services	5,576,992	5,450,527	5,611,276
Fines	1,100,612	1,249,603	1,414,356
Investment earnings	151,111	70,920	24,257
Other	341,611	424,455	364,409
Total revenues	<u>\$ 38,123,269</u>	<u>\$ 38,027,995</u>	<u>\$ 36,758,222</u>
Expenditures			
General Government	\$ 4,127,171	\$ 3,753,987	\$ 3,235,748
Financial	2,314,602	2,212,332	2,147,626
Judicial	10,995,766	9,913,226	9,621,632
Public Safety	8,931,995	8,500,706	8,532,630
Corrections and Rehabilitation	2,945,935	3,484,610	2,979,371
Health & Welfare	613,494	770,316	1,211,316
Culture and Education	261,618	264,492	264,068
Public Transportation	7,269,313	5,916,715	5,304,471
Intergovernmental/Contractual	-	-	-
Capital Outlay	-	-	-
Debt service			
Principal	845,000	830,000	815,000
Interest	527,768	544,368	560,667
Other charges	-	-	-
Total expenditures	<u>\$ 38,832,662</u>	<u>\$ 36,190,752</u>	<u>\$ 34,672,529</u>
Excess of revenues over (under) expenditures	<u>\$ (709,393)</u>	<u>\$ 1,837,243</u>	<u>\$ 2,085,693</u>
Other financing sources (uses)			
Transfers in	\$ 1,613,245	\$ 1,750,124	\$ 1,807,837
Transfers out	(1,613,245)	(1,750,124)	(1,807,837)
Issuance of Certificate of Obligation	-	-	-
Premium of Issue of Debt	-	-	-
sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ (709,393)	\$ 1,837,243	\$ 2,085,693
Decrease in fund balances EMS			
Debt service as a percentage of noncapital expenditures	3.54%	3.80%	3.97%

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

	2014	2013	2012	2011	2010	2009	2008
\$	16,774,474	\$ 15,003,377	\$ 12,895,031	\$ 12,759,820	\$ 12,568,933	\$ 11,510,947	\$ 10,700,202
	3,248,319	3,134,572	2,608,382	2,605,032	2,458,278	2,537,062	2,344,746
	161,392	133,457	105,837	112,025	96,904	84,288	97,664
	6,340,871	6,480,749	6,072,422	7,730,809	7,419,809	7,601,448	10,955,219
	5,610,425	5,026,172	5,178,624	5,741,943	5,899,127	5,716,805	5,486,902
	1,530,692	1,561,876	1,178,873	1,451,893	1,315,714	1,413,686	1,510,048
	17,952	35,570	22,838	15,303	38,938	152,407	437,532
	399,198	297,423	224,846	298,440	403,525	452,249	418,255
\$	34,083,323	\$ 31,673,196	\$ 28,286,853	\$ 30,715,265	\$ 30,201,228	\$ 29,468,892	\$ 31,950,568
\$	3,005,714	\$ 2,881,971	\$ 2,822,719	\$ 1,908,570	\$ 1,874,541	\$ 1,852,065	\$ 1,841,400
	2,057,822	1,535,474	1,499,540	2,006,059	1,920,995	1,835,543	1,727,346
	9,319,085	9,324,929	9,000,862	9,110,130	9,014,958	8,515,885	7,591,874
	7,559,836	6,164,325	6,038,477	8,383,465	9,483,904	9,836,567	8,806,703
	7,745,408	2,088,515	2,191,908	-	-	-	-
	670,722	593,720	464,466	948,792	554,724	522,896	511,311
	244,993	186,050	184,623	-	-	-	-
	4,606,788	4,634,876	4,720,409	4,729,129	4,241,268	3,990,104	4,231,038
	-	1,226,231	1,206,060	1,174,386	1,134,146	1,069,738	1,034,739
	-	13,595,819	2,111,121	1,676,803	1,072,856	3,073,396	4,331,888
	800,000	685,000	628,135	631,672	535,091	619,306	548,379
	576,668	655,964	13,913	53,105	73,065	98,972	95,220
	-	-	-	-	-	-	-
\$	36,587,036	\$ 43,572,874	\$ 30,882,233	\$ 30,622,111	\$ 29,905,548	\$ 31,414,472	\$ 30,719,898
\$	(2,503,713)	\$ (11,899,678)	\$ (2,595,380)	\$ 93,154	\$ 295,680	\$ (1,945,580)	\$ 1,230,670
\$	2,015,985	\$ 1,578,561	\$ 1,655,069	\$ 1,334,051	\$ 1,644,023	\$ 1,420,689	\$ 1,537,639
	(2,015,985)	(1,578,561)	(1,655,069)	(1,334,051)	(1,644,023)	(1,420,689)	(1,537,639)
	-	-	20,000,000	-	123,843	-	482,311
	-	-	130,840	-	-	-	-
\$	-	\$ -	\$ 20,130,840	\$ -	\$ 123,843	\$ -	\$ 482,311
\$	(2,503,713)	\$ (11,899,678)	\$ 17,535,460	\$ 93,154	\$ 419,523	\$ (1,945,580)	\$ 1,712,981
	3.76%	4.47%	2.23%	2.37%	2.11%	2.53%	2.44%

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

Fiscal Year	Property Tax(1)	Sales Tax	Other Taxes	Alcoholic Beverage Tax	Total Other Taxes	Total Taxes
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	17,800,474	3,261,313	34,120	133,244	3,428,677	21,229,151
2017	18,547,489	3,704,825	20,335	114,489	3,839,649	22,387,138

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



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

Fiscal Year Ended Sept. 30	Real Property			(2)	Personal
	Residential Property	Commercial Property	Agricultural & Open Acreage	Total Real	Property Total
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
2017	1,694,657,295	902,908,162	1,504,419,820	4,101,985,277	439,398,645

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

StateCode	Description	Grouping	FY 2017	FY 2016	FY 2015
A	Single Family Residence	residential	\$ 1,430,160,105	\$ 1,365,140,626	\$ 1,214,424,490
B	MultiFamily Residence	residential	264,497,190	259,866,510	243,410,560
C	Vacant Lot	land	109,705,616	94,325,461	84,045,429
D1	Qualified Ag Land	land	1,372,420,453	1,327,441,283	1,116,282,909
D2	Non Qualified Land	land	22,293,751	17,888,182	15,206,290
E	Farm or Ranch Improv.	commercial	471,715,766	456,971,752	415,792,778
F1	Commercial Real	commercial	402,765,906	379,402,379	340,586,809
F2	Industrial Real Property	commercial	28,426,490	26,470,380	24,033,940
G1	Oil and Gas	minerals	5,862,802	8,361,917	10,520,067
G3	Minerals-Non Producing	minerals	275,360	275,360	275,360
J1	Water Systems	personal	11,380	11,380	4,000
J2	Gas Distribution System	personal	2,278,490	1,961,270	1,686,520
J3	Electric Company	personal	49,994,160	46,003,490	41,235,270
J4	Telephone Company	personal	9,733,410	9,389,820	10,158,600
J5	RailRoad	personal	22,035,800	20,481,730	18,452,040
J6	Pipelnd Company	personal	34,602,700	33,711,030	34,937,800
J7	Cable Television Co.	personal	6,108,870	5,818,520	5,750,570
J8	Other type of Utility	personal	31,800	31,800	31,800
L1	Commercial Personal	personal	140,311,380	135,741,450	123,936,440
L2	Industrial Personal	personal	101,689,710	151,800,590	148,850,040
M1	Tangible Other	personal	47,222,669	48,656,088	42,782,260
N	Intangible Property	personal	-	-	-
O	Residential Inventory	personal	3,140,504	1,199,600	1,953,840
S	Special Inventory Tax	personal	16,099,610	14,795,200	11,180,020
			\$ 4,541,383,922	\$ 4,405,745,818	\$ 3,905,537,832
Less:					
Productivity Loss (Ag and Timber Use)			(1,323,148,574)	(1,282,993,441)	(1,072,732,022)
Homestead Cap (10% cap on residential homesteads)			(9,911,926)	(19,201,950)	(6,118,846)
Tax Ceiling and Over 65 and disabled exemption			(71,774,857)	(68,932,746)	(66,620,346)
Other Exemptions /Deductions			(20,823,045)	(56,427,523)	(62,907,910)
Total Exemptions			\$ (1,425,658,402)	\$ (1,427,555,660)	\$ (1,208,379,124)
Taxable Assessed Value			\$ 3,115,725,520	\$ 2,978,190,158	\$ 2,697,158,708
Total Direct Tax Rate			\$0.6157	\$0.6206	\$0.6589

(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
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	0.6206	67.60%
1,425,658,402	3,115,725,520	0.6157	68.61%

FY 2014	FY 2013	FY 2012	FY 2011	FY 2010	FY 2009
\$ 1,171,963,250	\$ 1,119,049,757	\$ 1,096,500,415	\$ 1,019,194,065	\$ 1,001,871,339	\$ 977,153,378
240,178,120	255,472,510	233,875,970	212,421,879	211,171,040	178,853,610
81,439,934	81,767,312	93,750,505	90,377,875	89,540,840	90,455,940
1,108,156,711	911,121,052	874,865,866	800,701,069	798,546,287	791,261,545
11,979,881	65,901,900	88,151,283	51,886,549	52,847,729	57,630,844
377,940,875	311,709,173	304,499,853	299,170,151	292,208,361	280,598,771
323,489,681	280,310,140	263,245,850	258,115,930	252,701,530	240,566,988
23,838,600	18,758,400	18,192,520	18,764,790	15,585,940	13,440,310
4,663,359	4,582,581	6,033,800	7,186,881	9,409,435	10,823,964
275,360	276,680	280,680	280,680	284,060	284,060
4,000	4,000	4,000	4,000	4,000	4,000
1,531,050	1,328,950	1,483,120	1,424,250	1,434,290	1,402,330
38,883,940	39,602,830	53,687,160	33,991,630	32,425,920	31,723,310
11,128,710	12,680,250	16,647,590	16,696,730	18,138,180	19,376,840
16,640,630	14,891,740	13,876,060	12,053,960	11,209,160	10,442,880
26,260,590	26,112,300	25,696,480	19,739,420	15,325,720	15,902,070
5,659,900	5,910,520	3,049,230	3,108,650	2,969,980	2,885,300
31,800	31,800	31,800	31,800	31,800	31,800
118,823,670	113,080,610	113,485,550	193,157,700	232,557,780	118,728,270
153,479,910	132,878,470	126,233,030	44,107,500	11,132,160	82,799,150
44,088,289	46,904,675	49,752,480	52,040,250	52,533,620	52,884,250
-	15,110	9,710	9,710		10,000
2,665,130	1,817,150	2,261,020	2,153,860	2,467,100	4,061,980
10,926,260	9,891,630	8,766,500	6,935,660	9,400,840	10,653,350
\$ 3,774,049,650	\$ 3,454,099,540	\$ 3,394,380,472	\$ 3,143,554,989	\$ 3,113,797,111	\$ 2,991,974,940
(1,061,987,752)	(864,873,036)	(829,788,729)	(753,891,998)	(775,445,300)	(744,534,217)
(4,844,955)	(3,921,326)	(11,967,776)	(7,534,476)	(15,567,539)	(26,567,273)
(61,884,961)	(59,008,162)	(56,299,468)	(54,192,145)	(46,170,943)	(45,423,831)
(75,629,347)	(57,171,848)	(57,135,097)	(63,347,006)	(66,137,508)	(36,227,555)
\$ (1,204,347,015)	\$ (984,974,372)	\$ (955,191,070)	\$ (878,965,625)	\$ (903,321,290)	\$ (852,752,876)
\$ 2,569,702,635	\$ 2,469,125,168	\$ 2,439,189,402	\$ 2,264,589,364	\$ 2,210,475,821	\$ 2,139,222,064
\$0.6778	\$0.6355	\$0.5536	\$0.5793	\$0.5770	\$0.5450

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

	<u>2017</u>	<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>
County:										
Operating	0.5708	0.5724	0.6071	0.6209	0.5712	0.5391	0.5485	0.5485	0.5132	0.5136
Debt Service	<u>0.0449</u>	<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>
Total	0.6157	0.6206	0.6589	0.6778	0.6355	0.5536	0.5793	0.5770	0.5450	0.5450
Huntsville ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
Debt Service	<u>0.1400</u>	<u>0.1400</u>	<u>0.1700</u>							
Total	1.1800	1.1800	1.2100	1.2100	1.2100	1.2100	1.2100	1.2100	1.2100	1.2100
Richards ISD										
Operating	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
Debt Service	<u>0.0000</u>									
Total	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
New Waverly ISD										
Operating	1.1700	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0234	0.9734
Debt Service	<u>0.1900</u>	<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>
Total	1.3600	1.2400	1.2400	1.2400	1.2605	1.2605	1.2700	1.2700	1.2534	1.2034
City of Huntsville										
Operating	0.2838	0.2833	0.2862	0.2920	0.2639	0.2381	0.2134	0.2249	0.2108	0.2436
Debt Service	<u>0.0971</u>	<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>
Total	0.3809	0.3838	0.4106	0.4206	0.4206	0.3915	0.4007	0.4007	0.4007	0.4135
City of New Waverly										
Operating	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2088
Debt Service	<u>0.0000</u>									
Total	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.2088
City of Riverside										
Operating	0.1561	0.1681	0.1918	0.0817	0.0894	0.0818	0.0551	0.1101	0.0803	0.0836
Debt Service	<u>0.0000</u>	<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>
Total	0.1561	0.1681	0.1918	0.1924	0.2030	0.2088	0.2136	0.2064	0.2340	0.2480
Hospital District										
Operating	0.1346	0.1427	0.1537	0.1590	0.1554	0.1568	0.1530	0.1534	0.1537	0.1600
Debt Service	<u>0.0000</u>									
Total	0.1346	0.1427	0.1537	0.1590	0.1554	0.1568	0.1530	0.1534	0.1537	0.1600
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>									
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	0.1000	0.0300	0.0300	0.0300
Debt Service	<u>0.0000</u>									
Total	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0300	0.0300	0.0300
Totals										
Operating Total	4.5553	4.4465	4.5188	4.4336	4.3599	4.2958	4.2500	4.2469	4.1514	4.3530
Debt Service Total	<u>0.4720</u>	<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>
Total	5.0273	4.9352	5.0650	5.0998	5.0850	4.9812	5.0266	4.9475	4.9268	5.1187

**WALKER COUNTY, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
SEPTEMBER 30, 2017**

<u>Taxpayer</u>	<u>For the Fiscal Year Ending 09/30/17</u>	
	<u>Taxable</u>	<u>Percentage of</u>
	<u>Assessed</u>	<u>Total Taxable</u>
	<u>Value</u>	<u>Assessed</u>
	<u>Value</u>	<u>Value</u>
Entergy Texas Inc	\$ 39,055,390	1.25%
PEP-SHSU LLC	23,642,470	0.76%
C150 1300 Smither Drive LLC	20,490,270	0.66%
American Campus Community	19,154,190	0.61%
Weatherford US LP	19,042,602	0.61%
Union Pacific Railroad Co	18,119,930	0.58%
Wal-Mart Stores Texas LLC 0285-1-14206	17,338,580	0.56%
Hyponex Corporation	16,568,912	0.53%
Vesper Forum LLC	16,340,040	0.52%
UFP New Waverly LLC	15,388,039	0.49%

<u>Taxpayer</u>	<u>For the Fiscal Year Ending 09/30/08</u>	
	<u>Taxable</u>	<u>Percentage of</u>
	<u>Assessed</u>	<u>Total Taxable</u>
	<u>Value</u>	<u>Assessed</u>
	<u>Value</u>	<u>Value</u>
Entergy Gulf States, Inc.	\$ 22,715,530	1.16%
Southwestern Bell Telephone	19,641,490	1.00%
Wal-Mart Stores Texas LP #01-0285	16,052,050	0.82%
Weatherford Completion & Oilfield Services	14,833,094	0.75%
Huntsville Place LP	13,430,650	0.68%
SCI Gateway at Huntsville Fund etal	12,638,450	0.64%
Universal Forest Products	11,819,788	0.60%
Samuel C. Dominey	11,231,690	0.57%
Arbors of Huntsville	10,032,160	0.51%
University House Sam Houston Phase II LP	8,357,600	0.43%

Source: Walker County Appraisal District

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

Fiscal Year Ended September 30	(1) Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2017	18,399,930	17,867,124	97.1%	378,980	18,246,104	99.2%

(1) Original Tax Levy

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

Fiscal Year	General Obligations Bonds(1)	Capital Leases	Total	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Percentage Personal Income
2008	2,290,362	-	2,290,362	401,479	1,888,883	0.10%	29.40	1.22%
2009	1,671,056	-	1,671,056	401,510	1,269,546	0.06%	19.61	n/a
2010	1,259,808	-	1,259,808	427,477	832,331	0.04%	12.27	n/a
2011	628,135	-	628,135	473,262	154,873	0.01%	2.28	n/a
2012	20,124,352	-	20,124,352	32,807	20,091,545	0.82%	295.09	n/a
2013	19,432,864	-	19,432,864	141,977	19,290,887	0.78%	282.00	n/a
2014	18,626,376	-	18,626,376	176,508	18,449,868	0.71%	268.10	n/a
2015	17,804,888	-	17,804,888	159,259	17,645,629	0.65%	252.84	n/a
2016	16,968,401	-	16,968,401	180,420	16,787,981	0.56%	237.46	n/a
2017	16,116,913	-	16,116,913	180,334	15,936,579	0.51%	222.94	n/a

Note: (1) Presented net of original issuance discounts and premiums.

**WALKER COUNTY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2017**

<u>Governmental Unit</u>	(1) Debt Outstanding	(2) Estimated Percentage Applicable	(3) Estimated Share of Overlapping Debt
Huntsville I.S.D.	\$ 27,868,676	100%	\$ 27,868,676
New Waverly I.S.D.	6,773,687	100%	\$ 6,773,687
City of Huntsville	24,515,000	100%	\$ 24,515,000
City of New Waverly	100,000	100%	\$ 100,000
City of Riverside	-	100%	-
Subtotal Overlapping Debt			<u>\$ 59,257,363</u>
Walker County direct debt			\$ 16,116,913
Total direct and overlapping debt			<u><u>\$ 75,374,276</u></u>

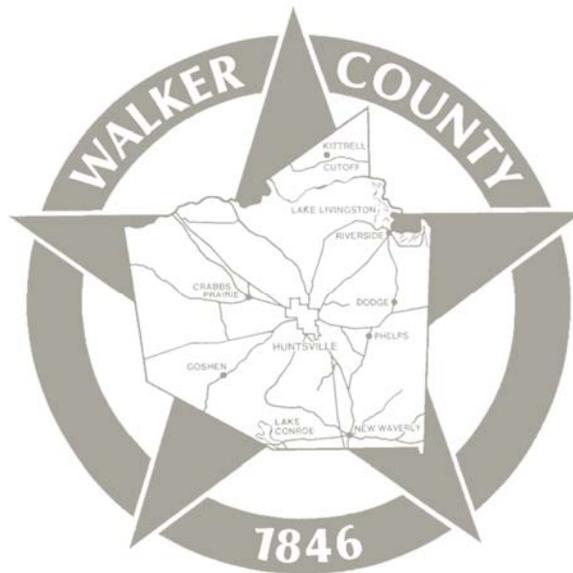
Notes:

(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>2017</u>	<u>2016</u>	<u>2015</u>
Debt limit (Based on 25% of Value Real Property)	\$ 1,025,496,319	\$ 981,876,643	\$ 863,445,801
Total net debt applicable to limit	<u>15,844,666</u>	<u>16,689,580</u>	<u>17,540,741</u>
Legal debt margin	<u>\$ 1,009,651,653</u>	<u>\$ 965,187,063</u>	<u>\$ 845,905,060</u>
Total net debt applicable to the limit as a percentage of debt limit	1.55%	1.70%	2.03%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 2,676,326,875
Add back: exempt real property	<u>1,425,658,402</u>
Total assessed value	<u>\$ 4,101,985,277</u>
Debt limit (25% of total assessed value)	\$ 1,025,496,319
Debt applicable to limit:	
General obligation debt	\$ 16,025,000
Less: Amount set aside for repayment of general obligation debt	180,334
Total net debt applicable to limit	<u>\$ 15,844,666</u>
Legal debt margin	<u>\$ 1,009,651,653</u>

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 834,746,763	\$ 761,047,122	\$ 743,270,566	\$ 687,658,077	\$ 678,618,267	\$ 657,490,347	\$ 600,584,401
18,449,868	19,173,023	19,967,193	154,873	832,331	1,269,546	1,888,883
<u>\$ 816,296,895</u>	<u>\$ 741,874,099</u>	<u>\$ 723,303,373</u>	<u>\$ 687,503,204</u>	<u>\$ 677,785,936</u>	<u>\$ 656,220,801</u>	<u>\$ 598,695,518</u>
2.21%	2.52%	2.69%	0.02%	0.12%	0.19%	0.31%

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

Fiscal Year	(1) Population	(2) Personal Income (amounts expressed in thousands)	(2) Per Capita Personal Income	(3) Median Age	School Enrollment	Unemployment Rate
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%
2017	71,484	\$ 1,839,000	\$ 25,719	n/a	7,219	4.3%

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

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

Total personal income and per capita income is as of December 31, 2016

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

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

<u>Employer</u>	<u>2017</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Texas Department of Criminal Justice	6823	1	30.32%
Sam Houston State University	3817	2	16.96%
Huntsville Independent School District	878	3	3.90%
Huntsville Memorial Hospital	533	4	2.37%
Wal-Mart	485	5	2.16%
Walker County	296	6	1.32%
City of Huntsville	270	6	1.20%
Universal Forest Products	200	8	0.89%
Home Health Care of Huntsville/THEE Hospice	200	9	0.89%
New Waverly ISD	161	10	0.72%

<u>Employer</u>	<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Texas Department of Criminal Justice	6271	1	25.52%
Sam Houston State University	3099	2	12.61%
Huntsville Independent School District	900	3	3.66%
Wal-Mart	488	4	1.99%
Huntsville Memorial Hospital	400	5	1.63%
Region VI Education Service Center	389	6	1.58%
Walker County	365	7	1.49%
City of Huntsville	327	8	1.33%
Weatherford Completion Center	210	9	0.85%
Gulf Coast Trade Center	200	10	0.81%

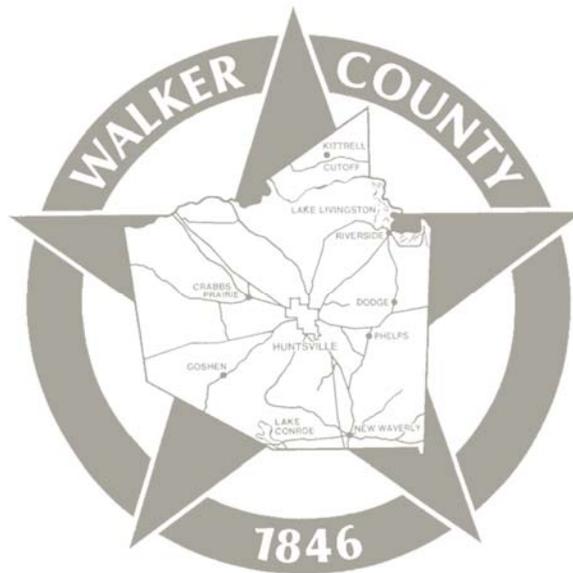
Note. Total employees in Walker County in September 2016 was 22,156.

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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating										
General Government										
Elected	2	2	2	2	2	2	1	1	1	1
Employees	30.5	30	29	27	26	25.5	15.5	15.5	13.5	13.5
Judicial										
Elected	7.5	7.5	7.5	7.5	7.5	7.5	9	9	9	9
Employees	45.5	46	45.5	44.5	43	43	42	41	40	40
Financial										
Elected	2	2	2	2	2	2	3	3	3	3
Appointed	2	2	2	2	2	2	2	2	2	2
Employees	23	21.5	21.5	21	21	21	30	31	31	31
Public Safety										
Elected	5	5	5	5	5	5	5	5	5	5
Employees-Certified	36	33	33	31	30.5	30	35.5	35.5	35.5	35.5
Employees-Non-Certified	7.5	7.5	7.5	8.5	8.5	8	34.5	34.5	34.5	34.5
Employee-Certified/Noncertified										
Employees - EMS	39	39	39	39	39	39	33	33	32	32
Corrections and Rehabilitation										
Employees-Certified	39	39	40.5	40.5	33.5	33.5	0	0	0	0
Employees-Non-Certified	3.5	3.5	3.5	3.5	3.5	3.5	0	0	0	0
Health and Welfare										
Employees	7.5	7.5	7.5	7.5	6.5	6.5	10.5	10.5	10	10
Culture and Education										
Employees	4	4	4	4	4	4	0	0	0	0
Public Transportation										
Elected	4	4	4	4	4	4	4	4	4	4
Employees	34.5	34.5	34.5	34	34	33.5	32.5	32.5	31	31
Legislatively Designated										
Judicial	0	0	0	0	0	0	1	1	1.5	1.5
Public Safety	0	0	0	0	0	0	3	2	2	2
General Government	0	0	0	0	0	0	2	2	3	3
Grants/State Funding										
Juvenile Probation	6	6	6	6	6	6	6	6	6	6
Adult Probation	29.5	29	29	29	29	29	29	29	32	32
SPU Criminal/Civil/Juvenile	44	44	45	45	45	45	45	48	51.4	43
Total	372	367	368	363	352	350	343.5	345.5	347.4	339

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**

Function	<u>2017</u>	<u>2016</u>	<u>2015</u>
Sheriff Office/Constables			
Papers Served	1,880	1,942	1,975
Jail			
Bookings at Jail	3,791	3,671	3,806
Average Daily Jail Population	162	171	154
Highest Daily Jail Population	193	228	179
Health and Welfare			
Permits Issued	1,080	1,164	1,020
Judicial/Courts			
Number of indigent cases	1,383	1,219	1,127
Cases filed District Courts-Civil	561	521	499
Cases filed District Courts-Criminal	436	443	628
Cases filed District Courts-Family	521	595	533
Cases disposed -County Court at Law	908	935	1,107
Cases filed in Court at Law-Criminal	927	796	944
Cases filed County Court at Law-Civil	251	225	284
Cases filed in JP Courts-Traffic/Non Traffic Misdemeanors	6,817	7,747	8,276
Cases filed in JP Courts - Civil	819	818	801
Cases Disposed of - JP Courts	6,750	7,806	8,084
County Clerk			
Documents recorded	8,983	10,296	9,160
Adult Probation			
Offenders Supervised	3,363	3,293	3,258
Juvenile Probation			
Juveniles Supervised	74	61	67

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1,647	1,853	1,712	1,773	2,003	1,933	2,034
3,015	3,918	4,238	4,456	4,089	4,086	4,035
147	146	151	151	143	136	143
196	176	173	175	176	153	173
861	405	897	899	860	250	273
1,092	1,277	1,330	1,239	1,361	1,462	1,142
587	491	461	493	533	550	536
466	377	556	654	621	615	607
559	534	625	868	819	748	718
1,337	1,403	1,508	1,696	1,833	2,073	1,918
893	1,198	1,583	1,555	1,605	1,864	1,745
282	343	487	478	547	601	706
9,172	10,899	9,099	12,682	11,732	11,786	11,678
714	658	718	587	677	657	659
8,864	9,939	8,794	12,805	13,060	12,603	13,110
10,172	10,079	9,503	9,036	8,400	8,441	8,984
3,400	3,476	3,415	3,388	3,395	2,409	2,465
63	81	90	109	109	111	130

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

Function	<u>2017</u>	<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>
Public Safety										
Sheriff Office										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	35	35	35	35	35	35	35	34	33	33
Jail	1	1	1	1	1	1	1	1	1	1
Number of beds	268	268	268	268	162	162	162	162	162	162
Road & Bridge										
Miles of roads	539.72	539.72	537	537	537	537	537	552	531	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

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



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, 2017, 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 26, 2018.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 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,

A handwritten signature in cursive script that reads "Davis, Heinemann & Co.".

Davis, Heinemann & Company, P.C.

Huntsville, Texas
March 26, 2018



DAVIS, HEINEMANN & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

1300 11TH STREET, SUITE 500

P.O. BOX 6308

HUNTSVILLE, TEXAS 77342

PHONE (936) 291-3020

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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 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 each of Walker County, Texas' major federal and state programs for the year ended September 30, 2017. 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 and state 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 (CFR) 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, 2017.

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 & Company, P.C.

Huntsville, Texas
March 26, 2018

WALKER COUNTY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

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 No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance 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 No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

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

Any 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 Program or Cluster</u>
Federal	97.036	Disaster Grants - Public Assistance
State	N/A	Prosecution of Prison Crimes - Criminal

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

Auditee qualified as low-risk auditee? Federal: Yes State: Yes

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

WALKER COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

<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, 2017

EXHIBIT D-1

Page 1 of 4

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal/State Expenditures
FOREST SERVICE SCHOOLS AND ROADS CLUSTER:				
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Direct Program:				
U.S. Forest Service - Title 1	10.665	-	\$ 23,522	\$ 23,522
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>23,522</u>	<u>23,522</u>
TOTAL FOREST SERVICE SCHOOLS AND ROADS CLUSTER			<u>23,522</u>	<u>23,522</u>
OTHER PROGRAMS:				
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Passed Through Texas Office of the Governor - Criminal Justice Division				
DA-Victims of Crime Act Formula Grant Program	16.575	2015-VA-GX-0009	-	43,850
DA-Violence Against Women Formula Grant Program	16.588	2014-WF-AX-0001	-	38,563
Total Passed Through Texas Office of the Governor - Criminal Justice Division			<u>-</u>	<u>82,413</u>
Passed Through City of Huntsville:				
2016 Justice Assistance Grant Program (JAG)	16.738	2016-DJ-BX-267	-	866
Total Passed Through the City of Huntsville			<u>-</u>	<u>866</u>
Passed Through Bureau of Justice Assistance:				
State Criminal Alien Assistance Program (SCAAP)	16.606	2016-AP-BX-0038	956	4,347
Bulletproof Vest Partnership Grant Program	16.607	-	-	2,248
Total Passed Through Bureau of Justice Assistance			<u>956</u>	<u>6,595</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>956</u>	<u>89,874</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed Through Texas Division of Emergency Management:				
Homeland Security Grant (2016 SHSP)	97.067	EMW-2016-SS-00056	-	58,200
Emergency Management Assistance (EMPG)	97.042	16TX-EMPG-0483	-	19,327
Emergency Management Assistance (EMPG)	97.042	17TX-EMPG-0483	-	27,610
Total Program 97.042			<u>-</u>	<u>46,937</u>
Total Passed Through Texas Division of Emergency Management			<u>-</u>	<u>105,137</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>-</u>	<u>105,137</u>
<u>U.S. EXECUTIVE OFFICE OF THE PRESIDENT</u>				
Direct Program:				
High Intensity Drug Trafficking Areas Program	95.001	G16HN0025A	-	47,035
TOTAL U.S. EXECUTIVE OFFICE OF THE PRESIDENT			<u>-</u>	<u>47,035</u>

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, 2017

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
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
Passed Through State Division of Emergency Management:				
Emergency Management Assistance	97.036	4223-DR-TX	-	1,267
Emergency Management Assistance	97.036	4255-DR-TX	-	181,528
Emergency Management Assistance	97.036	4266-DR-TX	-	280,760
Emergency Management Assistance	97.036	4272-DR-TX	-	520,275
Total Program 97.036			<u>-</u>	<u>983,830</u>
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY				
			<u>-</u>	<u>983,830</u>
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>				
Passed Through General Land Office:				
CDBG Disaster Recovery - Fire Protection	14.228	15-127-0-8837	-	66,762
Total Passed Through General Land Office:			<u>-</u>	<u>66,762</u>
Passed Through Texas Department of Agriculture:				
CDBG Disaster Recovery - Street Repairs	14.228	7216057	-	314,953
Total Passed Through Texas Department of Agriculture			<u>-</u>	<u>314,953</u>
Total Program 14.228			<u>-</u>	<u>381,715</u>
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT				
			<u>-</u>	<u>381,715</u>
<u>U.S. GENERAL SERVICES ADMINISTRATION</u>				
Passed Through Texas Facilities Commission:				
Federal Surplus Property Program	39.003	-	-	12,150
TOTAL U.S. GENERAL SERVICES ADMINISTRATION				
			<u>-</u>	<u>12,150</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed Through Texas Juvenile Probation Commission:				
Title IV-E Federal Foster Care	93.658	-	-	1,599
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
			<u>-</u>	<u>1,599</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>24,478</u>	<u>1,644,862</u>

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, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal/State Expenditures
STATE AWARDS				
Passed Through Office of Court Administration:				
Task Force on Indigent Defense		212-17-236	\$ -	\$ 60,905
Passed Through Juvenile Probation Commission:				
State Aid Contract		A-2017-236	-	225,282
Commitment Reduction		C-2017-236	-	39,058
Mental Health Services		N-2017-236	-	33,376
Community Programs		A-2017-236	-	96,856
Total Passed Through Juvenile Probation Commission			-	394,572
Passed Through Department of Corrections:				
CSCD - Basic Supervision		2017-900	-	411,583
CSCD - Court Services		2017-003	-	196,688
CSCD - Substance Abuse Services		2017-002	-	109,350
Total Passed Through Department of Corrections			-	717,621
Passed Through Office of Governor:				
Prosecution of Prison Crimes - Criminal		SF-11-A10-14918-17	-	1,583,477
Passed Through Office of State Comptroller:				
Judiciary Apportionment - CDA		N/A	-	22,500
Passed Through Texas Department of State Health Services:				
AgriLife Extension- Preventative Hospitalization		2016-003789	-	69,721
Passed Through Office of Attorney General:				
Statewide Victim Information and Notification Everyday System		1772169	-	16,500
Passed Through Southeast Texas Trauma Regional Advisory Council:				
EMS Trauma Care System		N/A	-	11,495
Passed Through Mental Health Services:				
Regional Juvenile Mental Health Services		26067-04	-	11,850
Passed Through Montgomery County:				
Texas Department of Motor Vehicles		608-16-1700000	-	72,804
Passed Through Texas Department of Transportation:				
Transportation Infrastructure Funds		CTIF-01-236	-	29,604
Passed Through Office of the Secretary of State:				
Chapter 19 Voter Funds		N/A	-	5,318
TOTAL EXPENDITURES OF STATE AWARDS			-	2,996,367

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, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal/State Expenditures
STATE ALLOCATIONS				
SPU - State Allocation		08-A10-14918-17	\$ -	\$ 336,419
SPU - Civil		08-A10-14918-17	-	2,520,719
SPU - Longevity Pay - Civil		08-A10-14918-17	-	7,430
SPU - Longevity Pay - Criminal		08-A10-14918-17	-	28,600
SPU - Juvenile		08-A10-14918-17	-	788,565
SPU - Longevity Pay - Juvenile		08-A10-14918-17	-	3,080
Constitutional Judge Salary Supplement		SB 600	-	20,431
CCL Judge Supplement		SB 600	-	84,000
State Prosecutor Salary Supplement		HB 9	-	4,375
Juror Pay		SB 1704	-	15,606
State Longevity Pay		SB 844	-	8,130
Road & Bridge - Lateral Road Allocation		Tax Code-Chap 162	-	93,294
Rider 78 and Rider 81 - Supplement for District Clerk		HB 1	-	12,000
TOTAL STATE ALLOCATIONS			<u>-</u>	<u>3,922,649</u>
STATE REIMBURSEMENTS				
State Funds - Capital Murder		N/A	-	292,996
Sexual Assault Exam		N/A	-	5,091
TOTAL STATE REIMBURSEMENTS			<u>-</u>	<u>298,087</u>
TOTAL STATE AWARDS, ALLOCATIONS, AND REIMBURSEMENTS			<u>\$ -</u>	<u>\$ 7,217,103</u>

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, 2017

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.

