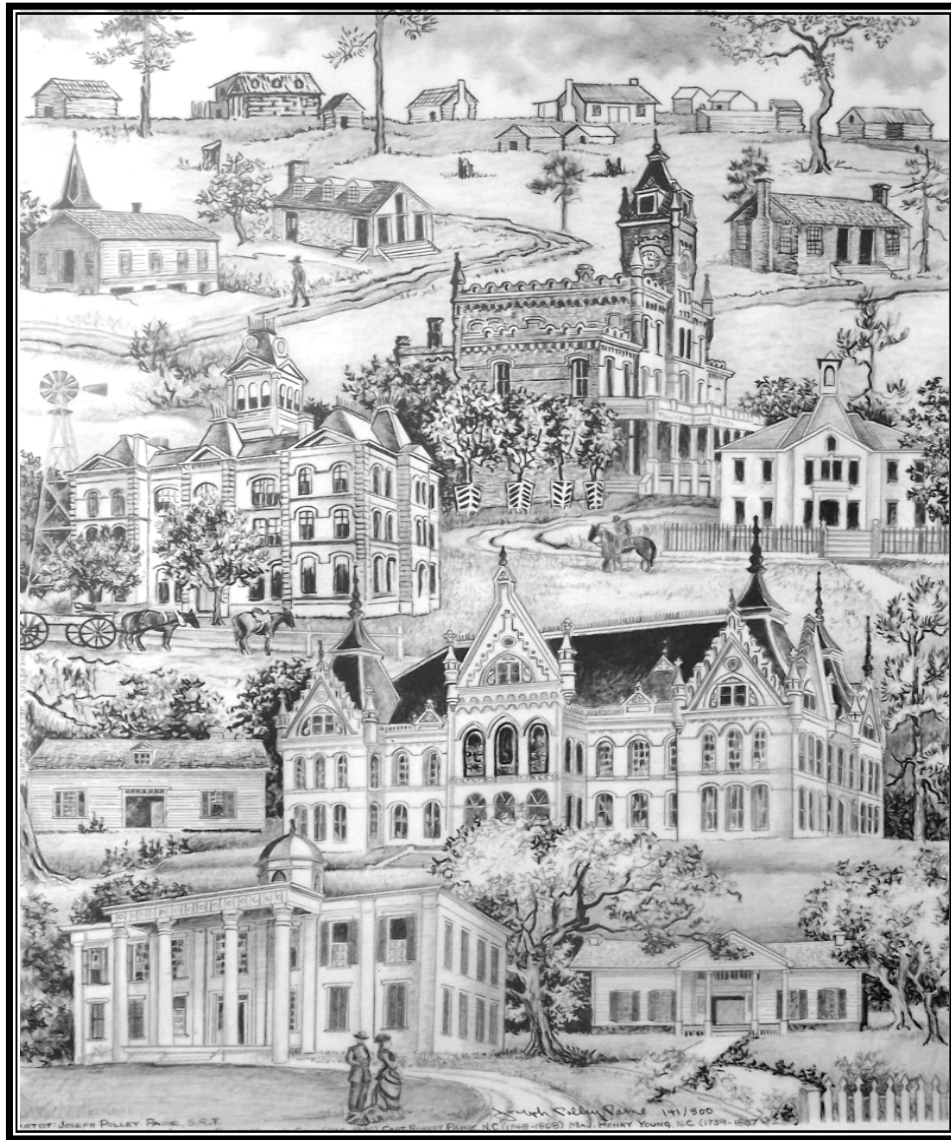




# Walker County, Texas



*Comprehensive Annual Financial Report  
For the Year Ended September 30, 2018*

**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, 2018

Prepared by:  
County Auditor Department



**WALKER COUNTY, TEXAS**  
Comprehensive Annual Financial Report  
For The Year Ended September 30, 2018

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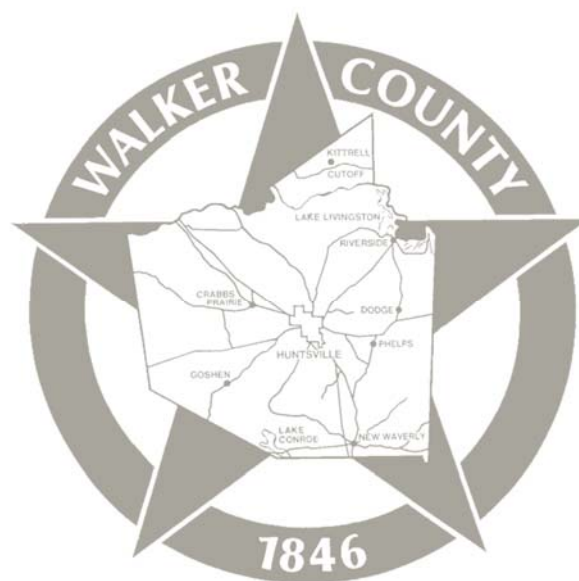
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WALKER COUNTY AUDITOR

1301 Sam Houston Avenue Room 206

Huntsville, Texas 77320

(936) 436-4948

March 25, 2019

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

Gentlemen:

The Comprehensive Annual Financial Report of Walker County, Texas, for the year ended September 30, 2018, 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, 2018 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, 2018 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 72,245. Walker

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

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

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

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

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

Walker County provides access to the highly popular Sam Houston National Forest where rich vegetation and numerous lakes allow visitors to participate in activities such as fishing, camping, and hiking. Also, Walker County visitors and residents alike enjoy the scenery provided by the world's tallest statue of an American hero; the 67-foot high replica of Sam Houston known as *A Tribute to Courage*. Meanwhile, indoor entertainment can be found at the Sam Houston Memorial Museum, the Texas Prison Museum, and a variety of cultural and sporting events offered by Sam Houston State University, in Huntsville. The 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 72,245. 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 2018 was 4.0%, compared with the state unemployment rate of 3.7% and national unemployment rate of 3.7%. This county rate compares to 4.3%, 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 13,833 inmates. Sam Houston State University, also located in Walker County, reported an enrollment of approximately 21,114 students for the fall of 2018 as compared to 20,477 for 2017.

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. 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, 2017, 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, 2018 or 2019. The total budget for FY 18/19 that began October 1, 2018 is \$36,695,071 compared to the original budget of \$35,119,502 for the FY 17/18 year covered by this report, an increase of \$1,575,569.

#### **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, 2017. This was the twenty second 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**

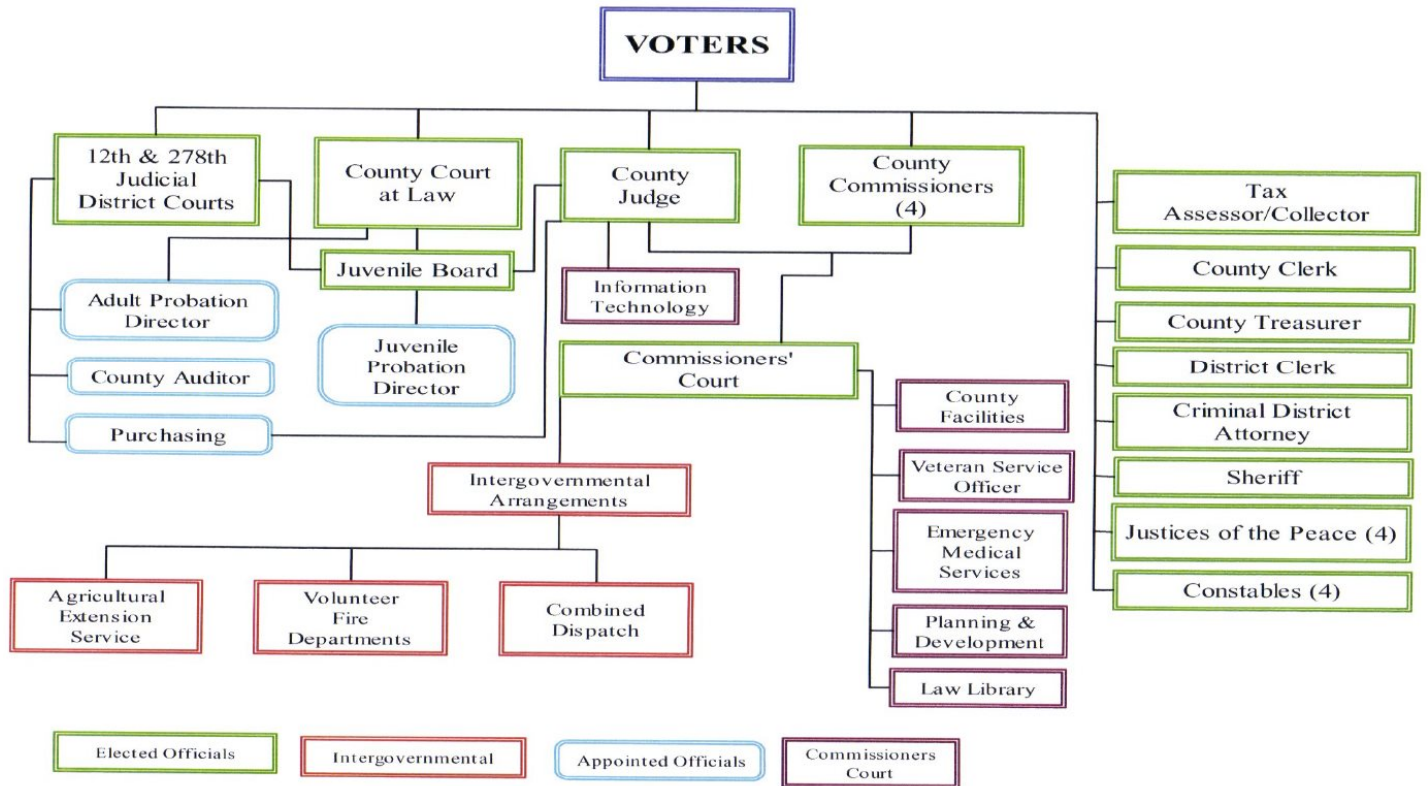
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morrell*

Executive Director/CEO

# Walker County, Texas Organization



# WALKER COUNTY, TEXAS

## LIST OF PRINCIPAL OFFICIALS

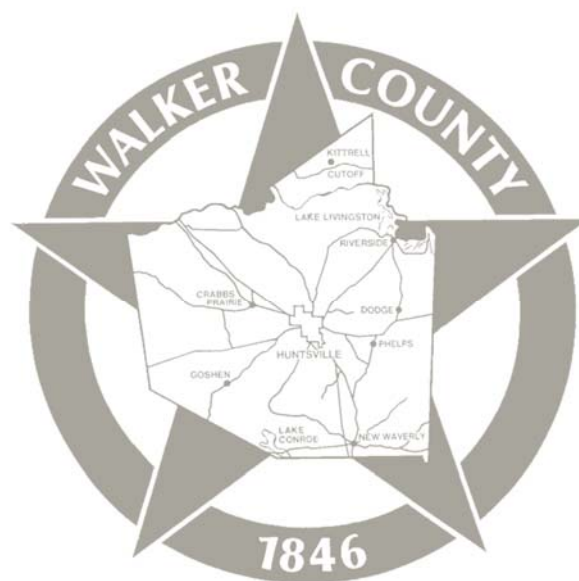
SEPTEMBER 30, 2018

### Elected Officials

Name	Office
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 Dauge	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

Name	Office
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

FAX (936) 291-9607

**Independent Auditor's Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Walker County, Texas ("the County") as of and for the year ended September 30, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

### *Change in Accounting Principle*

As described in Note A to the financial statements, in 2018, Walker County, Texas adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

## 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 changes in the OPEB liability, 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 state awards is presented for purposes of additional analysis as required by *Texas Uniform Grant Management Standards* and is also not a required part of the basic financial statements.

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

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

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

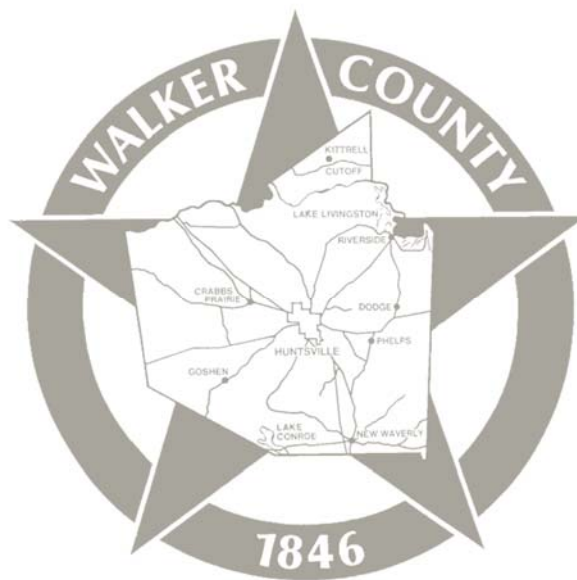
In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2019 on our consideration of Walker County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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,

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

Davis, Heinemann & Company, P.C.

Huntsville, Texas  
March 25, 2019



## 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, 2018. 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 liabilities of Walker County exceeded its assets at the close of its most recent fiscal year by \$4,147,855 (net position). The unrestricted net position is a negative \$14,374,814. A major change in the method for accounting for unrestricted net position occurred with the issue of the 2015 comprehensive annual financial report related to the implementation of GASB 68 and GASB 71 and once again with the issue of the 2018 comprehensive annual financial report related to the implementation of GASB 75. Governments are required to reduce their net position by 100% of the unfunded liability for future payments to the employee's retirement system, even though, annual funding requirements are being met. Governments are also required to reduce their net position by 100% of the unfunded liability for postemployment benefits other than pensions (OPEB). For Walker County, these reductions amounted to a prior period adjustment of \$10,224,078 in the 2015 fiscal year and a prior period adjustment of \$4,527,777 in the 2018 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 \$26,403,771. General revenues of \$24,619,760 (Exhibit A-2) were \$1,784,011 less than expenses net of program revenue. The change in unrestricted is primarily due to the increase in OPEB liabilities. Exhibit A-6 on page 32 provides additional information.
- The General Fund, on a current financial resource basis (fund level), reported revenues over expenditures of \$2,973,272 as compared to a planned reduction of \$1,734,456 (Exhibits A-5 and B-1), the result primarily of decreased spending and revenues over budget.
- As of September 30, 2018, unassigned fund balance in the General Fund was \$7,337,147. The total unassigned Fund Balance for the prior year was \$6,057,982.
- Unassigned Fund balance as a percentage of expenditures for the General Fund is 33%, an amount that exceeds the minimum requirement goal (16.67%) set by Commissioners' Court. The adopted budget for FY 2019 included use of fund balance for one-time expenditures. The amount included in the FY 2019 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, grants and contracts fund, road and bridge fund, and the EMS fund which are considered to be major funds. Data from twenty-five other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements beginning on page 82.

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 26.

**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 has one internal service fund, the retiree health insurance fund. The financial statements for this fund can be found beginning on page 33.

**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 37 to 58 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 60 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 82.

## Government-wide Financial Analysis

Below is condensed financial information for the fiscal year 2018 with comparative data for 2017. The following schedule focuses on the net position of the County as a whole and gives data as of September 30<sup>th</sup> (the County's fiscal year end date) of each year.

### WALKER COUNTY, TEXAS' NET POSITION

	Governmental Activities					
	2018		2017		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Cash, Cash Equivalents, & Investments	\$ 18,589,502	39	\$ 14,880,936	31	\$ 3,708,566	25
Receivables and Prepaids	5,597,041	12	7,379,705	16	(1,782,664)	(24)
Capital Assets, Net of Depreciation	22,441,459	48	24,985,779	53	(2,544,320)	-
<b>Total Assets</b>	<b>46,628,002</b>	<b>100</b>	<b>47,246,420</b>	<b>100</b>	<b>(618,418)</b>	
Deferred Outflows of Resources-Pensions	4,403,098		5,939,526			
Deferred Inflows of Resources-Pensions	4,684,928		754,354			
Current Liabilities	4,351,307	9	4,318,417	8	32,890	1
Noncurrent Liabilities	46,142,720	91	46,879,903	92	(737,183)	(2)
<b>Total Liabilities</b>	<b>50,494,027</b>	<b>100</b>	<b>51,198,320</b>	<b>100</b>	<b>(704,293)</b>	
<b>Net Position:</b>						
Net Investment in Capital Assets	7,970,991		8,868,866		(897,875)	
Restricted	2,255,968		2,129,888		126,080	
Unrestricted	(14,374,814)		(9,765,392)		(4,609,422)	
<b>Total Net Position</b>	<b>\$ (4,147,855)</b>		<b>\$ 1,233,362</b>		<b>\$ (5,381,217)</b>	(436)

As mentioned earlier, net position may serve over time as a useful indicator of a government's financial position. Liabilities exceed assets by \$4,147,855 at September 30, 2018 as compared to \$1,233,362 at September 30, 2017. Investment in capital assets (land, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding totals \$7,970,991. 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. \$194,244 is restricted for Debt Service and \$2,061,724 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 (\$14,374,814). The deficit is due to the implementation of GASB 68, GASB 71, and GASB 75, which forces a major change in the method for accounting for unfunded liabilities for future payments to the employee's retirement system and for postemployment benefits other than pensions, even if, annual funding requirements are being met. For Walker County, the cumulative effect of this reduction since GASB 68, GASB 71 and GASB 75 were implemented has amounted to \$18,896,362. Currently the employee's retirement system is funded at 84%. Additional information on the liability for the retirement system is found in Note M, beginning on page 51 of this report and additional information for OPEB is found in Note N, beginning on page 55 of this report.

**Government-wide Activities.** There was a difference in expenses over revenues of \$1,784,011 reported on the Statement of Activities on a government-wide view. Included in the expenses are \$1,004,986 for OPEB expense and \$948,148 for pension expense. In addition, depreciation exceeded the addition of capital assets and reduction of debt by \$904,364. Key elements of the overall decrease in net position are as follows.

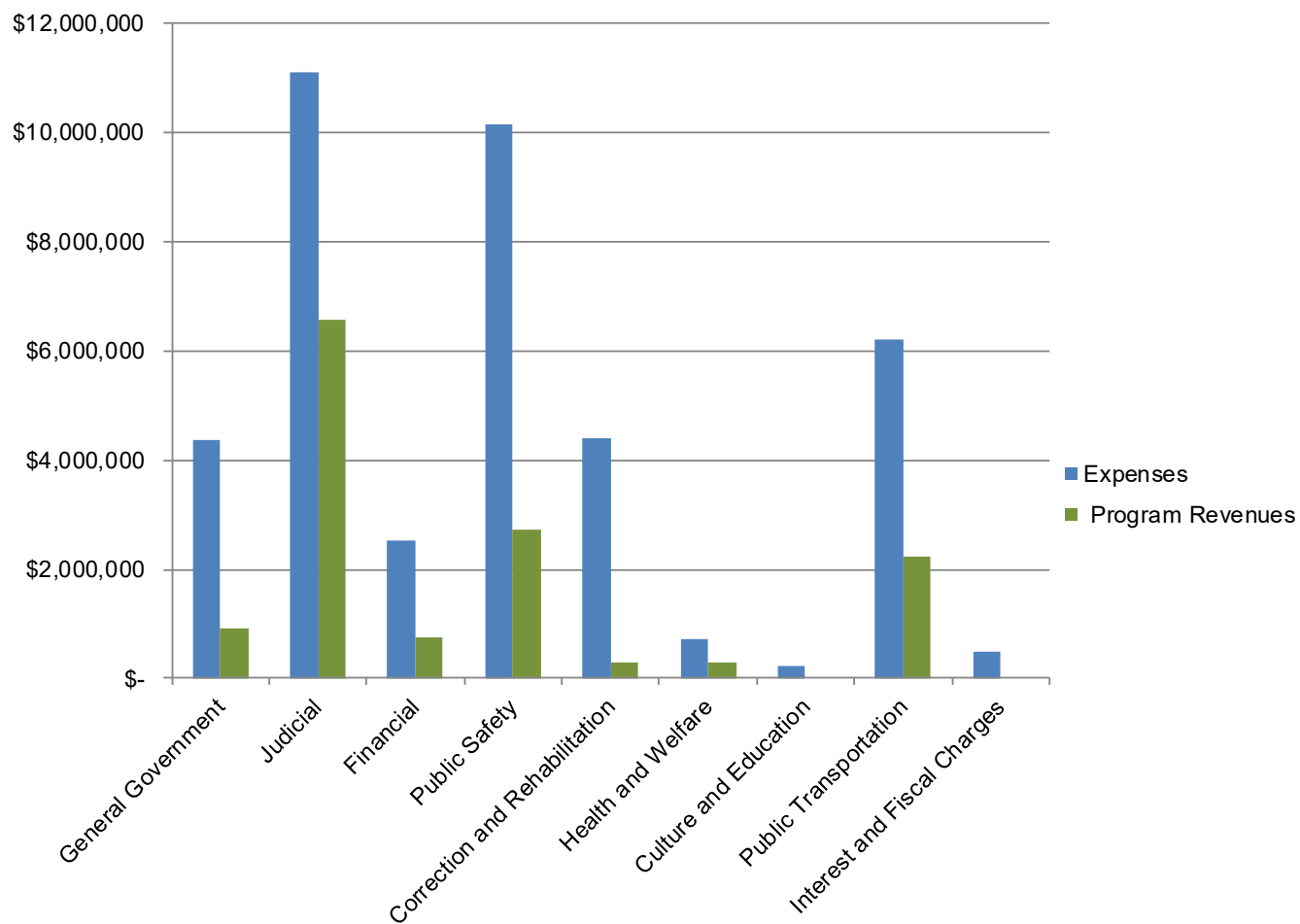
#### WALKER COUNTY, TEXAS' CHANGE IN NET POSITION

	Governmental Activities					
	2018		2017		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
<b>Revenues:</b>						
Program Revenues:						
Charges for Service	\$ 7,269,779	20	\$ 7,177,639	19	\$ 92,140	1
Operating Grants and Contributions	6,488,447	17	8,046,362	21	(1,557,915)	(19)
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues:						
Property Taxes	19,532,967	51	18,691,980	49	840,987	4
Other Taxes	4,089,976	11	3,839,649	10	250,327	-
Investment Earnings	347,850	1	151,111	0	196,739	130
Other	648,967	2	320,472	1	328,495	103
<b>Total Revenues</b>	<b>38,377,986</b>	<b>99</b>	<b>38,227,213</b>	<b>100</b>	<b>(177,722)</b>	
<b>Expenses:</b>						
General Government	4,358,180	11	6,496,973	17	(2,138,793)	(33)
Judicial	11,102,287	28	11,589,784	29	(487,497)	(4)
Financial Administration	2,529,932	6	2,455,399	6	74,533	3
Public Safety	10,136,547	25	9,566,499	24	570,048	6
Correction and Rehabilitation	4,387,983	11	4,345,175	11	42,808	100
Health & Welfare	707,113	2	653,677	2	53,436	8
Culture and Education	226,851	-	279,911	-	(53,060)	100
Public Transportation	6,211,591	15	7,445,266	19	(1,233,675)	(17)
Interest and Fiscal Charges	501,513	1	518,479	1	(16,966)	(3)
<b>Total Expenses</b>	<b>40,161,997</b>	<b>100</b>	<b>43,351,163</b>	<b>108</b>	<b>(3,189,166)</b>	
<b>Change in Net Position</b>	<b>(1,784,011)</b>		<b>(5,123,950)</b>		<b>3,339,939</b>	
<b>Net Position - Beginning</b>	<b>1,233,362</b>		<b>6,357,312</b>		<b>(5,123,950)</b>	
Prior Period Adjustment	(3,597,206)		-		(3,597,206)	
<b>Net Position - Ending</b>	<b>(4,147,855)</b>		<b>1,233,362</b>		<b>(5,381,217)</b>	<b>(436)</b>



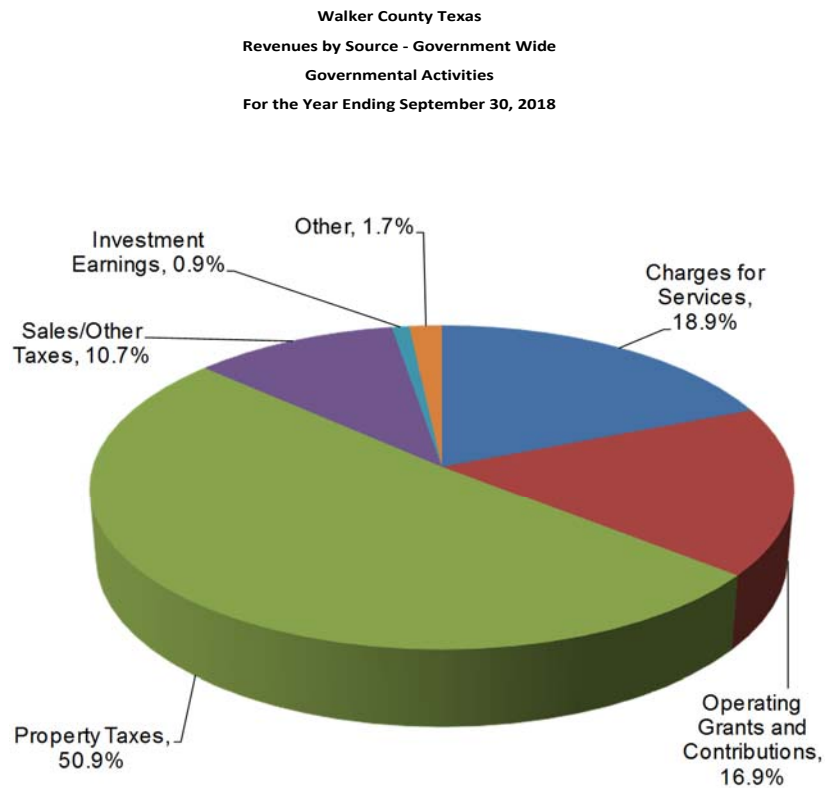
The following graphic presentation depicts expenses and program revenues for fiscal year 2018 for governmental activities (government-wide).

**Walker County Texas**  
**Expenses and Program Revenues**  
**Government-Wide Governmental Activities**  
**For the Year Ending September 30, 2018**



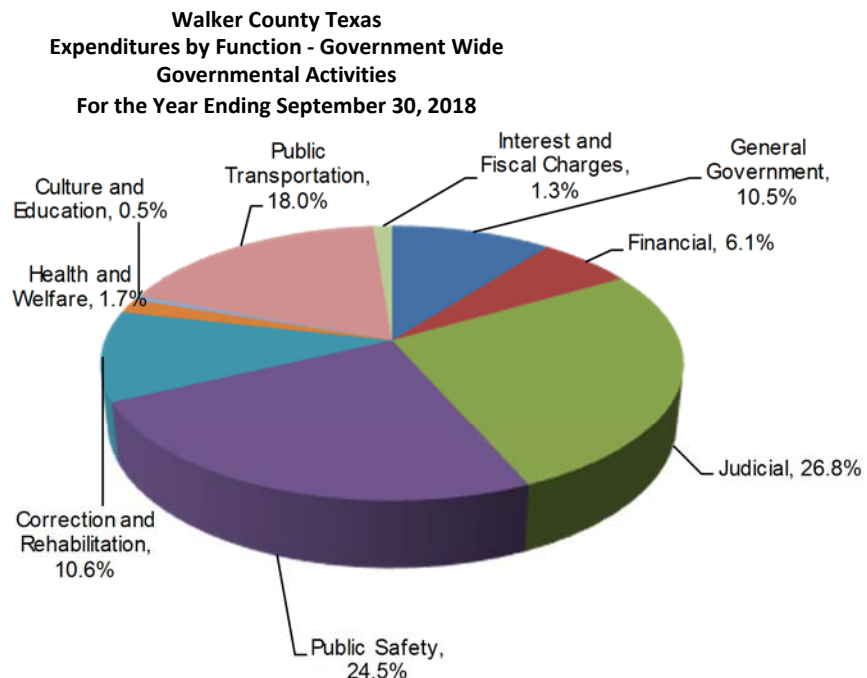
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The following graphic presents revenues by source for fiscal year 2018 for governmental activities (government-wide).



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The following graphic presentation presents expenditures by function for fiscal year 2018 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 \$16,167,687 (Exhibit A-3) compared to \$15,610,203 in the prior year, an increase of \$557,484. The amount includes a decrease in funds for Public Transportation in the Road and Bridge Fund of \$488,134, primarily due to the spending of FEMA funds received in the prior year for flood projects. Other changes include an increase in the General Fund of \$1,232,110, an increase of \$13,910 in the Debt Service Fund, a decrease in the EMS Fund of \$346,247 due primarily to the purchase of equipment and an ambulance and an increase of \$145,848 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, 2018 is \$7,337,147 compared to \$6,057,982, a difference of \$1,279,165 from the fiscal year ending September 30, 2017. 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 33% of General Fund expenditures. Revenues in all categories exceeded budget. In total, the General Fund, revenues exceeded the revised budget by \$1,745,186. Monies included in the General Fund for projects that were not spent during the fiscal year total \$1,438,352. These project monies are carried forward to the next budget year (FY 2019) for these projects. Vacancies and unfilled positions also resulted in expenditures less than budgeted. A presentation follows at the end of this section showing a comparison by category.

There was not a significant net change in Fund Balance in the Debt Service Fund. The increase was \$13,910.

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 \$41,024 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 \$2,220,474 down from \$2,708,608 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 \$809,392 at year end, a decrease from \$1,155,639 at the end of the prior fiscal year primarily due to purchase of a new ambulance.

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

**Internal Service Fund** - The focus of the County's internal service fund is to accumulate and allocate costs for retiree health insurance. The net position of the Retiree Health Insurance fund is \$1,393,275 at year end which is an increase of \$405,901 from the prior fiscal year end.

## **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 2018 (current year). The portion of fund balance that was committed for projects is \$1,490,076 at the end of the fiscal year ended September 30, 2018. Project expenditures for the fiscal year were \$260,992, primarily for facilities major repairs and software improvements.

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, 2018. The chart below highlights the changes by category. A summary by category by department of the expenditure budgets for the General Fund is presented beginning of page 61. The Salaries/Other Pay/Benefits shows, the largest category in the General Fund budget shows a significant difference in the budget and the actual. This is due to vacancies throughout the year. Contingency funds were not spent and projects funds are available that were not spent in the current year. Sales tax and other taxes showed collections well in excess of the budget and the collection rate for ad valorem taxes was greater than budgeted.

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

	General Fund				
	Final Budget		Actual		Variance
	Final Budget	%	Actual	%	Amount
<b>Revenues</b>					
Ad Valorem Taxes	\$ 14,757,715	68	\$ 15,107,098	64	\$ 349,383
Property Tax Penalty and Interest	230,000	1	293,099	1	63,099
Other Taxes	3,510,984	16	4,089,976	17	578,992
Licenses and Permits	204,000	1	295,998	1	91,998
Intergovernmental Revenues	660,051	3	879,687	4	219,636
Charges for Service	1,820,940	8	2,022,920	9	201,980
Fines and Forfeitures	-	-	26,594	0	26,594
Interest Income	94,025	0	277,679	1	183,654
Other Income	453,361	2	483,121	2	29,760
<b>Total Revenues</b>	<b>21,731,076</b>	<b>100</b>	<b>23,476,172</b>	<b>100</b>	<b>1,745,096</b>
<b>Expenditures</b>					
Salaries/Other Pay/Benefits	14,741,252	63	14,122,124	69	619,128
Operations	4,540,950	19	4,165,780	20	375,170
Intergovernmental/Contracts	1,537,593	7	1,526,251	7	11,342
Contingency	481,201	2	-	-	481,201
Projects	1,699,274	7	260,922	1	1,438,352
Capital	465,172	2	427,823	2	37,349
<b>Total Expenditures</b>	<b>23,465,442</b>	<b>100</b>	<b>20,502,900</b>	<b>100</b>	<b>2,962,542</b>
<b>Total Revenues over Expenditures</b>	<b>\$ (1,734,366)</b>		<b>\$ 2,973,272</b>		<b>\$ 4,707,638</b>
<b>Other Financing Sources(Uses)</b>					
Transfers In	-		-		-
Transfers Out	(2,096,640)		(1,741,162)		(355,478)
<b>Total Other Financing Sources(Uses)</b>	<b>(2,096,640)</b>		<b>(1,741,162)</b>		<b>(355,478)</b>
<b>Net Change in Fund Balance</b>	<b>(3,831,006)</b>		<b>1,232,110</b>		<b>4,352,160</b>

The Original Budget included 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 \$1,232,110.

Differences between the original expenditure budget and final amended expenditure budget are a result primarily of grants and state funds, and insurance reimbursement 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 60.

Increases to the revenue budget total \$608,953. The increase includes reimbursements from the insurance carrier in the amount of \$393,686 for storm damages incurred in the fiscal year and the balance primarily from

intergovernmental transfers from the state and federal government for grants received, capital murder costs reimbursements and FEMA reimbursements. 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.

## Capital Assets and Debt Administration

**Capital Assets.** Walker County's investment in capital assets on a government-wide basis as of September 30, 2018 is \$23,216,415 (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					
	2018		2017		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land	\$ 680,552	3	\$ 680,552	3	\$ -	-
Buildings	19,248,480	83	20,810,395	83	(1,561,915)	(8)
Vehicles	1,511,812	7	1,373,947	5	137,865	10
Furniture, Fixtures, Office Equipment	187,753	1	306,610	1	(118,857)	(39)
Machinery & Equipment	1,493,417	6	1,814,275	7	(320,858)	(18)
Construction in Progress	94,401	0	-	-	94,401	100
<b>Totals</b>	<b>\$ 23,216,415</b>	<b>100</b>	<b>\$ 24,985,779</b>	<b>100</b>	<b>\$ (1,769,364)</b>	

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 \$15,160,000.

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					
	2018		2017		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Certificates of Obligation:						
Capital Projects	\$ 15,160,000	100	\$ 16,025,000	100	\$ (865,000)	(5)
Equipment	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 15,160,000</b>	<b>100</b>	<b>\$ 16,025,000</b>	<b>100</b>	<b>\$ (865,000)</b>	

For the fiscal year ended September 30, 2018, payments on certificates of obligation debt totaled \$865,000.

Additional information on debt can be found in Note I on page 48 to the financial statements. In addition to debt for certificates of obligation the County has recorded debt for compensated absences of \$853,182, and a long-term liability for OPEB of \$16,837,358. The liability for OPEB is discussed in Note N shown on page 55 of this report. In addition, the liability of \$14,086,755 is recorded for the net pension liability. Note M beginning on page 51 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 2018 was 4.0%, as compared to the state unemployment rate of 3.7% and national unemployment rate of 3.7%. This rate compares to 4.3% 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 13,833 inmates.

- The new improvement/construction value added to the tax roll for FY 2019 (tax year 2018) totaled \$114,143,506 as compared to \$90,310,912 for the prior year.
- Commissioners' Court approved a \$36,695,071 expenditure budget for FY 2019, an increase from the \$35,119,502 budget for the 2018 fiscal year.
- The tax rate adopted for the FY 2019 budget is \$0.5494 per \$100 of valuation, down from the \$0.5815 for FY 2018. 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 2019 at the date of this report generally continue to be in line with expectations. Total sales tax receipts in FY 2019 are up approximately 5.9% from FY 2018. 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, 2018

	Governmental Activities
ASSETS:	
Cash and Cash Equivalents	\$ 18,589,502
Taxes Receivable	1,738,583
Accounts Receivable, Net	1,315,595
Fines Receivable	722,542
Internal Balances	-
Prepaid items	38,918
Due from Other Governments	938,459
Due from Others	67,988
Capital Assets Not Being Depreciated:	
Land	680,555
Construction in Progress	94,401
Capital Assets, Net of Accumulated Depreciation	22,441,459
Total Assets	<u>46,628,002</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred Outflows of Resources from Pensions	4,403,098
Total Outflows of Resources	<u>4,403,098</u>
LIABILITIES:	
Accounts Payable	1,239,245
Accrued Interest	81,807
Due to Other Governments	194,351
Due to Others	237,216
Accrued Liabilities	1,711,344
Unearned Revenue	7,344
Noncurrent Liabilities:	
Due Within One Year	880,000
Due in More Than One Year	46,142,720
Total Liabilities	<u>50,494,027</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred Inflows of Resources from Pensions	4,684,928
Total Inflows of Resources	<u>4,684,928</u>
NET POSITION:	
Net Investment in Capital Assets	7,970,991
Restricted For:	
Debt Service	194,244
Grants or by Legislation	2,061,724
Unrestricted	(14,374,814)
Total Net Position	<u>\$ (4,147,855)</u>

The accompanying notes are an integral part of this statement.



**WALKER COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
General Government	\$ 4,358,180	\$ 848,792	\$ 66,185	\$ (3,443,203)
Financial	2,529,932	750,706	-	(1,779,226)
Judicial	11,102,287	748,720	5,801,437	(4,552,130)
Public Safety	10,136,547	2,453,193	280,918	(7,402,436)
Correction and Rehabilitation	4,387,983	285,823	1,362	(4,100,798)
Health and Welfare	707,113	296,098	-	(411,015)
Culture and Recreation	226,851	-	-	(226,851)
Public Transportation	6,211,591	1,886,447	338,545	(3,986,599)
Interest and Fiscal Charges	501,513	-	-	(501,513)
Total Governmental Activities	40,161,997	7,269,779	6,488,447	(26,403,771)
Total Primary Government	\$ 40,161,997	\$ 7,269,779	\$ 6,488,447	(26,403,771)
General Revenues:				
Property Taxes				19,532,967
Sales Taxes				3,824,119
Mixed Beverage and Other Taxes				265,857
Investment Earnings				347,850
Miscellaneous				648,967
Transfers				-
Total General Revenues				24,619,760
Change in Net Position				(1,784,011)
Net Position - Beginning				1,233,362
Prior Period Adjustment				(3,597,206)
Net Position - Ending				\$ (4,147,855)

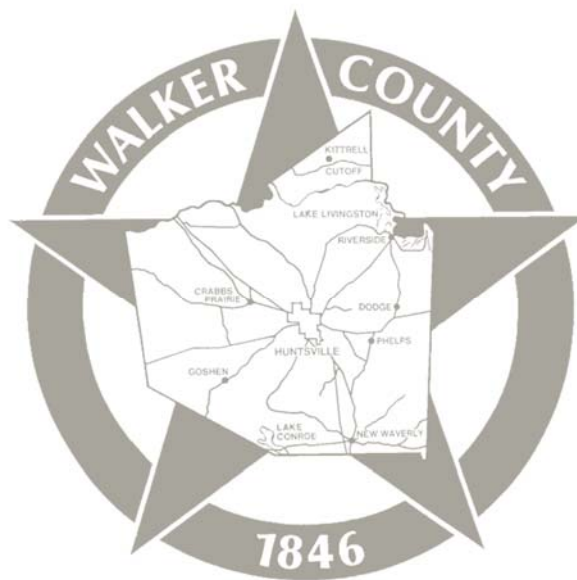
The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018

	General Fund	Debt Service Fund	Road and Bridge Fund
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 11,452,071	\$ 194,244	\$ 2,337,044
Taxes Receivable	1,611,590	126,993	-
Accounts Receivable, Net	83,032	-	-
Prepaid items	38,918	-	-
Due from Other Governments	813,388	-	9,419
Due from Other Funds	1,028,897	-	-
Due from Others	66,843	-	1
Total Assets	<u>\$ 15,094,739</u>	<u>\$ 321,237</u>	<u>\$ 2,346,464</u>
<b>LIABILITIES:</b>			
Accounts Payable	\$ 626,881	\$ -	\$ 91,588
Due to Other Governments	189,592	-	-
Due to Other Funds	-	-	-
Due to Others	237,216	-	-
Accrued Liabilities	1,588,631	-	34,402
Unearned Revenue	-	-	-
Total Liabilities	<u>2,642,320</u>	<u>-</u>	<u>125,990</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Revenue - Property Taxes	1,611,590	126,993	-
Total Deferred Inflows of Resources	<u>1,611,590</u>	<u>126,993</u>	<u>-</u>
<b>FUND BALANCES:</b>			
Nonspendable - Prepaid Items	38,918	-	-
Restricted for Debt Service	-	194,244	-
Restricted for Grants or by Legislation	-	-	-
Committed for Projects	1,490,076	-	-
Committed for Public Transportation	-	-	2,220,474
Committed for Public Safety	-	-	-
Assigned - One-Time-Allocation	1,974,688	-	-
Unassigned	7,337,147	-	-
Total Fund Balance	<u>10,840,829</u>	<u>194,244</u>	<u>2,220,474</u>
Total Liabilities and Fund Balance	<u>\$ 15,094,739</u>	<u>\$ 321,237</u>	<u>\$ 2,346,464</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
\$ 936,809	\$ 41,024	\$ 2,235,035	\$ 17,196,227
-	-	-	1,738,583
164,728	1,060,335	7,500	1,315,595
-	-	-	38,918
10,503	71,736	33,413	938,459
-	-	-	1,028,897
-	605	539	67,988
<u>\$ 1,112,040</u>	<u>\$ 1,173,700</u>	<u>\$ 2,276,487</u>	<u>\$ 22,324,667</u>
\$ 259,826	\$ 66,797	\$ 194,153	\$ 1,239,245
-	-	4,759	194,351
-	1,027,945	952	1,028,897
-	-	-	237,216
42,822	37,934	7,555	1,711,344
-	-	7,344	7,344
<u>302,648</u>	<u>1,132,676</u>	<u>214,763</u>	<u>4,418,397</u>
-	-	-	1,738,583
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,738,583</u>
-	-	-	38,918
-	-	-	194,244
-	41,024	2,061,724	2,102,748
-	-	-	1,490,076
-	-	-	2,220,474
809,392	-	-	809,392
-	-	-	1,974,688
-	-	-	7,337,147
<u>809,392</u>	<u>41,024</u>	<u>2,061,724</u>	<u>16,167,687</u>
<u>\$ 1,112,040</u>	<u>\$ 1,173,700</u>	<u>\$ 2,276,487</u>	<u>\$ 22,324,667</u>



**WALKER COUNTY, TEXAS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018

Total fund balances - governmental funds balance sheet	\$ 16,167,687
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.	23,216,415
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,738,583
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	1,393,275
Payables for bond principal which are not due in the current period are not reported in the funds.	(15,160,000)
Payables for bond interest which are not due in the current period are not reported in the funds.	(81,807)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(853,182)
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	722,542
Recognition of the County's proportionate share of the net pension liability is not reported in the funds.	(14,086,755)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(4,684,928)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	4,403,098
Bond premiums are amortized in the SNA but not in the funds.	(85,425)
Recognition of the County's proportionate share of the net OPEB liability is not reported in the funds.	(16,837,358)
Net position of governmental activities - Statement of Net Position	\$ <u>(4,147,855)</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, 2018

	General Fund	Debt Service Fund	Road and Bridge Fund
<b>REVENUES:</b>			
Property Taxes	\$ 15,107,098	\$ 1,358,076	\$ 2,734,817
Property Tax Penalty and Interest	293,099	22,577	-
Sales Tax	3,824,119	-	-
In Lieu of Tax	149,997	-	-
Mixed Beverage	115,860	-	-
License and Permits	295,998	-	-
Intergovernmental	879,687	-	338,545
Charges for Services	2,022,920	-	861,470
Fines & Forfeitures	26,594	-	1,024,977
Interest Income	277,679	9,125	24,074
Other Income	483,121	-	3,620
Total revenues	<u>23,476,172</u>	<u>1,389,778</u>	<u>4,987,503</u>
<b>EXPENDITURES:</b>			
Current:			
General Government	4,028,430	-	-
Financial	2,361,129	-	-
Judicial	4,773,683	-	-
Public Safety	5,362,851	-	-
Correction and Rehabilitation	3,104,984	-	-
Health and Welfare	667,951	-	-
Culture and Education	203,872	-	-
Public Transportation	-	-	6,078,834
Debt Service:			
Principal Retirement	-	865,000	-
Interest and Fiscal Charges	-	510,868	-
Total Expenditures	<u>20,502,900</u>	<u>1,375,868</u>	<u>6,078,834</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,973,272</u>	<u>13,910</u>	<u>(1,091,331)</u>
Other Financing Sources (Uses):			
Transfers In	-	-	660,000
Transfers Out	(1,741,162)	-	-
Total Other Financing Sources (Uses)	<u>(1,741,162)</u>	<u>-</u>	<u>660,000</u>
Net Change in Fund Balances	1,232,110	13,910	(431,331)
Fund Balances - Beginning	9,608,719	180,334	2,708,608
Prior Period Adjustment	-	-	(56,803)
Fund Balances - Ending	<u>\$ 10,840,829</u>	<u>\$ 194,244</u>	<u>\$ 2,220,474</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
\$ -	\$ -	\$ -	\$ 19,199,991
-	-	-	315,676
-	-	-	3,824,119
-	-	-	149,997
-	-	-	115,860
-	-	-	295,998
21,374	5,120,100	439,099	6,798,805
2,124,804	-	409,286	5,418,480
-	-	166,332	1,217,903
8,417	775	27,780	347,850
137,303	10,246	14,676	648,966
<u>2,291,898</u>	<u>5,131,121</u>	<u>1,057,173</u>	<u>38,333,645</u>
-	-	220,971	4,249,401
-	-	-	2,361,129
-	5,027,819	648,893	10,450,395
3,648,480	129,836	75,879	9,217,046
-	-	-	3,104,984
-	9,878	-	677,829
-	-	-	203,872
-	-	-	6,078,834
-	-	-	865,000
-	-	-	510,868
<u>3,648,480</u>	<u>5,167,533</u>	<u>945,743</u>	<u>37,719,358</u>
<u>(1,356,582)</u>	<u>(36,412)</u>	<u>111,430</u>	<u>614,287</u>
1,010,335	27,309	43,518	1,741,162
-	-	-	(1,741,162)
<u>1,010,335</u>	<u>27,309</u>	<u>43,518</u>	<u>-</u>
(346,247)	(9,103)	154,948	614,287
1,155,639	50,127	1,906,776	15,610,203
-	-	-	(56,803)
<u>\$ 809,392</u>	<u>\$ 41,024</u>	<u>\$ 2,061,724</u>	<u>\$ 16,167,687</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, 2018

Net change in fund balances - total governmental funds	\$ 614,287
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	1,088,524
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,857,888)
The gain or loss on the sale of capital assets is not reported in the funds.	22,275
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.	(22,275)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	17,300
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	27,040
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	865,000
(Increase) decrease in accrued interest from beginning of period to end of period.	2,867
The net revenue (expense) of internal service funds is reported with governmental activities.	405,901
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(396)
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.	(948,148)
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	(1,004,986)
Change in net position of governmental activities - Statement of Activities	\$ <u>(1,784,011)</u>

The accompanying notes are an integral part of this statement.



**WALKER COUNTY, TEXAS**

## STATEMENT OF NET POSITION

## INTERNAL SERVICE FUND

SEPTEMBER 30, 2018

	Nonmajor Internal Service Fund <u>Retiree Insurance Fund</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 1,393,275
Total Current Assets	<u>1,393,275</u>
LIABILITIES:	
Current Liabilities:	
Total Liabilities	<u>-</u>
NET POSITION:	
Unrestricted	1,393,275
Total Net Position	<u>\$ 1,393,275</u>

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION - INTERNAL SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Nonmajor Internal Service Fund Retiree Insurance Fund
OPERATING REVENUES:	
Charges for Services:	
Charges for Retiree Insurance	\$ 405,901
Total Operating Revenues	<u>405,901</u>
OPERATING EXPENSES:	
Total Operating Expenses	<u>-</u>
Operating Income	<u>405,901</u>
Total Net Position - Beginning	-
Prior Period Adjustment	987,374
Total Net Position - Ending	<u>\$ 1,393,275</u>

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Retiree Insurance Fund
<b>Cash Flows from Operating Activities:</b>	
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	\$ 405,901
Net Cash Provided (Used) by Operating Activities	<u>405,901</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 405,901
Cash and Cash Equivalents at Beginning of Year	987,374
Cash and Cash Equivalents at End of Year	<u>\$ 1,393,275</u>
 <b>Reconciliation of Operating Income to Net Cash     Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ 405,901
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	-
Change in Assets and Liabilities:	-
Total Adjustments	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 405,901</u>

The accompanying notes are an integral part of this statement.

**WALKER COUNTY, TEXAS**

## STATEMENT OF FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

SEPTEMBER 30, 2018

	Agency Funds
<b>ASSETS:</b>	
Cash and Cash Equivalents	\$ 5,210,026
Total Assets	<u>5,210,026</u>
<b>LIABILITIES:</b>	
Accounts Payable	\$ 11,287
Due to Other Governments	2,281,512
Due to Others	2,878,668
Accrued Liabilities	38,559
Total Liabilities	<u>\$ 5,210,026</u>

The accompanying notes are an integral part of this statement.

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### 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, 2018

### 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 in the government-wide financial statements. The County reports governmental, proprietary and fiduciary funds in the fund 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. Financial data for the internal service fund is included with the governmental funds for presentation in the government-wide financial statements.

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 proprietary funds, which include internal service funds, are reported under the accrual basis of accounting and the economic resources measurement focus. Revenues are recognized when earned, and expenses are recognized when they are incurred. Claims incurred but not reported are included in payables and expenses. All assets and liabilities (whether current or non-current) associated with their activity are included in the funds statement of net position.

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.

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

The County reports the following major governmental funds:

#### General Fund

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

#### Debt Service Fund

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

#### 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.

#### Internal Service Fund

This proprietary fund is used to report activities that provide goods or services to other funds of the County. This fund accounts for retiree health benefits for eligible employees provided to other County departments. The Internal Service Fund receives revenues on a cost-reimbursement basis.

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,

## WALKER COUNTY, TEXAS

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regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds are used to account for business-type activities, which are financed mainly by fees and charges to users of the services provided by the funds' operations. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

There are two types of proprietary funds:

- Enterprise Funds
- Internal Service Funds

The County has no enterprise funds and one internal service fund.

Internal Service Funds are used to report activities that provide goods or services to other funds of the County. The internal service funds receive revenues through cost-reimbursements of the goods and services provided to other County departments. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

### 3. New Accounting Standards Adopted

In fiscal year 2018, the County adopted four new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Statement No. 81, *Irrevocable Split-Interest Agreements*
- Statement No. 85, *Omnibus 2017*
- Statement No. 86, *Certain Debt Extinguishment Issues*

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. See Note R for the impact on the County's net position as a result of the implementation of GASB Statement No. 75.

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 has determined there is no impact to the financial statements as a result of this Statement.

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



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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 has determined there is no impact to the financial statements as a result of this Statement.

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 has determined there is no impact to the financial statements as a result of this Statement.

#### 4. New Pronouncements

The GASB has issued the following statements:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*

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. 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 inflow 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.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, clarifies which liabilities governments should include when disclosing information related to debt. The statement requires that additional essential information related to debt be disclosed in the notes to the financial statements. For notes to the financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018, which requires the County to implement this statement in fiscal year 2019.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. The statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement are effective for reporting periods beginning after December 15, 2019, which requires the County to implement this statement in fiscal year 2021.

Statement No. 90, *Majority Equity Interests*, improves the consistency and comparability of a government's majority equity interest in a legally separate organization and the relevance of financial statement information for certain component units. The statement requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired 100% equity interest in the component unit. The requirements of this statement are effective for reporting periods beginning after December 15, 2018, which requires the County to implement this statement in fiscal year 2020.

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The County has not fully determined the effect that implementation of Statements No. 83, 84, 87, 88, 89, and 90 will have on the County's financial statements.

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

**1. Cash and Cash Equivalents**

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

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

**2. Inventories and Prepaid Items**

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

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

**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 and Special Revenue 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

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#### 5. Compensated Absences

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

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

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

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

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

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

#### 7. Pensions

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

#### 8. Net Position Flow Assumption

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

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

#### 9. Fund Balance Flow Assumptions

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

#### 10. Fund Balance Policies

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

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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 a General Fund balance of generally two to three months cash flow. At a minimum, the goal is to maintain at least a fund balance in the 16.67% range of the operating costs reflected in the most current General Fund budget. No minimum fund balance is required for other fund of the County.

#### **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 of similar purposes that were made for the preceding fiscal year. The budget must contain a complete financial statement of the County that shows: 1) the outstanding obligations of the County; 2) the cash on hand to the credit of each fund of the County government; 3) the funds received from all sources during the preceding year; 4) the funds available from all sources during the ensuing fiscal year; 5) the estimated revenues available to cover the proposed budget; and 6) the estimated tax rate required to cover the proposed budget.

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

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

Encumbrance accounting is employed in governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Available funds are encumbered during the year upon execution of purchase orders, contracts, or other appropriate documents in order to reserve that portion of the applicable appropriation. As all

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encumbrances lapse at year end, those encumbrances (e.g. purchase orders, contracts) outstanding at September 30 must be reappropriated in the budget of the subsequent year.

**D. Deposits and Investments**

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

**1. Cash Deposits**

The County's cash and cash equivalents at September 30, 2018 are summarized as follows:

	<b>Carrying Amount</b>
Cash Deposits	\$ 7,088,711
Investments Considered Cash and Cash Equivalents	
Wells Fargo Investment Portfolio - USA Mutuals	6,178,732
Texas Local Government Investment Pool	7,416,392
Texas Class	2,264,523
Investors Cash Trust	851,171
<b>Total Cash and Cash Equivalents</b>	<b>\$ 23,799,529</b>

**2. Investments**

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

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

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

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 County'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

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policy to focus on safety and liquidity. The current policy is to invest only in securities with credit ratings of not less than AA or its equivalent as rated by a nationally recognized rating service. At year end, the County was not significantly exposed to credit risk. As of September 30, 2018, the government's investment in all investment pools were rated at least AAAM by Standard & Poor's and insured cash shelters which are federally insured cash accounts.

### b. Custodial Credit Risk

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

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

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

### c. Concentration of Credit Risk

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

### d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its written policy, the County manages this risk by limiting the maximum allowable stated maturity of any individual investment to 2 years, at the time of purchase. 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, 2018 are as follows:

	General	Debt Service	Grants and Contracts	Road and Bridge Fund	EMS	Nonmajor Governmental	Total
<b>Receivables:</b>							
Taxes	\$ 1,611,590	\$ 126,993	\$ -	\$ -	\$ -	\$ -	\$ 1,738,583
Accounts	83,032	-	1,060,335	-	1,098,191	7,500	2,249,058
Due from Other Governments	813,388	-	71,736	9,419	10,503	28,653	933,699
Due from Others	66,843	-	605	1	-	539	67,988
Less: Allowance for Uncollectibles	-	-	-	-	(933,463)	-	(933,463)
<b>Net Total Receivables</b>	<b>\$ 2,574,853</b>	<b>\$ 126,993</b>	<b>\$ 1,132,676</b>	<b>\$ 9,420</b>	<b>\$ 175,231</b>	<b>\$ 36,692</b>	<b>\$ 4,055,865</b>

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

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. As of September 30, 2018, the various components of unearned revenue reported in the governmental funds are as follows:

	Unearned
Grant funds received prior to meeting eligibility requirements	\$ 7,344
<b>Total Unearned Revenue for Governmental Funds</b>	<b>\$ 7,344</b>

## F. Property Taxes

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

### 1. 2017 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 2018 fiscal year (2017 tax year), the County levied property taxes of \$0.5815 per \$100 of

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assessed valuation. The 2017 rates resulted in total tax levies of approximately \$19.2 million based on a total adjusted valuation of approximately \$3.4 billion. The total tax rate in the 2017 tax year was prorated as follows:

	2017 Rate
General Fund/Road and Bridge	\$ 0.5408
Debt Service Fund	0.0407
<b>Total Tax Rate</b>	<b>\$ 0.5815</b>

### 2. Walker County Appraisal District

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

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

### 3. Tax Abatements

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

For the fiscal year ended September 30, 2018, the County abated property taxes totaling \$7,198 under this program, including the following tax abatement agreement:

- A 100 percent property tax abatement on the assessed value of improvements to a manufacturing company. The abatement amounted to \$7,198.

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 \$35,968,057, an incremental value increase of \$35,585,476. Walker County contributed \$104,632 in the tax year that includes the October 1, 2017 to September 30, 2018 fiscal year.

### G. Interfund Receivables and Payables

At September 30, 2018, the interfund receivables and payables were as follows:

Due to Fund	Due From Fund	Amount	Purpose
General Fund	Grant and Contract Funds	\$ 1,027,945	Short-term Loan
General Fund	Other Governmental Funds	952	Short-term Loan
<b>Total</b>		<b>\$ 1,028,897</b>	

**WALKER COUNTY, TEXAS**  
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**H. Capital Assets**

Capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Transfers, Adjustments and Dispositions	Ending Balance
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 680,552	\$ -	\$ -	\$ 680,552
Construction in Progress	-	94,401	-	94,401
<b>Total Capital Assets, Not Being Depreciated</b>	<b>680,552</b>	<b>94,401</b>	<b>-</b>	<b>774,953</b>
<b>Capital Assets, Being Depreciated:</b>				
Vehicles	5,831,307	674,299	(369,218)	6,136,388
Office Furniture and Fixtures	1,874,656	21,977	-	1,896,633
Machinery and Equipment	7,806,209	284,617	(15,867)	8,074,959
Buildings, Facilities, and Improvements	37,488,515	13,230	-	37,501,745
<b>Total Capital Assets, Being Depreciated</b>	<b>53,000,687</b>	<b>994,123</b>	<b>(385,085)</b>	<b>53,609,725</b>
<b>Less Accumulated Depreciation for:</b>				
Vehicles	(4,457,360)	(536,434)	369,218	(4,624,576)
Office Furniture and Fixtures	(1,568,046)	(140,834)	-	(1,708,880)
Machinery and Equipment	(5,991,934)	(605,475)	15,867	(6,581,542)
Buildings, Facilities, and Improvements	(16,678,120)	(1,575,145)	-	(18,253,265)
<b>Total Accumulated Depreciation</b>	<b>(28,695,460)</b>	<b>(2,857,888)</b>	<b>385,085</b>	<b>(31,168,263)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>24,305,227</b>	<b>(1,863,765)</b>	<b>-</b>	<b>22,441,462</b>
<b>Capital Assets, Net</b>	<b>\$ 24,985,779</b>	<b>\$ (1,769,364)</b>	<b>\$ -</b>	<b>\$ 23,216,415</b>

Depreciation was charged to functions as follows:

General Government	\$ 349,270
Financial	50,558
Judicial	121,746
Public Safety	941,312
Correction and Rehabilitation	1,141,665
Health and Welfare	18,119
Culture and Education	1,835
Public Transportation	233,383
<b>Total Depreciation Expense</b>	<b>\$ 2,857,888</b>

**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, 2018 are listed below:

Description	Interest Rate	Date of Issue	Maturity Date	Original Issue	Outstanding Debt
Certificates of Obligation:					
Series 2012	2.00-3.75%	6/1/2012	8/1/2032	\$ 20,000,000	\$ 15,160,000
<b>Totals</b>				<b>\$ 20,000,000</b>	<b>\$ 15,160,000</b>

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



# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

A summary of long-term liability transactions of the County for the year ended September 30, 2018, follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Certificates of Obligation	\$ 16,025,000	\$ -	\$ (865,000)	\$ 15,160,000	\$ 880,000
Adjustments for:					
Issuance Premiums	91,913	-	(6,488)	85,425	-
<b>Total Certificates of Obligation, Net</b>	<b>16,116,913</b>	<b>-</b>	<b>(871,488)</b>	<b>15,245,425</b>	<b>880,000</b>
Compensated Absences*	852,786	910,825	(910,429)	853,182	-
Net OPEB Liability*	15,832,372	1,262,794	(257,808)	16,837,358	-
Net Pension Liability*	18,605,609	11,791,160	(16,310,014)	14,086,755	-
<b>Total Long-term Liabilities</b>	<b>\$ 51,407,680</b>	<b>\$ 13,964,779</b>	<b>\$ (18,349,739)</b>	<b>\$ 47,022,720</b>	<b>\$ 880,000</b>

\*Other Long-term Liabilities

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

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

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

<u>Certificates of Obligation</u>			
<u>Year Ending September 30,</u>	<u>Principal Value</u>	<u>Interest</u>	<u>Total Requirements</u>
2019	\$ 880,000	\$ 493,568	\$ 1,373,568
2020	910,000	467,168	1,377,168
2021	935,000	439,868	1,374,868
2022	965,000	411,818	1,376,818
2023	990,000	382,868	1,372,868
2024	1,020,000	353,168	1,373,168
2025	1,055,000	322,567	1,377,567
2026	1,085,000	289,598	1,374,598
2027	1,120,000	255,692	1,375,692
2028	1,155,000	219,292	1,374,292
2029	1,195,000	180,310	1,375,310
2030	1,235,000	139,980	1,374,980
2031	1,280,000	96,754	1,376,754
2032	1,335,000	41,162	1,376,162
<b>Totals</b>	<b>\$ 15,160,000</b>	<b>\$ 4,093,813</b>	<b>\$ 19,253,813</b>

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

### J. Leases

#### Operating Leases

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

#### Walker County Health Center (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

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

for Older Americans Act. The lease term is October 1, 2017 through September 30, 2018. The County provides general maintenance services to the building exterior and grounds and provides up to \$10,000 for general operating expenses.

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

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

#### **Powell Family Home**

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

#### **344 Highway 75 North, Suite 300**

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

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

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

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

## **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, 2018:

<b><u>Transfers From</u></b>	<b><u>Transfers To</u></b>	<b><u>Amount</u></b>
General Fund	Road and Bridge Fund	\$ 660,000
General Fund	Walker County EMS Fund	1,010,335
General Fund	Other Governmental Funds - Nonmajor	70,827
<b>Total</b>		<b>\$ 1,741,162</b>

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

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### 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, 2018:

	General	Debt Service	Road and Bridge	Walker County EMS	Grants and Contracts	Nonmajor Governmental	Total
<b>Fund Balances:</b>							
Nonspendable:							
Prepays	\$ 38,918	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,918
<b>Total Nonspendable</b>	<b>38,918</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,918</b>
<b>Restricted for:</b>							
Debt Service	-	194,244	-	-	-	-	194,244
Legislative/Grants	-	-	-	-	41,024	2,061,724	2,102,748
Capital Projects	-	-	-	-	-	-	-
<b>Total Restricted</b>	<b>-</b>	<b>194,244</b>	<b>-</b>	<b>-</b>	<b>41,024</b>	<b>2,061,724</b>	<b>2,296,992</b>
<b>Committed to:</b>							
Transportation	-	-	2,220,474	-	-	-	2,220,474
Emergency Medical Services	-	-	-	809,392	-	-	809,392
Projects	1,490,076	-	-	-	-	-	1,490,076
<b>Total Committed</b>	<b>1,490,076</b>	<b>-</b>	<b>2,220,474</b>	<b>809,392</b>	<b>-</b>	<b>-</b>	<b>4,519,942</b>
<b>Assigned to:</b>							
Projects	1,974,688	-	-	-	-	-	1,974,688
<b>Total Assigned</b>	<b>1,974,688</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,974,688</b>
Unassigned	7,337,147	-	-	-	-	-	7,337,147
<b>Total Fund Balances</b>	<b>\$ 10,840,829</b>	<b>\$ 194,244</b>	<b>\$ 2,220,474</b>	<b>\$ 809,392</b>	<b>\$ 41,024</b>	<b>\$ 2,061,724</b>	<b>\$ 16,167,687</b>

### M. Pension Plan

#### 1. Plan Description

The County's nontraditional defined benefit pension plan, Texas County and District Retirement System (TCDRS), provides pensions for all of its full-time employees. The TCDRS Board of Trustees is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 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**  
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**3. Employees Covered by Benefit Terms**

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	218
Inactive employees entitled to but not yet receiving benefits	203
Active employees	391
<b>Total</b>	<b>812</b>

**4. Contributions**

Walker County has elected the annually determined contribution rate (Variable Rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of the employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 12.50 percent during calendar year 2017 and 13.00 percent during calendar year 2018. The County contributed \$2,355,162 for fiscal year 2018.

The deposit rate payable by the employee member for calendar years 2017 and 2018 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, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Payroll growth	3.25%
Real rate of return	5.25%
Long-term investment return	8.00%

Updated mortality assumptions were adopted in 2017. All other actuarial assumptions that determined the total pension liability as of December 31, 2017, were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except where required to be different by GASB 68. In addition, mortality rates were based on the following mortality tables:

Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

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 2018 information for a 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, 2018

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
U.S. Equities	11.50 %	4.55%
Private Equity	16.00	7.55%
Global Equities	1.50	4.85%
International Equities - Developed	11.00	4.55%
International Equities - Emerging	8.00	5.55%
Investment-Grade Bonds	3.00	0.75%
Strategic Credit	8.00	4.12%
Direct Lending	10.00	8.06%
Distressed Debt	2.00	6.30%
REIT Equities	2.00	4.05%
Master Limited Partnerships	3.00	6.00%
Private Real Estate Partnerships	6.00	6.25%
Hedge Funds	18.00	4.10%
<b>Total</b>	<b>100.00 %</b>	

### Discount Rate:

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

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

### 6. Plan Fiduciary Net Position

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

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2016	\$ 82,780,689	\$ 64,175,080	\$ 18,605,609
Changes for the year:			
Service cost	2,845,331	-	2,845,331
Interest	6,801,748	-	6,801,748
Effect of plan changes	-	-	-
Effect of economic demographic gains or losses	(747,402)	-	(747,402)
Effect of assumptions changes or inputs	(528,800)	-	(528,800)
Refund of contributions	(263,314)	(263,314)	-
Benefit payments	(3,110,010)	(3,110,010)	-
Administrative expense	-	(49,007)	49,007
Member contributions	-	1,280,198	(1,280,198)
Net investment income	-	9,370,424	(9,370,424)
Employer contributions	-	2,286,068	(2,286,068)
Other changes	-	2,048	(2,048)
Net changes	4,997,553	9,516,407	(4,518,854)
Balances at December 31, 2017	\$ 87,778,242	\$ 73,691,487	\$ 14,086,755

### 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	\$ 26,779,399	\$ 14,086,755	\$ 3,612,195

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

For the fiscal year ended September 30, 2018, the County recognized pension expense of \$3,303,310.

At September 30, 2018, 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	\$ -	\$ 955,174
Effect of assumption changes or inputs	242,833	396,600
Net difference between projected and actual earnings on pension plan investments	-	905,838
Contributions made subsequent to the measurement date	1,732,950	-
<b>Totals</b>	<b>\$ 1,975,783</b>	<b>\$ 2,257,612</b>

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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

<u>Year ended September 30,</u>	
2019	\$ (25,370)
2020	(90,711)
2021	(1,065,409)
2022	(833,289)
2023	-
Thereafter	-
<b>Total</b>	<b>\$ <u>(2,014,779)</u></b>

### N. Postemployment Benefits Other Than Pensions (OPEB)

#### 1. Plan Description

The County sponsors a retiree health care plan, considered a substantive plan, for qualifying employees and elected officials. 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 the 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.

Dental benefits are also provided with the retiree paying 100% of the required contribution.

#### 2. Funding Policy

The County has elected to fund the retiree health care benefits using the pay-as-you-go (or cash disbursement) method. As such, the plan has no assets accumulated in a trust that meets the criteria under GASB Statement No. 75, Paragraph 4. 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.

During the 2018 fiscal year the County established the Retiree Health Insurance Fund, an internal service fund. The purpose of this fund is to gradually accumulate the assets necessary to meet future obligations related to the retiree health care plan. The fund will help maintain a balance of fiscal responsibility on a yearly basis with having assets necessary to meet future obligations.

#### 3. Benefits Provided

The County pays the health care premiums for 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 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.

# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

Dental benefits are also provided with the retiree paying 100% of the required contribution.

At the September 30, 2018 valuation and measurement date, the following individuals were covered by the benefit terms:

	Single Only	Dependent Coverage
Active	95	71
Retired	13	6
<b>Total</b>	<b>108</b>	<b>77</b>

### 4. Total OPEB Liability

The County's OPEB liability of \$16,837,358 was measured as of September 30, 2018, and was determined by an actuarial valuation as of that date using the Entry Age Normal Cost Method - Level Percentage of Projected Salary actuarial method.

### 5. Actuarial Assumptions

The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.00% per year
Salary scale	3.50%
Mortality table	RPH-2014 Total Table with Projection MP-2018
Discount rate	4.06% (1.06% real rate of return plus 3.00% inflation)
Disability	None assumed
Health care cost trend	Level 5.00%

Since there are no assets held in trust, the discount rate was based on the Bond Buyer GO-20 bond index. At the time of the valuation, the rate was trending towards 4.00%. The discount rate selected for the valuation was 4.06%.

### 6. Changes in Total OPEB Liability

Total OPEB liability - beginning of year	\$	15,832,372
Changes for the year:		
Service cost		600,839
Interest cost		661,955
Changes of benefit terms		-
Differences between expected and actual experience		-
Changes in assumptions or other inputs		-
Benefit payments		(257,808)
Net changes		1,004,986
<b>Total OPEB liability - end of year</b>	<b>\$</b>	<b>16,837,358</b>

### 7. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Trend Rate

The following present the total OPEB liability of the County, calculated using the discount rate of 4.06%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06%) or 1-percentage-point higher (5.06%) than the current rate:

	1% Decrease (3.06%)	Current Discount Rate (4.06%)	1% Increase (5.06%)
County's total OPEB liability	\$ 20,256,240	\$ 16,837,358	\$ 14,159,617

The following present the total OPEB liability of the County, calculated using the trend rate of 5.00%, as well as what the County's total OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease (4.00%)	Current Trend Rate (5.00%)	1% Increase (6.00%)
County's total OPEB liability	\$ 13,697,167	\$ 16,837,358	\$ 21,015,911



# WALKER COUNTY, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

### 8. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the County recognized OPEB expense of \$1,262,794. At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Effect of assumption changes or inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Contributions made subsequent to the measurement date	-	-
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>

Since the measurement and valuation dates are as of September 30, 2018, which is the same date as the County's fiscal year end, the County does not have any contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB that will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2019. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter	-
<b>Total</b>	<b>\$ -</b>

### 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, 2018.

### 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 \$768 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

In February, 2019, the County entered into a loan agreement to purchase election equipment. The loan is in the amount of \$677,877 with an interest rate of 0.99%. The loan will be paid in annual installments of \$228,189 beginning October 15, 2019 and ending October 15, 2021.

## WALKER COUNTY, TEXAS

### NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2018

#### R. Prior Period Adjustments

Net position and fund balance at September 30, 2017 were restated for the following reasons. The Road and Bridge Fund received grant proceeds in a previous year based on estimated costs to complete a project. At the completion of the project, due to costs underruns, a portion of the proceeds were returned. An internal service fund was created to accumulate assets necessary to provide for OPEB obligations in the future. The restated beginning balance reflects assets that had been set aside by the County in previous years from other funds until the County decided how to separate and identify the assets for their desired purpose. The implementation of GASB 75 involved removing the previously reported OPEB obligation at September 30, 2017 of \$11,304,595 and recording the Net OPEB Liability of \$15,832,372, for a net decrease in net position of \$4,527,777.

Net position and fund balance at September 30, 2017 were restated according to the following table:

	Fund Balance	Net Position	
	Road and Bridge Fund	Internal Service Fund	Governmental Activities Funds
Beginning fund balance or net position, as previously reported	\$ 2,708,608	\$ -	\$ 1,233,362
Return grant proceeds due to cost underruns	(56,803)	-	(56,803)
Establishment of internal service fund	-	987,374	987,374
Implementation of GASB 75	-	-	(4,527,777)
<b>Beginning fund balance or net position, restated</b>	<b>\$ 2,651,805</b>	<b>\$ 987,374</b>	<b>\$ (2,363,844)</b>

## 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, 2018

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
AD VALOREM TAXES				
Current Taxes	\$ 14,457,715	\$ 14,457,715	\$ 14,647,645	\$ 189,930
Delinquent Taxes	300,000	300,000	459,453	159,453
Total Ad Valorem Taxes	14,757,715	14,757,715	15,107,098	349,383
Penalty and Interest	230,000	230,000	293,099	63,099
OTHER TAXES				
Sales Taxes	3,375,000	3,375,000	3,824,119	449,119
In Lieu of Tax	20,494	20,494	149,997	129,503
Mixed Beverage Tax	115,400	115,400	115,860	460
Total Other Taxes	3,510,894	3,510,894	4,089,976	579,082
LICENSES AND PERMITS				
Building and Utility Permits	204,000	204,000	295,998	91,998
Total Licenses and Permits	204,000	204,000	295,998	91,998
INTERGOVERNMENTAL				
Federal Funds				
Local Law Enforcement	-	28,617	72,772	44,155
Disaster Relief	-	8,706	15,311	6,605
Total Federal Funds	-	37,323	88,083	50,760
State Funds				
Other State Funds	189,704	393,324	422,217	28,893
Total State Funds	189,704	393,324	422,217	28,893
Other InterGovernmental Funds				
Other Intergovernmental	175,283	175,283	302,772	127,489
Total Other Intergovernmental Funds	175,283	175,283	302,772	127,489
Total Intergovernmental	364,987	660,051	879,687	219,636
FEES OF OFFICE/CHARGES FOR SERVICES				
General Administrative	91,850	91,850	56,273	(35,577)
IT	12,000	12,000	12,000	-
County Clerk	350,340	350,340	370,937	20,597
Courts - Central Service	4,700	4,700	4,163	(537)
County Court-at-Law	50,070	50,070	70,902	20,832
12th and 278th District Courts	16,815	16,815	21,542	4,727
District Clerk	102,125	102,125	110,500	8,375
District Attorney	-	-	13	13
Justice of the Peace - Precinct 1	63,620	63,620	88,546	24,926
Justice of the Peace - Precinct 2	21,100	21,100	19,239	(1,861)
Justice of the Peace - Precinct 3	16,100	16,100	22,433	6,333
Justice of the Peace - Precinct 4	82,520	82,520	88,092	5,572
County Auditor	41,700	41,700	42,151	451
County Treasurer	-	-	5	5
County Treasurer - Collections	5,800	5,800	5,978	178
Vehicle Registration	603,700	603,700	702,572	98,872
Voter Registration	300	300	893	593
County Facilities	11,000	11,000	6,000	(5,000)

**WALKER COUNTY, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Jail	156,000	156,000	186,473	30,473
Sheriff's Office	3,900	3,900	4,514	614
Sheriff's Estray	1,500	1,500	791	(709)
Constables Central Service	175,000	175,000	176,095	1,095
Constable - Precinct 1	-	-	330	330
Constable - Precinct 2	-	-	210	210
Constable - Precinct 3	-	-	1,006	1,006
Constable - Precinct 4	-	-	16,368	16,368
Probation Support	3,800	3,800	10,794	6,994
Emergency Management	7,000	7,000	4,000	(3,000)
Planning and Development	-	-	100	100
Total Fees of Office/Charges for Services	1,820,940	1,820,940	2,022,920	201,980
<b>FINES AND FORFEITURES</b>				
Bond Forfeiture	-	-	26,594	26,594
License and Weight - Operations	85,472	-	-	-
Total Fines and Forfeitures	85,472	-	26,594	26,594
Interest Income	94,025	94,025	277,679	183,654
Other Income	54,000	453,361	483,121	29,760
<b>TOTAL REVENUES</b>	<b>21,122,033</b>	<b>21,730,986</b>	<b>23,476,172</b>	<b>1,745,186</b>
<b>EXPENDITURES:</b>				
<b>GENERAL GOVERNMENT</b>				
County Judge				
Salary, Other Pay, and Benefits	202,366	202,366	198,945	3,421
Operations	8,454	8,454	2,153	6,301
Total County Judge	210,820	210,820	201,098	9,722
IT Operations - County Judge				
Salary, Other Pay, and Benefits	320,252	262,209	177,914	84,295
Operations	9,530	9,530	1,143	8,387
Total IT	329,782	271,739	179,057	92,682
IT Hardware/Software - County Judge				
Operations	324,371	289,371	284,545	4,826
Capital Expenditures	13,000	13,000	11,982	1,018
Total IT	337,371	302,371	296,527	5,844
Commissioner's Court				
Salary, Other Pay, and Benefits	66,741	66,741	66,648	93
Operations	8,746	8,746	5,424	3,322
Total Commissioner's Court	75,487	75,487	72,072	3,415
County Clerk				
Salary, Other Pay, and Benefits	541,184	541,184	531,957	9,227
Operations	108,201	119,482	93,545	25,937
Capital Expenditures	20,336	9,055	-	9,055
Total County Clerk	669,721	669,721	625,502	44,219

**WALKER COUNTY, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Healthy County Initiative				
Operations	3,000	3,000	25	2,975
Total Healthy County Initiative	3,000	3,000	25	2,975
Elections				
Salary, Other Pay, and Benefits	122,481	128,520	128,514	6
Operations	31,228	40,613	34,741	5,872
Total Elections	153,709	169,133	163,255	5,878
Voter Registration				
Salary, Other Pay, and Benefits	47,377	48,277	48,225	52
Operations	25,500	30,878	28,179	2,699
Total Voter Registration	72,877	79,155	76,404	2,751
County Facilities				
Salary, Other Pay, and Benefits	436,761	426,286	362,802	63,484
Operations	410,444	744,312	733,456	10,856
Capital Expenditures	70,000	70,000	70,000	-
Total County Facilities	917,205	1,240,598	1,166,258	74,340
Facilities - Justice Center Municipal Allocation				
Operations	10,983	10,983	5,401	5,582
Total Facilities - Justice Center Municipal Allocation	10,983	10,983	5,401	5,582
Centralized Costs				
Salary, Other Pay, and Benefits	461,675	461,675	443,306	18,369
Operations	653,281	593,823	578,768	15,055
Capital Expenditures	-	9,995	9,995	-
Total Centralized Costs	1,114,956	1,065,493	1,032,069	33,424
Contingency				
Contingency	920,000	481,201	-	481,201
Total Contingency	920,000	481,201	-	481,201
General Governmental Projects				
Projects	1,381,316	1,364,685	210,762	1,153,923
Total General Governmental Projects	1,381,316	1,364,685	210,762	1,153,923
<b>TOTAL GENERAL GOVERNMENT</b>	<b>6,197,227</b>	<b>5,944,386</b>	<b>4,028,430</b>	<b>1,915,956</b>
<b>FINANCIAL ADMINISTRATION</b>				
Financial Systems				
Operations	79,833	79,833	79,833	-
Total Financial Systems	79,833	79,833	79,833	-
County Auditor				
Salary, Other Pay, and Benefits	652,043	652,043	591,581	60,462
Operations	47,775	47,775	46,820	955
Total County Auditor	699,818	699,818	638,401	61,417

**WALKER COUNTY, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
County Treasurer				
Salary, Other Pay, and Benefits	332,683	332,683	324,242	8,441
Operations	23,579	15,771	13,765	2,006
Total County Treasurer	356,262	348,454	338,007	10,447
County Treasurer - Collections				
Salary, Other Pay, and Benefits	113,701	113,701	112,288	1,413
Operations	21,820	21,820	17,260	4,560
Total County Treasurer - Collections	135,521	135,521	129,548	5,973
Purchasing				
Salary, Other Pay, and Benefits	234,232	234,232	231,063	3,169
Operations	14,561	14,561	12,848	1,713
Total Purchasing	248,793	248,793	243,911	4,882
Vehicle Registration				
Salary, Other Pay, and Benefits	418,434	424,095	394,264	29,831
Operations	13,002	13,002	7,417	5,585
Total Vehicle Registration	431,436	437,097	401,681	35,416
Financial Service Contracts				
Intergovernmental Contracts	492,977	492,977	492,977	-
Total Financial Service Contracts	492,977	492,977	492,977	-
Financial Projects				
Projects	123,839	267,427	36,771	230,656
Total Financial Projects	123,839	267,427	36,771	230,656
<b>TOTAL FINANCIAL ADMINISTRATION</b>	<b>2,568,479</b>	<b>2,709,920</b>	<b>2,361,129</b>	<b>348,791</b>
JUDICIAL				
Courts - Central Costs				
Salary, Other Pay, and Benefits	24,572	24,572	24,379	193
Operations	182,665	245,892	231,292	14,600
Total Courts - Central Costs	207,237	270,464	255,671	14,793
County Court-at-Law				
Salary, Other Pay, and Benefits	428,113	428,113	427,526	587
Operations	191,093	255,048	229,963	25,085
Total County Court-at-Law	619,206	683,161	657,489	25,672
12th Judicial District Court				
Salary, Other Pay, and Benefits	213,904	213,904	213,469	435
Operations	171,306	181,306	167,191	14,115
Total District Court	385,210	395,210	380,660	14,550
278th Judicial District Court				
Salary, Other Pay, and Benefits	217,559	217,559	211,299	6,260
Operations	171,123	223,623	206,473	17,150
Total District Court	388,682	441,182	417,772	23,410

**WALKER COUNTY, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
District Clerk				
Salary, Other Pay, and Benefits	477,612	477,612	470,413	7,199
Operations	33,639	33,639	29,892	3,747
Total District Clerk	511,251	511,251	500,305	10,946
Criminal District Attorney				
Salary, Other Pay, and Benefits	1,575,303	1,575,303	1,437,348	137,955
Operations	56,587	101,345	99,208	2,137
Total Criminal District Attorney	1,631,890	1,676,648	1,536,556	140,092
Justice of the Peace - Precinct 1				
Salary, Other Pay, and Benefits	208,425	208,425	207,704	721
Operations	13,574	13,574	10,226	3,348
Total Justice of the Peace - Precinct 1	221,999	221,999	217,930	4,069
Justice of the Peace - Precinct 2				
Salary, Other Pay, and Benefits	200,403	200,403	195,761	4,642
Operations	9,995	9,995	3,534	6,461
Total Justice of the Peace - Precinct 2	210,398	210,398	199,295	11,103
Justice of the Peace - Precinct 3				
Salary, Other Pay, and Benefits	203,406	203,406	200,085	3,321
Operations	12,504	12,789	8,114	4,675
Total Justice of the Peace - Precinct 3	215,910	216,195	208,199	7,996
Justice of the Peace - Precinct 4				
Salary, Other Pay, and Benefits	255,049	255,049	253,778	1,271
Operations	17,237	18,792	12,879	5,913
Total Justice of the Peace - Precinct 4	272,286	273,841	266,657	7,184
Juvenile Probation Support				
Salary, Other Pay, and Benefits	41,630	42,850	42,849	1
Operations	82,105	90,300	90,300	-
Total Juvenile Probation Support	123,735	133,150	133,149	1
<b>TOTAL JUDICIAL</b>	<b>4,787,804</b>	<b>5,033,499</b>	<b>4,773,683</b>	<b>259,816</b>
<b>PUBLIC SAFETY</b>				
Sheriff's Office				
Salary, Other Pay, and Benefits	2,728,868	2,800,091	2,718,586	81,505
Operations	285,140	327,356	312,509	14,847
Capital Expenditures	198,282	195,877	194,959	918
Total Sheriff's Office	3,212,290	3,323,324	3,226,054	97,270
Estray				
Operations	6,000	6,000	1,994	4,006
Total Estray	6,000	6,000	1,994	4,006
Courthouse Security General Fund				
Salary, Other Pay, and Benefits	248,368	248,368	244,469	3,899
Total Courthouse Security General Fund	248,368	248,368	244,469	3,899



**WALKER COUNTY, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Constable Central				
Salary, Other Pay, and Benefits	53,487	53,487	51,178	2,309
Operations	5,419	5,419	1,549	3,870
Total Constable Central	58,906	58,906	52,727	6,179
Constable - Precinct 1				
Salary, Other Pay, and Benefits	74,720	74,720	73,934	786
Operations	8,740	8,740	6,980	1,760
Total Constable - Precinct 1	83,460	83,460	80,914	2,546
Constable - Precinct 2				
Salary, Other Pay, and Benefits	74,720	74,720	73,421	1,299
Operations	16,229	16,229	15,203	1,026
Total Constable - Precinct 2	90,949	90,949	88,624	2,325
Constable - Precinct 3				
Salary, Other Pay, and Benefits	74,720	74,720	74,112	608
Operations	9,264	24,558	21,171	3,387
Capital Expenditures	69,608	54,314	46,122	8,192
Total Constable - Precinct 3	153,592	153,592	141,405	12,187
Constable - Precinct 4				
Salary, Other Pay, and Benefits	256,899	256,899	245,984	10,915
Operations	54,399	57,837	49,747	8,090
Total Constable - Precinct 4	311,298	314,736	295,731	19,005
Support Personnel - DPS				
Salary, Other Pay, and Benefits	58,823	58,823	57,827	996
Operations	2,215	2,215	420	1,795
Total Support Personnel - DPS	61,038	61,038	58,247	2,791
Weigh Station Utilities and Services				
Operations	25,187	35,187	28,071	7,116
Total Weigh Station Utilities and Services	25,187	35,187	28,071	7,116
Weigh Station Site Support				
Salary, Other Pay, and Benefits	19,306	-	-	-
Operations	10,000	-	-	-
Total Weigh Station Site Support	29,306	-	-	-
Emergency Management				
Salary, Other Pay, and Benefits	78,951	78,951	77,944	1,007
Operations	97,783	151,904	124,738	27,166
Total Emergency Management	176,734	230,855	202,682	28,173
Public Safety Governmental Services Contracts				
Intergovernmental Contracts	928,886	928,886	928,544	342
Total Public Safety Governmental Services Contracts	928,886	928,886	928,544	342

**WALKER COUNTY, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT B-1**  
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	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety Projects				
Projects	30,240	43,946	13,389	30,557
Total Public Safety Projects	30,240	43,946	13,389	30,557
<b>TOTAL PUBLIC SAFETY</b>	<b>5,416,254</b>	<b>5,579,247</b>	<b>5,362,851</b>	<b>216,396</b>
<b>CORRECTION AND REHABILITATION</b>				
County Jail				
Salary, Other Pay, and Benefits	2,109,242	2,109,242	2,091,799	17,443
Operations	571,609	578,744	529,677	49,067
Capital Expenditures	81,269	112,931	94,765	18,166
Total County Jail	2,762,120	2,800,917	2,716,241	84,676
Jail-Inmate Medical Cost Center				
Salary, Other Pay, and Benefits	152,343	152,343	133,978	18,365
Operations	99,478	159,478	153,664	5,814
Total Jail-Inmate Medical Cost Center	251,821	311,821	287,642	24,179
Probation Support				
Operations	56,498	56,498	48,284	8,214
Total Probation Support	56,498	56,498	48,284	8,214
Adult - Community Service				
Salary, Other Pay, and Benefits	53,229	53,229	52,809	420
Operations	850	850	8	842
Total Adult - Community Service	54,079	54,079	52,817	1,262
<b>TOTAL CORRECTION AND REHABILITATION</b>	<b>3,124,518</b>	<b>3,223,315</b>	<b>3,104,984</b>	<b>118,331</b>
<b>HEALTH AND WELFARE</b>				
Veterans Service				
Salary, Other Pay, and Benefits	30,219	30,219	26,563	3,656
Operations	2,137	2,137	631	1,506
Total Veterans Service	32,356	32,356	27,194	5,162
Social Services				
Operations	23,800	23,800	7,256	16,544
Total Utility Department	23,800	23,800	7,256	16,544
Planning and Development				
Salary, Other Pay, and Benefits	445,269	445,269	425,151	20,118
Operations	62,225	79,184	64,454	14,730
Total Planning and Development	507,494	524,453	489,605	34,848
Litter Control - General Fund				
Operations	14,476	26,211	24,254	1,957
Capital Expenditures	-	14,913	14,912	1
Total Litter Control - General Fund	14,476	41,124	39,166	1,958
Health and Welfare - Governmental Service Contracts				
Intergovernmental Contracts	115,730	115,730	104,730	11,000
Total Health and Welfare - Governmental Service Contracts	115,730	115,730	104,730	11,000

**WALKER COUNTY, TEXAS**  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health and Welfare Projects				
Projects	23,216	23,216	-	23,216
Total Health and Welfare Projects	23,216	23,216	-	23,216
<b>TOTAL HEALTH AND WELFARE</b>	<b>717,072</b>	<b>760,679</b>	<b>667,951</b>	<b>92,728</b>
<b>CULTURE AND EDUCATION</b>				
Historical Commission				
Operations	5,780	5,780	4,387	1,393
Total Historical Commission	5,780	5,780	4,387	1,393
Texas AgriLife Extension Service				
Salary, Other Pay, and Benefits	173,381	173,381	169,210	4,171
Operations	30,558	35,235	30,275	4,960
Total Texas AgriLife Extension Service	203,939	208,616	199,485	9,131
<b>TOTAL CULTURE AND EDUCATION</b>	<b>209,719</b>	<b>214,396</b>	<b>203,872</b>	<b>10,524</b>
<b>TOTAL EXPENDITURES</b>	<b>23,021,073</b>	<b>23,465,442</b>	<b>20,502,900</b>	<b>2,962,542</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,899,040)</b>	<b>(1,734,456)</b>	<b>2,973,272</b>	<b>4,707,728</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,610,518)	(1,749,183)	(1,741,162)	8,021
Total Other Financing Sources (Uses)	(1,610,518)	(1,749,183)	(1,741,162)	8,021
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,509,558)</b>	<b>(3,483,639)</b>	<b>1,232,110</b>	<b>4,715,749</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>9,608,719</b>	<b>9,608,719</b>	<b>9,608,719</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 6,099,161</b>	<b>\$ 6,125,080</b>	<b>\$ 10,840,829</b>	<b>\$ 4,715,749</b>

**WALKER COUNTY, TEXAS**  
ROAD & BRIDGE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUE:				
AD VALOREM TAXES				
Current Taxes	\$ 2,680,616	\$ 2,680,616	\$ 2,734,817	\$ 54,201
Total Ad Valorem Taxes	2,680,616	2,680,616	2,734,817	54,201
INTERGOVERNMENTAL				
Federal Funds				
Disaster Relief	-	52,422	52,424	2
Total Federal Funds	-	52,422	52,424	2
State Funds				
Other State Funds	90,000	90,000	138,812	48,812
Total State Funds	90,000	90,000	138,812	48,812
Other InterGovernmental Funds				
U.S. Forest Service	16,000	16,000	147,309	131,309
Total Other Intergovernmental Funds	16,000	16,000	147,309	131,309
Total Intergovernmental	106,000	158,422	338,545	180,123
FEES OF OFFICE/CHARGES FOR SERVICES				
Road and Bridge Fees	830,000	830,000	861,470	31,470
Total Fees of Office/Charges for Services	830,000	830,000	861,470	31,470
FINES AND FORFEITURES				
License and Weight - Operations	280,000	310,000	398,755	88,755
Other Fines and Forfeitures	652,000	652,000	626,222	(25,778)
Total Fines and Forfeitures	932,000	962,000	1,024,977	62,977
Interest Income	3,000	3,000	24,074	21,074
Other Income	-	3,618	3,620	2
TOTAL REVENUES	4,551,616	4,637,656	4,987,503	349,847
EXPENDITURES:				
PUBLIC TRANSPORTATION				
Contingency				
Contingency	700,000	-	-	-
Total Contingency	700,000	-	-	-
Road and Bridge General				
Operations	70,000	151,284	81,811	69,473
Contingency	-	64,000	-	64,000
Total Road and Bridge General	70,000	215,284	81,811	133,473
Road and Bridge - Precinct 1				
Salary, Other Pay, and Benefits	583,011	583,011	565,625	17,386
Operations	619,840	990,770	640,626	350,144
Total Road and Bridge - Precinct 1	1,202,851	1,573,781	1,206,251	367,530

**WALKER COUNTY, TEXAS**  
ROAD & BRIDGE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Road and Bridge - Precinct 2				
Salary, Other Pay, and Benefits	667,191	667,191	639,216	27,975
Operations	598,832	826,752	705,670	121,082
Total Road and Bridge - Precinct 2	1,266,023	1,493,943	1,344,886	149,057
Road and Bridge - Precinct 3				
Salary, Other Pay, and Benefits	731,694	731,694	698,251	33,443
Operations	598,450	1,722,827	937,156	785,671
Capital Expenditures	-	192,800	177,533	15,267
Total Road and Bridge - Precinct 3	1,330,144	2,647,321	1,812,940	834,381
Road and Bridge - Precinct 4				
Salary, Other Pay, and Benefits	637,666	659,521	655,542	3,979
Operations	704,932	1,031,501	851,487	180,014
Capital Expenditures	-	85,000	84,980	20
Total Road and Bridge - Precinct 4	1,342,598	1,776,022	1,592,009	184,013
Road and Bridge Capital Projects - Weigh Station				
Operations	-	103,420	-	103,420
Total Road and Bridge Capital Projects - Weigh Station	-	103,420	-	103,420
Road and Bridge Weigh Station Operations				
Salary, Other Pay, and Benefits	-	20,000	16,037	3,963
Operations	-	1,200	-	1,200
Capital Expenditures	-	24,900	24,900	-
Total Road and Bridge Weigh Station Operations	-	46,100	40,937	5,163
TOTAL PUBLIC TRANSPORTATION	5,911,616	7,855,871	6,078,834	1,777,037
TOTAL EXPENDITURES	5,911,616	7,855,871	6,078,834	1,777,037
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,360,000)	(3,218,215)	(1,091,331)	2,126,884
OTHER FINANCING SOURCES (USES)				
Transfers In	660,000	660,000	660,000	-
Total Other Financing Sources (Uses)	660,000	660,000	660,000	-
NET CHANGE IN FUND BALANCE	(700,000)	(2,558,215)	(431,331)	2,126,884
FUND BALANCE AT BEGINNING OF YEAR	2,651,805	2,651,805	2,651,805	-
FUND BALANCE AT END OF YEAR	\$ 1,951,805	\$ 93,590	\$ 2,220,474	\$ 2,126,884

**WALKER COUNTY, TEXAS**  
WALKER COUNTY EMS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT B-3**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
State Funds				
Other State Funds	\$ -	\$ -	\$ 21,374	\$ 21,374
Total State Funds	-	-	21,374	21,374
Total Intergovernmental	-	-	21,374	21,374
FEES OF OFFICE/CHARGES FOR SERVICES				
Emergency Medical Services	2,200,000	2,200,000	2,124,804	(75,196)
Total Fees of Office/Charges for Services	2,200,000	2,200,000	2,124,804	(75,196)
Interest Income	2,000	2,000	8,417	6,417
Other Income	-	163,597	137,303	(26,294)
TOTAL REVENUES	2,202,000	2,365,597	2,291,898	(73,699)
EXPENDITURES:				
PUBLIC SAFETY				
Walker County EMS				
Salary, Other Pay, and Benefits	2,493,998	2,493,998	2,493,035	963
Operations	474,808	517,905	512,589	5,316
Capital Expenditures	37,275	261,110	260,739	371
Total Walker County EMS	3,006,081	3,273,013	3,266,363	6,650
EMS Transfer				
Salary, Other Pay, and Benefits	443,918	443,918	364,801	79,117
Operations	29,200	29,200	17,316	11,884
Total EMS Transfer	473,118	473,118	382,117	91,001
TOTAL PUBLIC SAFETY	3,479,199	3,746,131	3,648,480	97,651
TOTAL EXPENDITURES	3,479,199	3,746,131	3,648,480	97,651
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,277,199)	(1,380,534)	(1,356,582)	23,952
OTHER FINANCING SOURCES (USES)				
Transfers In	907,000	1,010,335	1,010,335	-
Total Other Financing Sources (Uses)	907,000	1,010,335	1,010,335	-
NET CHANGE IN FUND BALANCE	(370,199)	(370,199)	(346,247)	23,952
FUND BALANCE AT BEGINNING OF YEAR	1,155,639	1,155,639	1,155,639	-
FUND BALANCE AT END OF YEAR	\$ 785,440	\$ 785,440	\$ 809,392	\$ 23,952



**WALKER COUNTY, TEXAS**  
GRANTS AND CONTRACTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUE:				
INTERGOVERNMENTAL				
Federal Funds				
Homeland Security Grant	\$ 49,900	\$ 49,900	\$ 49,892	\$ (8)
Justice Assistance Grant	-	7,817	7,817	-
District Attorney Grants	69,167	69,167	67,171	(1,996)
Total Federal Funds	119,067	126,884	124,880	(2,004)
State Funds				
Other State Funds	5,302,569	5,375,864	4,995,220	(380,644)
Total State Funds	5,302,569	5,375,864	4,995,220	(380,644)
Total Intergovernmental	5,421,636	5,502,748	5,120,100	(382,648)
Interest Income	-	-	775	775
Other Income	-	8,406	10,246	1,840
TOTAL REVENUES	5,421,636	5,511,154	5,131,121	(380,033)
EXPENDITURES:				
JUDICIAL				
District Attorney Victim Assistance Coordinator				
Salary, Other Pay, and Benefits	58,020	58,520	60,721	(2,201)
Operations	5,498	4,998	801	4,197
Total District Attorney Victim Assistance Coordinator	63,518	63,518	61,522	1,996
District Attorney Prosecutor Grant				
Salary, Other Pay, and Benefits	2,496	35,455	32,958	2,497
Total District Attorney Prosecutor Grant	2,496	35,455	32,958	2,497
SPU Criminal				
Salary, Other Pay, and Benefits	1,519,923	1,519,923	1,512,469	7,454
Total SPU Criminal	1,519,923	1,519,923	1,512,469	7,454
SPU Capital Murder Trial				
Operations	-	-	14,682	(14,682)
Total SPU Capital Murder Trial	-	-	14,682	(14,682)
SPU Criminal - State General Allocation				
Salary, Other Pay, and Benefits	146,025	146,025	112,048	33,977
Operations	204,602	213,008	197,322	15,686
Capital Expenditures	20,000	20,000	19,996	4
Total SPU Criminal - State General Allocation	370,627	379,033	329,366	49,667
SPU/Civil Division				
Salary, Other Pay, and Benefits	1,511,090	1,511,090	1,449,003	62,087
Operations	1,072,830	1,072,830	876,913	195,917
Total SPU/Civil Division	2,583,920	2,583,920	2,325,916	258,004



**WALKER COUNTY, TEXAS**  
GRANTS AND CONTRACTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
SPU - Juvenile Division				
Salary, Other Pay, and Benefits	657,785	657,785	631,621	26,164
Operations	170,314	170,314	119,285	51,029
Total SPU - Juvenile Division	828,099	828,099	750,906	77,193
TOTAL JUDICIAL	5,368,583	5,409,948	5,027,819	382,129
PUBLIC SAFETY				
Auto Theft Task Force				
Salary, Other Pay, and Benefits	-	73,295	72,127	1,168
Total Auto Theft Task Force	-	73,295	72,127	1,168
Homeland Security Grant 2017				
Operations	21,900	21,900	25,578	(3,678)
Capital Expenditures	28,000	28,000	24,314	3,686
Total Homeland Security Grant 2017	49,900	49,900	49,892	8
JAG Grant 2017				
Operations	-	7,817	7,817	-
Total JAG Grant 2017	-	7,817	7,817	-
TOTAL PUBLIC SAFETY	49,900	131,012	129,836	1,176
HEALTH AND WELFARE				
Affordable Housing Initiatives				
Operations	-	50,126	9,878	40,248
Total Affordable Housing Initiatives	-	50,126	9,878	40,248
TOTAL HEALTH AND WELFARE	-	50,126	9,878	40,248
TOTAL EXPENDITURES	5,418,483	5,591,086	5,167,533	423,553
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,153	(79,932)	(36,412)	43,520
OTHER FINANCING SOURCES (USES)				
Transfers In	29,806	29,806	27,309	(2,497)
Total Other Financing Sources (Uses)	29,806	29,806	27,309	(2,497)
NET CHANGE IN FUND BALANCE	32,959	(50,126)	(9,103)	41,023
FUND BALANCE AT BEGINNING OF YEAR	50,127	50,127	50,127	-
FUND BALANCE AT END OF YEAR	\$ 83,086	\$ 1	\$ 41,024	\$ 41,023

# WALKER COUNTY, TEXAS

EXHIBIT B-5

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

	Measurement Year			
	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 2,845,331	\$ 2,907,140	\$ 2,412,090	\$ 2,368,490
Interest (on the total pension liability)	6,801,748	6,215,848	5,847,175	5,370,303
Changes of benefit terms	-	-	(438,596)	-
Effect of economic/demographic (gains) or losses	(747,402)	(139,557)	(1,299,374)	-
Effect of assumption changes or inputs	(528,800)	-	971,330	475,276
Refunds of employee contributions	(263,314)	(110,395)	(141,788)	(187,830)
Benefit payments	(3,110,010)	(2,864,353)	(2,730,734)	(2,168,317)
Net change in total pension liability	4,997,553	6,008,683	4,620,103	5,857,922
Total pension liability - beginning	82,780,689	76,772,006	72,151,903	66,293,981
Total pension liability - ending (a)	<u>\$ 87,778,242</u>	<u>\$ 82,780,689</u>	<u>\$ 76,772,006</u>	<u>\$ 72,151,903</u>
Plan fiduciary net position:				
Contributions - County	\$ 2,286,068	\$ 2,201,382	\$ 2,143,232	\$ 1,981,978
Contributions - employee	1,280,198	1,227,862	1,207,941	1,141,438
Net investment income	9,370,424	4,389,111	(203,510)	3,755,184
Refunds of employee contributions	(263,314)	(110,395)	(141,788)	(187,830)
Benefit payments	(3,110,010)	(2,864,353)	(2,730,734)	(2,168,317)
Administrative expense	(49,007)	(47,778)	(42,642)	(43,790)
Other	2,048	50,980	55,451	1,767
Net change in plan fiduciary net position	9,516,407	4,846,809	287,950	4,480,430
Plan fiduciary net position - beginning	64,175,080	59,328,271	59,040,321	54,559,891
Plan fiduciary net position - ending (b)	<u>\$ 73,691,487</u>	<u>\$ 64,175,080</u>	<u>\$ 59,328,271</u>	<u>\$ 59,040,321</u>
County's net pension liability - ending (a) - (b)	<u>\$ 14,086,755</u>	<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	83.95%	77.52%	77.28%	81.83%
Covered-employee payroll	\$ 18,288,545	\$ 17,540,889	\$ 17,256,294	\$ 16,048,404
County's net pension liability as a percentage of covered-employee payroll	77.03%	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**

EXHIBIT B-6

## SCHEDULE OF COUNTY CONTRIBUTIONS

## TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM (TCDRS)

## LAST TEN FISCAL YEARS\*

	Fiscal Year			
	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,355,162	\$ 2,272,855	\$ 2,164,392	\$ 2,043,190
Contributions in relation to the actuarially determined contribution	(2,355,162)	(2,272,855)	(2,164,392)	(2,043,190)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered-employee payroll	\$ 18,308,073	\$ 18,163,487	\$ 17,293,855	\$ 16,472,340
Contributions as a percentage of covered-employee payroll	12.86%	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 CHANGES IN THE COUNTY'S  
 TOTAL OPEB LIABILITY AND RELATED RATIOS  
 RETIREE HEALTH CARE PLAN  
 LAST TEN FISCAL YEARS \*

	Fiscal Year Ended <u>2018</u>
Total OPEB liability:	
Service cost	\$ 600,839
Interest	661,955
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	-
Benefit payments	<u>(257,808)</u>
Net change in total OPEB liability	1,004,986
Total OPEB liability - beginning	15,832,372
Total OPEB liability - ending	<u>\$ 16,837,358</u>
Covered-employee payroll	\$ 8,134,025
Total OPEB liability as a percentage of covered-employee payroll	207.00%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

# WALKER COUNTY, TEXAS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2018

### 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.

### B. Pension

Changes of benefit terms:

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of assumptions:

During the measurement period, measurement of the total pension liability was affected by changes in the mortality assumptions from prior valuations.

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
Amortization method	Level percentage of payroll, closed
Remaining amortization period	12.7 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	4.90% average over career, 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 who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for retirees is 61.
Mortality	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

### C. Postemployment Benefits Other than Pension (OPEB)

Changes of benefit terms:  
 There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes of assumptions:  
 There were no changes of assumptions that affected measurement of the total OPEB liability during the measurement period.

Valuation date:  
 The total OPEB liability was determined based on a valuation and measurement date of September 30, 2018.

Methods and assumptions used to determine contribution rates:

Inflation	3.00% per year
Salary scale	3.50%
Mortality table	RPH-2014 Total Table with Projection MP-2018
Discount rate	4.06% (1.06% real rate of return plus 3.00% inflation)
Disability	None assumed
Health care cost trend	Level 5.00%

## 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, 2018

	County Records Management and Preservation Fund	County Records Preservation II Fund	County Clerk Records Management and Preservation Fund	County Clerk Records Archive Fund
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 4,492	\$ 44,121	\$ 464,549	\$ 604,206
Accounts Receivable, Net	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Others	-	-	-	-
Total Assets	<u>\$ 4,492</u>	<u>\$ 44,121</u>	<u>\$ 464,549</u>	<u>\$ 604,206</u>
<b>LIABILITIES:</b>				
Accounts Payable	\$ 277	\$ -	\$ -	\$ 180,080
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Accrued Liabilities	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>277</u>	<u>-</u>	<u>-</u>	<u>180,080</u>
<b>FUND BALANCES:</b>				
Restricted for Grants or by Legislation	4,215	44,121	464,549	424,126
Total Fund Balance	<u>4,215</u>	<u>44,121</u>	<u>464,549</u>	<u>424,126</u>
Total Liabilities and Fund Balance	<u>\$ 4,492</u>	<u>\$ 44,121</u>	<u>\$ 464,549</u>	<u>\$ 604,206</u>

District Clerk Records Management and Preservation Fund	District Clerk Rider Fund	District Clerk Archive Fund	Court Reporter Service Fund	County Law Library Fund
\$ 5,144	\$ 30,279	\$ 2,129	\$ 700	\$ 18,571
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 5,144</u>	<u>\$ 30,279</u>	<u>\$ 2,129</u>	<u>\$ 700</u>	<u>\$ 18,571</u>
\$ -	\$ -	\$ -	\$ 700	\$ 3,224
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>	<u>3,224</u>
<u>5,144</u>	<u>30,279</u>	<u>2,129</u>	<u>-</u>	<u>15,347</u>
<u>5,144</u>	<u>30,279</u>	<u>2,129</u>	<u>-</u>	<u>15,347</u>
<u>\$ 5,144</u>	<u>\$ 30,279</u>	<u>\$ 2,129</u>	<u>\$ 700</u>	<u>\$ 18,571</u>

**WALKER COUNTY, TEXAS**  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2018

	Courthouse Security Fund	Justice Courts Building Security Fund	Justice Courts Technology Fund	County and District Courts Technology Fund
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 10,553	\$ 40,451	\$ 56,230	\$ 3,800
Accounts Receivable, Net	-	-	-	-
Due from Other Governments	-	-	-	-
Due from Others	-	-	-	-
Total Assets	<u>\$ 10,553</u>	<u>\$ 40,451</u>	<u>\$ 56,230</u>	<u>\$ 3,800</u>
<b>LIABILITIES:</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Accrued Liabilities	803	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>803</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>				
Restricted for Grants or by Legislation	9,750	40,451	56,230	3,800
Total Fund Balance	<u>9,750</u>	<u>40,451</u>	<u>56,230</u>	<u>3,800</u>
Total Liabilities and Fund Balance	<u>\$ 10,553</u>	<u>\$ 40,451</u>	<u>\$ 56,230</u>	<u>\$ 3,800</u>

District Attorney Prosecutors Supplement Fund	Pretrial Intervention Program Fund	District Attorney Forfeiture Fund	District Attorney Hot Check Fee Fund	Sheriff Forfeiture Fund
\$ -	\$ 35,822	\$ 153,190	\$ 2,908	\$ 248,238
7,500	-	-	-	-
-	-	-	-	-
299	-	240	-	-
<u>\$ 7,799</u>	<u>\$ 35,822</u>	<u>\$ 153,430</u>	<u>\$ 2,908</u>	<u>\$ 248,238</u>
\$ 309	\$ -	\$ 783	\$ 803	\$ 2,488
-	-	-	-	-
952	-	-	-	-
-	-	1,200	-	-
6,538	-	-	-	-
<u>7,799</u>	<u>-</u>	<u>1,983</u>	<u>803</u>	<u>2,488</u>
-	35,822	151,447	2,105	245,750
<u>-</u>	<u>35,822</u>	<u>151,447</u>	<u>2,105</u>	<u>245,750</u>
<u>\$ 7,799</u>	<u>\$ 35,822</u>	<u>\$ 153,430</u>	<u>\$ 2,908</u>	<u>\$ 248,238</u>

**WALKER COUNTY, TEXAS**  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2018

	Sheriff Inmate Medical Fund	DOJ Equitable Sharing Fund
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 34,497	\$ 365,843
Accounts Receivable, Net	-	-
Due from Other Governments	-	-
Due from Others	-	-
Total Assets	<u>\$ 34,497</u>	<u>\$ 365,843</u>
<b>LIABILITIES:</b>		
Accounts Payable	\$ -	\$ -
Due to Other Governments	-	-
Due to Other Funds	-	-
Accrued Liabilities	-	-
Unearned Revenue	-	-
Total Liabilities	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>		
Restricted for Grants or by Legislation	34,497	365,843
Total Fund Balance	<u>34,497</u>	<u>365,843</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 34,497</u></u>	 <u><u>\$ 365,843</u></u>

Tax Assessor Elections Service Contract Fund	Tax Assessor Special Inventory Fee Fund	Juvenile Grant Fund	Total Nonmajor Special Revenue Funds (See Exhibit A-3)
\$ 27,296	\$ 19	\$ 81,997	\$ 2,235,035
-	-	-	7,500
1,190	-	32,223	33,413
-	-	-	539
<u>\$ 28,486</u>	<u>\$ 19</u>	<u>\$ 114,220</u>	<u>\$ 2,276,487</u>
\$ -	\$ -	\$ 5,489	\$ 194,153
-	-	4,759	4,759
-	-	-	952
-	-	5,552	7,555
-	-	806	7,344
<u>-</u>	<u>-</u>	<u>16,606</u>	<u>214,763</u>
28,486	19	97,614	2,061,724
<u>28,486</u>	<u>19</u>	<u>97,614</u>	<u>2,061,724</u>
<u>\$ 28,486</u>	<u>\$ 19</u>	<u>\$ 114,220</u>	<u>\$ 2,276,487</u>

**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	County Records Management and Preservation Fund	County Records Preservation II Fund	County Clerk Records Management and Preservation Fund	County Clerk Records Archive Fund
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	18,920	12,093	101,105	104,901
Fines & Forfeitures	-	-	-	-
Interest Income	2	477	5,724	8,174
Other Income	-	-	-	-
Total revenues	<u>18,922</u>	<u>12,570</u>	<u>106,829</u>	<u>113,075</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	20,452	-	4,197	180,080
Judicial	-	-	-	-
Public Safety	-	-	-	-
Debt Service:				
Total Expenditures	<u>20,452</u>	<u>-</u>	<u>4,197</u>	<u>180,080</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,530)</u>	<u>12,570</u>	<u>102,632</u>	<u>(67,005)</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	(1,530)	12,570	102,632	(67,005)
Fund Balances - Beginning	5,745	31,551	361,917	491,131
Fund Balances - Ending	<u>\$ 4,215</u>	<u>\$ 44,121</u>	<u>\$ 464,549</u>	<u>\$ 424,126</u>



District Clerk Records Management and Preservation Fund	District Clerk Rider Fund	District Clerk Archive Fund	County Jury Fee Fund	Court Reporter Service Fund
\$ -	\$ 13,000	\$ -	\$ -	\$ -
3,667	-	1,973	5,072	15,377
-	-	-	-	-
-	281	-	-	-
-	-	-	-	-
<u>3,667</u>	<u>13,281</u>	<u>1,973</u>	<u>5,072</u>	<u>15,377</u>
-	-	-	-	-
-	4,722	4,526	5,072	15,377
-	-	-	-	-
<u>-</u>	<u>4,722</u>	<u>4,526</u>	<u>5,072</u>	<u>15,377</u>
<u>3,667</u>	<u>8,559</u>	<u>(2,553)</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,667	8,559	(2,553)	-	-
1,477	21,720	4,682	-	-
<u>\$ 5,144</u>	<u>\$ 30,279</u>	<u>\$ 2,129</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, 2018

	County Law Library Fund	Courthouse Security Fund	Justice Courts Building Security Fund	Justice Courts Technology Fund
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	35,782	36,668	6,412	25,827
Fines & Forfeitures	-	-	-	-
Interest Income	279	151	412	666
Other Income	-	-	-	-
Total revenues	<u>36,061</u>	<u>36,819</u>	<u>6,824</u>	<u>26,493</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	-	-	-	-
Judicial	51,183	-	-	23,482
Public Safety	-	60,173	260	-
Debt Service:				
Total Expenditures	<u>51,183</u>	<u>60,173</u>	<u>260</u>	<u>23,482</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,122)</u>	<u>(23,354)</u>	<u>6,564</u>	<u>3,011</u>
Other Financing Sources (Uses):				
Transfers In	-	18,856	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>18,856</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(15,122)	(4,498)	6,564	3,011
Fund Balances - Beginning	30,469	14,248	33,887	53,219
Fund Balances - Ending	<u>\$ 15,347</u>	<u>\$ 9,750</u>	<u>\$ 40,451</u>	<u>\$ 56,230</u>

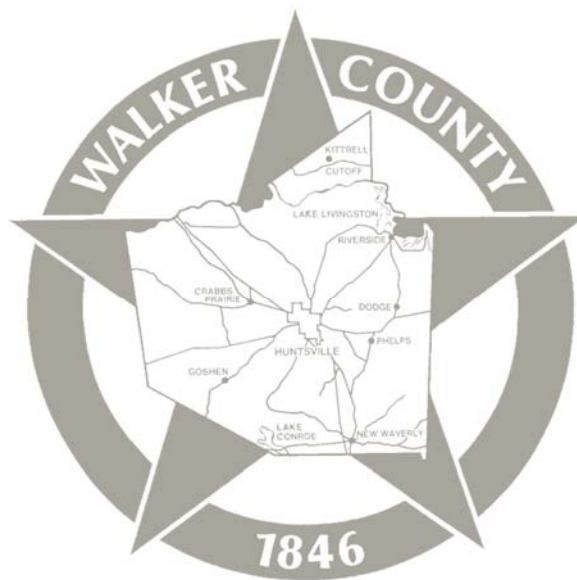
County and District Courts Technology Fund	District Attorney Prosecutors Supplement Fund	Pretrial Intervention Program Fund	District Attorney Forfeiture Fund	District Attorney Hot Check Fee Fund
\$ -	\$ 20,927	\$ -	\$ -	\$ -
1,749	-	23,687	-	4,891
-	-	-	84,337	-
15	-	-	1,827	-
-	-	-	2,503	-
<u>1,764</u>	<u>20,927</u>	<u>23,687</u>	<u>88,667</u>	<u>4,891</u>
-	-	-	-	-
5,554	20,927	12,527	101,075	4,399
-	-	-	-	-
<u>5,554</u>	<u>20,927</u>	<u>12,527</u>	<u>101,075</u>	<u>4,399</u>
<u>(3,790)</u>	<u>-</u>	<u>11,160</u>	<u>(12,408)</u>	<u>492</u>
-	-	24,662	-	-
-	-	24,662	-	-
(3,790)	-	35,822	(12,408)	492
7,590	-	-	163,855	1,613
<u>\$ 3,800</u>	<u>\$ -</u>	<u>\$ 35,822</u>	<u>\$ 151,447</u>	<u>\$ 2,105</u>

**WALKER COUNTY, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Sheriff Forfeiture Fund	Sheriff Inmate Medical Fund	DOJ Equitable Sharing Fund
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ -	\$ -
Charges for Services	-	4,750	-
Fines & Forfeitures	64,230	-	17,765
Interest Income	3,067	328	5,253
Other Income	12,173	-	-
Total revenues	<u>79,470</u>	<u>5,078</u>	<u>23,018</u>
<b>EXPENDITURES:</b>			
Current:			
General Government	-	-	-
Judicial	-	-	-
Public Safety	15,446	-	-
Debt Service:			
Total Expenditures	<u>15,446</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>64,024</u>	<u>5,078</u>	<u>23,018</u>
Other Financing Sources (Uses):			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	64,024	5,078	23,018
Fund Balances - Beginning	181,726	29,419	342,825
Fund Balances - Ending	<u>\$ 245,750</u>	<u>\$ 34,497</u>	<u>\$ 365,843</u>

Elections Equipment Fund	Tax Assessor Elections Service Contract Fund	Tax Assessor Special Inventory Fee Fund	Juvenile Grant Fund	Total Nonmajor Special Revenue Funds (See Exhibit A-5)
\$ 7,586	\$ -	\$ -	\$ 397,586	\$ 439,099
-	6,412	-	-	409,286
-	-	-	-	166,332
11	352	-	761	27,780
-	-	-	-	14,676
<u>7,597</u>	<u>6,764</u>	<u>-</u>	<u>398,347</u>	<u>1,057,173</u>
14,283	1,959	-	-	220,971
-	-	-	400,049	648,893
-	-	-	-	75,879
<u>14,283</u>	<u>1,959</u>	<u>-</u>	<u>400,049</u>	<u>945,743</u>
<u>(6,686)</u>	<u>4,805</u>	<u>-</u>	<u>(1,702)</u>	<u>111,430</u>
-	-	-	-	43,518
-	-	-	-	43,518
<u>(6,686)</u>	<u>4,805</u>	<u>-</u>	<u>(1,702)</u>	<u>154,948</u>
6,686	23,681	19	99,316	1,906,776
<u>\$ -</u>	<u>\$ 28,486</u>	<u>\$ 19</u>	<u>\$ 97,614</u>	<u>\$ 2,061,724</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Records Preservation	\$ 19,000	\$ 19,000	\$ 18,920	\$ (80)
Total Fees of Office/Charges for Services	19,000	19,000	18,920	(80)
Interest Income	15	15	2	(13)
TOTAL REVENUES	19,015	19,015	18,922	(93)
EXPENDITURES:				
GENERAL GOVERNMENT				
County Records Management				
Operations	21,016	21,016	20,452	564
Total County Records Management	21,016	21,016	20,452	564
TOTAL GENERAL GOVERNMENT	21,016	21,016	20,452	564
TOTAL EXPENDITURES	21,016	21,016	20,452	564
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,001)	(2,001)	(1,530)	471
NET CHANGE IN FUND BALANCE	(2,001)	(2,001)	(1,530)	471
FUND BALANCE AT BEGINNING OF YEAR	5,745	5,745	5,745	-
FUND BALANCE AT END OF YEAR	\$ 3,744	\$ 3,744	\$ 4,215	\$ 471



**WALKER COUNTY, TEXAS**  
COUNTY RECORDS PRESERVATION II FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**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	\$ 12,093	\$ 2,093
Total Fees of Office/Charges for Services	10,000	10,000	12,093	2,093
Interest Income	-	-	477	477
TOTAL REVENUES	10,000	10,000	12,570	2,570
EXPENDITURES:				
GENERAL GOVERNMENT				
County Records Preservation II Fund				
Operations	16,911	16,911	-	16,911
Total County Records Preservation II Fund	16,911	16,911	-	16,911
TOTAL GENERAL GOVERNMENT	16,911	16,911	-	16,911
TOTAL EXPENDITURES	16,911	16,911	-	16,911
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,911)	(6,911)	12,570	19,481
NET CHANGE IN FUND BALANCE	(6,911)	(6,911)	12,570	19,481
FUND BALANCE AT BEGINNING OF YEAR	31,551	31,551	31,551	-
FUND BALANCE AT END OF YEAR	\$ 24,640	\$ 24,640	\$ 44,121	\$ 19,481

**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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Records Preservation	\$ 94,000	\$ 94,000	\$ 101,105	\$ 7,105
Total Fees of Office/Charges for Services	94,000	94,000	101,105	7,105
Interest Income	1,500	1,500	5,724	4,224
TOTAL REVENUES	95,500	95,500	106,829	11,329
EXPENDITURES:				
GENERAL GOVERNMENT				
County Clerk Records Preservation				
Salary, Other Pay, and Benefits	18,536	18,536	1,703	16,833
Operations	2,500	2,500	2,494	6
Total County Clerk Records Preservation	21,036	21,036	4,197	16,839
TOTAL GENERAL GOVERNMENT	21,036	21,036	4,197	16,839
TOTAL EXPENDITURES	21,036	21,036	4,197	16,839
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	74,464	74,464	102,632	28,168
NET CHANGE IN FUND BALANCE	74,464	74,464	102,632	28,168
FUND BALANCE AT BEGINNING OF YEAR	361,917	361,917	361,917	-
FUND BALANCE AT END OF YEAR	\$ 436,381	\$ 436,381	\$ 464,549	\$ 28,168

**WALKER COUNTY, TEXAS**  
COUNTY CLERK RECORDS ARCHIVE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT C-6**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Records Preservation	\$ 97,000	\$ 97,000	\$ 104,901	\$ 7,901
Total Fees of Office/Charges for Services	97,000	97,000	104,901	7,901
Interest Income	1,000	1,000	8,174	7,174
TOTAL REVENUES	98,000	98,000	113,075	15,075
EXPENDITURES:				
GENERAL GOVERNMENT				
County Clerk Archive				
Operations	-	-	180,080	(180,080)
Contingency	200,000	200,000	-	200,000
Total County Clerk Archive	200,000	200,000	180,080	19,920
TOTAL GENERAL GOVERNMENT	200,000	200,000	180,080	19,920
TOTAL EXPENDITURES	200,000	200,000	180,080	19,920
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(102,000)	(102,000)	(67,005)	34,995
NET CHANGE IN FUND BALANCE	(102,000)	(102,000)	(67,005)	34,995
FUND BALANCE AT BEGINNING OF YEAR	491,131	491,131	491,131	-
FUND BALANCE AT END OF YEAR	\$ 389,131	\$ 389,131	\$ 424,126	\$ 34,995

**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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Records Preservation	\$ 3,340	\$ 3,340	\$ 3,667	\$ 327
Total Fees of Office/Charges for Services	<u>3,340</u>	<u>3,340</u>	<u>3,667</u>	<u>327</u>
TOTAL REVENUES	<u>3,340</u>	<u>3,340</u>	<u>3,667</u>	<u>327</u>
EXPENDITURES:				
JUDICIAL				
District Clerk Records Preservation				
Operations	3,340	3,340	-	3,340
Total District Clerk Records Preservation	<u>3,340</u>	<u>3,340</u>	<u>-</u>	<u>3,340</u>
TOTAL JUDICIAL	<u>3,340</u>	<u>3,340</u>	<u>-</u>	<u>3,340</u>
TOTAL EXPENDITURES	<u>3,340</u>	<u>3,340</u>	<u>-</u>	<u>3,340</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>3,667</u>	<u>3,667</u>
NET CHANGE IN FUND BALANCE	-	-	3,667	3,667
FUND BALANCE AT BEGINNING OF YEAR	1,477	1,477	1,477	-
FUND BALANCE AT END OF YEAR	<u>\$ 1,477</u>	<u>\$ 1,477</u>	<u>\$ 5,144</u>	<u>\$ 3,667</u>

**WALKER COUNTY, TEXAS**  
DISTRICT CLERK RIDER FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**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	\$ 13,000	\$ 1,000
Total State Funds	12,000	12,000	13,000	1,000
Total Intergovernmental	12,000	12,000	13,000	1,000
Interest Income	-	-	281	281
TOTAL REVENUES	12,000	12,000	13,281	1,281
EXPENDITURES:				
JUDICIAL				
Rider Prosecution Fund				
Salary, Other Pay, and Benefits	4,846	4,846	4,722	124
Contingency	9,532	9,532	-	9,532
Total Rider Prosecution Fund	14,378	14,378	4,722	9,656
TOTAL JUDICIAL	14,378	14,378	4,722	9,656
TOTAL EXPENDITURES	14,378	14,378	4,722	9,656
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,378)	(2,378)	8,559	10,937
NET CHANGE IN FUND BALANCE	(2,378)	(2,378)	8,559	10,937
FUND BALANCE AT BEGINNING OF YEAR	21,720	21,720	21,720	-
FUND BALANCE AT END OF YEAR	\$ 19,342	\$ 19,342	\$ 30,279	\$ 10,937

**WALKER COUNTY, TEXAS**  
DISTRICT CLERK ARCHIVE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT C-9**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
District Clerk Archive	\$ 1,500	\$ 1,500	\$ 1,973	\$ 473
Total Fees of Office/Charges for Services	<u>1,500</u>	<u>1,500</u>	<u>1,973</u>	<u>473</u>
TOTAL REVENUES	<u>1,500</u>	<u>1,500</u>	<u>1,973</u>	<u>473</u>
EXPENDITURES:				
JUDICIAL				
District Clerk Archive				
Operations	2,594	4,526	4,526	-
Total District Clerk Archive	<u>2,594</u>	<u>4,526</u>	<u>4,526</u>	<u>-</u>
TOTAL JUDICIAL	<u>2,594</u>	<u>4,526</u>	<u>4,526</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,594</u>	<u>4,526</u>	<u>4,526</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,094)</u>	<u>(3,026)</u>	<u>(2,553)</u>	<u>473</u>
NET CHANGE IN FUND BALANCE	(1,094)	(3,026)	(2,553)	473
FUND BALANCE AT BEGINNING OF YEAR	4,682	4,682	4,682	-
FUND BALANCE AT END OF YEAR	<u>\$ 3,588</u>	<u>\$ 1,656</u>	<u>\$ 2,129</u>	<u>\$ 473</u>

**WALKER COUNTY, TEXAS**  
COUNTY JURY FEE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT C-10**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
County Jury Fee	\$ 5,000	\$ 5,000	\$ 5,072	\$ 72
Total Fees of Office/Charges for Services	<u>5,000</u>	<u>5,000</u>	<u>5,072</u>	<u>72</u>
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>	<u>5,072</u>	<u>72</u>
EXPENDITURES:				
JUDICIAL				
County Jury				
Operations	5,000	5,000	5,072	(72)
Total County Jury	<u>5,000</u>	<u>5,000</u>	<u>5,072</u>	<u>(72)</u>
TOTAL JUDICIAL	<u>5,000</u>	<u>5,000</u>	<u>5,072</u>	<u>(72)</u>
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>5,072</u>	<u>(72)</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**  
**COURT REPORTER SERVICE FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**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	\$ 15,377	\$ 1,377
Total Fees of Office/Charges for Services	14,000	14,000	15,377	1,377
TOTAL REVENUES	14,000	14,000	15,377	1,377
EXPENDITURES:				
JUDICIAL				
Court Reporter Services				
Operations	14,000	14,000	15,377	(1,377)
Total Court Reporter Services	14,000	14,000	15,377	(1,377)
TOTAL JUDICIAL	14,000	14,000	15,377	(1,377)
TOTAL EXPENDITURES	14,000	14,000	15,377	(1,377)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -



**WALKER COUNTY, TEXAS**  
COUNTY LAW LIBRARY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**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	\$ 35,782	\$ 2,382
Total Fees of Office/Charges for Services	<u>33,400</u>	<u>33,400</u>	<u>35,782</u>	<u>2,382</u>
Interest Income	50	50	279	229
TOTAL REVENUES	<u>33,450</u>	<u>33,450</u>	<u>36,061</u>	<u>2,611</u>
EXPENDITURES:				
JUDICIAL				
Law Library				
Salary, Other Pay, and Benefits	9,450	9,450	9,435	15
Operations	37,579	41,749	41,748	1
Total Law Library	<u>47,029</u>	<u>51,199</u>	<u>51,183</u>	<u>16</u>
TOTAL JUDICIAL	<u>47,029</u>	<u>51,199</u>	<u>51,183</u>	<u>16</u>
TOTAL EXPENDITURES	<u>47,029</u>	<u>51,199</u>	<u>51,183</u>	<u>16</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,579)</u>	<u>(17,749)</u>	<u>(15,122)</u>	<u>2,627</u>
NET CHANGE IN FUND BALANCE	(13,579)	(17,749)	(15,122)	2,627
FUND BALANCE AT BEGINNING OF YEAR	30,469	30,469	30,469	-
FUND BALANCE AT END OF YEAR	<u>\$ 16,890</u>	<u>\$ 12,720</u>	<u>\$ 15,347</u>	<u>\$ 2,627</u>

**WALKER COUNTY, TEXAS**  
**COURTHOUSE SECURITY FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**EXHIBIT C-13**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Court House Security	\$ 33,000	\$ 33,000	\$ 36,668	\$ 3,668
Total Fees of Office/Charges for Services	<u>33,000</u>	<u>33,000</u>	<u>36,668</u>	<u>3,668</u>
Interest Income	-	-	151	151
TOTAL REVENUES	<u>33,000</u>	<u>33,000</u>	<u>36,819</u>	<u>3,819</u>
EXPENDITURES:				
PUBLIC SAFETY				
Courthouse Security				
Salary, Other Pay, and Benefits	66,180	66,180	60,173	6,007
Total Courthouse Security	<u>66,180</u>	<u>66,180</u>	<u>60,173</u>	<u>6,007</u>
TOTAL PUBLIC SAFETY	<u>66,180</u>	<u>66,180</u>	<u>60,173</u>	<u>6,007</u>
TOTAL EXPENDITURES	<u>66,180</u>	<u>66,180</u>	<u>60,173</u>	<u>6,007</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(33,180)</u>	<u>(33,180)</u>	<u>(23,354)</u>	<u>9,826</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	18,856	18,856	18,856	-
Total Other Financing Sources (Uses)	<u>18,856</u>	<u>18,856</u>	<u>18,856</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(14,324)	(14,324)	(4,498)	9,826
FUND BALANCE AT BEGINNING OF YEAR	14,248	14,248	14,248	-
FUND BALANCE AT END OF YEAR	<u>\$ (76)</u>	<u>\$ (76)</u>	<u>\$ 9,750</u>	<u>\$ 9,826</u>

**WALKER COUNTY, TEXAS**

JUSTICE COURTS BUILDING SECURITY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT C-14**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Justice Court Security	\$ 5,500	\$ 5,500	\$ 6,412	\$ 912
Total Fees of Office/Charges for Services	<u>5,500</u>	<u>5,500</u>	<u>6,412</u>	<u>912</u>
Interest Income	8	8	412	404
TOTAL REVENUES	<u>5,508</u>	<u>5,508</u>	<u>6,824</u>	<u>1,316</u>
EXPENDITURES:				
PUBLIC SAFETY				
Justice Courts Security				
Operations	-	260	260	-
Contingency	10,000	9,740	-	9,740
Total Justice Courts Security	<u>10,000</u>	<u>10,000</u>	<u>260</u>	<u>9,740</u>
TOTAL PUBLIC SAFETY	<u>10,000</u>	<u>10,000</u>	<u>260</u>	<u>9,740</u>
TOTAL EXPENDITURES	<u>10,000</u>	<u>10,000</u>	<u>260</u>	<u>9,740</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,492)</u>	<u>(4,492)</u>	<u>6,564</u>	<u>11,056</u>
NET CHANGE IN FUND BALANCE	(4,492)	(4,492)	6,564	11,056
FUND BALANCE AT BEGINNING OF YEAR	33,887	33,887	33,887	-
FUND BALANCE AT END OF YEAR	<u>\$ 29,395</u>	<u>\$ 29,395</u>	<u>\$ 40,451</u>	<u>\$ 11,056</u>

**WALKER COUNTY, TEXAS**  
JUSTICE COURTS TECHNOLOGY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**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	\$ 25,827	\$ 627
Total Fees of Office/Charges for Services	25,200	25,200	25,827	627
Interest Income	5	5	666	661
TOTAL REVENUES	25,205	25,205	26,493	1,288
EXPENDITURES:				
JUDICIAL				
Justice Court Technology				
Operations	19,701	24,701	23,482	1,219
Contingency	5,000	-	-	-
Total Justice Court Technology	24,701	24,701	23,482	1,219
TOTAL JUDICIAL	24,701	24,701	23,482	1,219
TOTAL EXPENDITURES	24,701	24,701	23,482	1,219
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	504	504	3,011	2,507
NET CHANGE IN FUND BALANCE	504	504	3,011	2,507
FUND BALANCE AT BEGINNING OF YEAR	53,219	53,219	53,219	-
FUND BALANCE AT END OF YEAR	\$ 53,723	\$ 53,723	\$ 56,230	\$ 2,507

**WALKER COUNTY, TEXAS****EXHIBIT C-16**

COUNTY AND DISTRICT COURTS TECHNOLOGY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
County and District Court Technology	\$ 1,700	\$ 1,700	\$ 1,749	\$ 49
Total Fees of Office/Charges for Services	<u>1,700</u>	<u>1,700</u>	<u>1,749</u>	<u>49</u>
Interest Income	-	-	15	15
TOTAL REVENUES	<u>1,700</u>	<u>1,700</u>	<u>1,764</u>	<u>64</u>
EXPENDITURES:				
JUDICIAL				
County and District Courts Technology				
Operations	6,000	6,000	5,554	446
Total County and District Courts Technology	<u>6,000</u>	<u>6,000</u>	<u>5,554</u>	<u>446</u>
TOTAL JUDICIAL	<u>6,000</u>	<u>6,000</u>	<u>5,554</u>	<u>446</u>
TOTAL EXPENDITURES	<u>6,000</u>	<u>6,000</u>	<u>5,554</u>	<u>446</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,300)</u>	<u>(4,300)</u>	<u>(3,790)</u>	<u>510</u>
NET CHANGE IN FUND BALANCE	(4,300)	(4,300)	(3,790)	510
FUND BALANCE AT BEGINNING OF YEAR	7,590	7,590	7,590	-
FUND BALANCE AT END OF YEAR	<u>\$ 3,290</u>	<u>\$ 3,290</u>	<u>\$ 3,800</u>	<u>\$ 510</u>

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

DISTRICT ATTORNEY PROSECUTORS SUPPLEMENT FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
State Funds				
Other State Funds	\$ 22,500	\$ 22,500	\$ 20,927	\$ (1,573)
Total State Funds	22,500	22,500	20,927	(1,573)
Total Intergovernmental	22,500	22,500	20,927	(1,573)
TOTAL REVENUES	22,500	22,500	20,927	(1,573)
EXPENDITURES:				
JUDICIAL				
CDA Supplement				
Operations	22,500	22,500	20,927	1,573
Total CDA Supplement	22,500	22,500	20,927	1,573
TOTAL JUDICIAL	22,500	22,500	20,927	1,573
TOTAL EXPENDITURES	22,500	22,500	20,927	1,573
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	\$ -	\$ -	\$ -	\$ -

**WALKER COUNTY, TEXAS**  
**PRETRIAL INTERVENTION PROGRAM FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**EXHIBIT C-18**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Pretrial Intervention	\$ 20,000	\$ 20,000	\$ 23,687	\$ 3,687
Total Fees of Office/Charges for Services	<u>20,000</u>	<u>20,000</u>	<u>23,687</u>	<u>3,687</u>
TOTAL REVENUES	<u>20,000</u>	<u>20,000</u>	<u>23,687</u>	<u>3,687</u>
EXPENDITURES:				
JUDICIAL				
Pretrial Intervention				
Salary, Other Pay, and Benefits	44,662	44,662	12,527	32,135
Total Pretrial Intervention	<u>44,662</u>	<u>44,662</u>	<u>12,527</u>	<u>32,135</u>
TOTAL JUDICIAL	<u>44,662</u>	<u>44,662</u>	<u>12,527</u>	<u>32,135</u>
TOTAL EXPENDITURES	<u>44,662</u>	<u>44,662</u>	<u>12,527</u>	<u>32,135</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(24,662)</u>	<u>(24,662)</u>	<u>11,160</u>	<u>35,822</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	24,662	24,662	24,662	-
Total Other Financing Sources (Uses)	<u>24,662</u>	<u>24,662</u>	<u>24,662</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	35,822	35,822
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,822</u>	<u>\$ 35,822</u>

**WALKER COUNTY, TEXAS**  
DISTRICT ATTORNEY FORFEITURE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT C-19**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FINES AND FORFEITURES				
Fines and Forfeitures	\$ -	\$ -	\$ 84,337	\$ 84,337
Total Fines and Forfeitures	-	-	84,337	84,337
Interest Income	-	-	1,827	1,827
Other Income	-	-	2,503	2,503
TOTAL REVENUES	-	-	88,667	88,667
EXPENDITURES:				
JUDICIAL				
District Attorney Forfeitures				
Salary, Other Pay, and Benefits	-	40,285	39,532	753
Operations	-	15,231	11,973	3,258
Capital Expenditures	-	49,570	49,570	-
Contingency	60,000	4,484	-	4,484
Total District Attorney Forfeitures	60,000	109,570	101,075	8,495
TOTAL JUDICIAL	60,000	109,570	101,075	8,495
TOTAL EXPENDITURES	60,000	109,570	101,075	8,495
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(60,000)	(109,570)	(12,408)	97,162
NET CHANGE IN FUND BALANCE	(60,000)	(109,570)	(12,408)	97,162
FUND BALANCE AT BEGINNING OF YEAR	163,855	163,855	163,855	-
FUND BALANCE AT END OF YEAR	\$ 103,855	\$ 54,285	\$ 151,447	\$ 97,162



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

DISTRICT ATTORNEY HOT CHECK FEE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Hot Check	\$ 7,000	\$ 7,000	\$ 4,891	\$ (2,109)
Total Fees of Office/Charges for Services	<u>7,000</u>	<u>7,000</u>	<u>4,891</u>	<u>(2,109)</u>
TOTAL REVENUES	<u>7,000</u>	<u>7,000</u>	<u>4,891</u>	<u>(2,109)</u>
EXPENDITURES:				
JUDICIAL				
Hot Checks				
Salary, Other Pay, and Benefits	3,225	3,225	2,603	622
Operations	<u>3,775</u>	<u>3,775</u>	<u>1,796</u>	<u>1,979</u>
Total Hot Checks	<u>7,000</u>	<u>7,000</u>	<u>4,399</u>	<u>2,601</u>
TOTAL JUDICIAL	<u>7,000</u>	<u>7,000</u>	<u>4,399</u>	<u>2,601</u>
TOTAL EXPENDITURES	<u>7,000</u>	<u>7,000</u>	<u>4,399</u>	<u>2,601</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>492</u>	<u>492</u>
NET CHANGE IN FUND BALANCE	-	-	492	492
FUND BALANCE AT BEGINNING OF YEAR	1,613	1,613	1,613	-
FUND BALANCE AT END OF YEAR	<u>\$ 1,613</u>	<u>\$ 1,613</u>	<u>\$ 2,105</u>	<u>\$ 492</u>

**WALKER COUNTY, TEXAS**  
SHERIFF FORFEITURE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT C-21**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FINES AND FORFEITURES				
Fines and Forfeitures	\$ -	\$ -	\$ 64,230	\$ 64,230
Total Fines and Forfeitures	-	-	64,230	64,230
Interest Income	-	-	3,067	3,067
Other Income	-	-	12,173	12,173
TOTAL REVENUES	-	-	79,470	79,470
EXPENDITURES:				
PUBLIC SAFETY				
Sheriff Forfeiture				
Operations	20,000	31,428	15,446	15,982
Contingency	20,000	8,572	-	8,572
Total Sheriff Forfeiture	40,000	40,000	15,446	24,554
TOTAL PUBLIC SAFETY	40,000	40,000	15,446	24,554
TOTAL EXPENDITURES	40,000	40,000	15,446	24,554
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(40,000)	(40,000)	64,024	104,024
NET CHANGE IN FUND BALANCE	(40,000)	(40,000)	64,024	104,024
FUND BALANCE AT BEGINNING OF YEAR	181,726	181,726	181,726	-
FUND BALANCE AT END OF YEAR	<u>\$ 141,726</u>	<u>\$ 141,726</u>	<u>\$ 245,750</u>	<u>\$ 104,024</u>

**WALKER COUNTY, TEXAS**  
SHERIFF INMATE MEDICAL FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**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	\$ 4,750	\$ 2,750
Total Fees of Office/Charges for Services	<u>2,000</u>	<u>2,000</u>	<u>4,750</u>	<u>2,750</u>
Interest Income	50	50	328	278
TOTAL REVENUES	<u>2,050</u>	<u>2,050</u>	<u>5,078</u>	<u>3,028</u>
EXPENDITURES:				
CORRECTION AND REHABILITATION				
Sheriff Inmate Medical				
Operations	10,000	10,000	-	10,000
Total Sheriff Inmate Medical	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL CORRECTION AND REHABILITATION	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL EXPENDITURES	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,950)</u>	<u>(7,950)</u>	<u>5,078</u>	<u>13,028</u>
NET CHANGE IN FUND BALANCE	(7,950)	(7,950)	5,078	13,028
FUND BALANCE AT BEGINNING OF YEAR	29,419	29,419	29,419	-
FUND BALANCE AT END OF YEAR	<u>\$ 21,469</u>	<u>\$ 21,469</u>	<u>\$ 34,497</u>	<u>\$ 13,028</u>

**WALKER COUNTY, TEXAS**  
DOJ EQUITABLE SHARING FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT C-23**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FINES AND FORFEITURES				
Fines and Forfeitures	\$ -	\$ -	\$ 17,765	\$ 17,765
Total Fines and Forfeitures	-	-	17,765	17,765
Interest Income	-	-	5,253	5,253
TOTAL REVENUES	-	-	23,018	23,018
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)	23,018	127,425
NET CHANGE IN FUND BALANCE	(104,407)	(104,407)	23,018	127,425
FUND BALANCE AT BEGINNING OF YEAR	342,825	342,825	342,825	-
FUND BALANCE AT END OF YEAR	\$ 238,418	\$ 238,418	\$ 365,843	\$ 127,425

**WALKER COUNTY, TEXAS**  
ELECTIONS EQUIPMENT FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT C-24**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
Federal Funds				
Other InterGovernmental Funds				
Other Intergovernmental	\$ 13,970	\$ 13,970	\$ 7,586	\$ (6,384)
Total Other Intergovernmental Funds	13,970	13,970	7,586	(6,384)
Total Intergovernmental	13,970	13,970	7,586	(6,384)
Interest Income	-	-	11	11
TOTAL REVENUES	13,970	13,970	7,597	(6,373)
EXPENDITURES:				
GENERAL GOVERNMENT				
Elections Equipment				
Operations	20,120	20,120	14,283	5,837
Total Elections Equipment	20,120	20,120	14,283	5,837
TOTAL GENERAL GOVERNMENT	20,120	20,120	14,283	5,837
TOTAL EXPENDITURES	20,120	20,120	14,283	5,837
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,150)	(6,150)	(6,686)	(536)
NET CHANGE IN FUND BALANCE	(6,150)	(6,150)	(6,686)	(536)
FUND BALANCE AT BEGINNING OF YEAR	6,686	6,686	6,686	-
FUND BALANCE AT END OF YEAR	\$ 536	\$ 536	\$ -	\$ (536)

**WALKER COUNTY, TEXAS****EXHIBIT C-25**

TAX ASSESSOR ELECTIONS SERVICE CONTRACT FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
FEES OF OFFICE/CHARGES FOR SERVICES				
Tax Assessor Election Service Contract	\$ 6,000	\$ 6,000	\$ 6,412	\$ 412
Total Fees of Office/Charges for Services	<u>6,000</u>	<u>6,000</u>	<u>6,412</u>	<u>412</u>
Interest Income	-	-	352	352
TOTAL REVENUES	<u>6,000</u>	<u>6,000</u>	<u>6,764</u>	<u>764</u>
EXPENDITURES:				
GENERAL GOVERNMENT				
Elections Services Contracts				
Salary, Other Pay, and Benefits	3,938	3,938	-	3,938
Operations	2,227	2,227	1,959	268
Total Elections Services Contracts	<u>6,165</u>	<u>6,165</u>	<u>1,959</u>	<u>4,206</u>
TOTAL GENERAL GOVERNMENT	<u>6,165</u>	<u>6,165</u>	<u>1,959</u>	<u>4,206</u>
TOTAL EXPENDITURES	<u>6,165</u>	<u>6,165</u>	<u>1,959</u>	<u>4,206</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(165)</u>	<u>(165)</u>	<u>4,805</u>	<u>4,970</u>
NET CHANGE IN FUND BALANCE	(165)	(165)	4,805	4,970
FUND BALANCE AT BEGINNING OF YEAR	23,681	23,681	23,681	-
FUND BALANCE AT END OF YEAR	<u>\$ 23,516</u>	<u>\$ 23,516</u>	<u>\$ 28,486</u>	<u>\$ 4,970</u>

**WALKER COUNTY, TEXAS****EXHIBIT C-26**

TAX ASSESSOR SPECIAL INVENTORY FEE FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

**WALKER COUNTY, TEXAS**  
 JUVENILE GRANT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUE:				
INTERGOVERNMENTAL				
State Funds				
State Grant Funds	\$ 8,200	\$ 8,200	\$ 8,200	\$ -
Other State Funds	390,532	390,532	389,386	(1,146)
Total State Funds	398,732	398,732	397,586	(1,146)
Total Intergovernmental	398,732	398,732	397,586	(1,146)
Interest Income	-	-	761	761
TOTAL REVENUES	398,732	398,732	398,347	(385)
EXPENDITURES:				
JUDICIAL				
Title IV-E Funds				
Operations	-	-	2,463	(2,463)
Total Title IV-E Funds	-	-	2,463	(2,463)
TJPC-A-94-236				
Salary, Other Pay, and Benefits	206,066	206,066	203,854	2,212
Total TJPC-A-94-236	206,066	206,066	203,854	2,212
Juvenile Grants				
Operations	31,922	31,922	32,946	(1,024)
Total Juvenile Grants	31,922	31,922	32,946	(1,024)
Medical Services Fund				
Salary, Other Pay, and Benefits	32,706	32,706	32,302	404
Operations	1,452	1,452	1,250	202
Total Medical Services Fund	34,158	34,158	33,552	606
HGAC Services Grant				
Operations	8,200	8,200	8,200	-
Total HGAC Services Grant	8,200	8,200	8,200	-
Pre-Post Adjudication				
Operations	15,840	15,840	18,630	(2,790)
Total Pre-Post Adjudication	15,840	15,840	18,630	(2,790)
Community Programs				
Salary, Other Pay, and Benefits	101,350	101,350	100,833	517
Operations	1,196	1,196	(429)	1,625
Total Community Programs	102,546	102,546	100,404	2,142
TOTAL JUDICIAL	398,732	398,732	400,049	(1,317)
TOTAL EXPENDITURES	398,732	398,732	400,049	(1,317)



**WALKER COUNTY, TEXAS**  
 JUVENILE GRANT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2018

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,702)	(1,702)
NET CHANGE IN FUND BALANCE	-	-	(1,702)	(1,702)
FUND BALANCE AT BEGINNING OF YEAR	-	-	99,316	99,316
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,614</u>	<u>\$ 97,614</u>



## Debt Service Fund

**WALKER COUNTY, TEXAS**  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT C-28**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUE:				
AD VALOREM TAXES				
Current Taxes	\$ 1,148,916	\$ 1,148,916	\$ 1,320,809	\$ 171,893
Delinquent Taxes	25,000	25,000	37,267	12,267
Total Ad Valorem Taxes	<u>1,173,916</u>	<u>1,173,916</u>	<u>1,358,076</u>	<u>184,160</u>
Penalty and Interest	16,800	16,800	22,577	5,777
Interest Income	2,000	2,000	9,125	7,125
TOTAL REVENUES	<u>1,192,716</u>	<u>1,192,716</u>	<u>1,389,778</u>	<u>197,062</u>
EXPENDITURES:				
DEBT SERVICE				
Principal Retirement	865,000	865,000	865,000	-
Interest and Fiscal Charges	510,868	510,868	510,868	-
Total Debt Service	<u>1,375,868</u>	<u>1,375,868</u>	<u>1,375,868</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,375,868</u>	<u>1,375,868</u>	<u>1,375,868</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(183,152)</u>	<u>(183,152)</u>	<u>13,910</u>	<u>197,062</u>
NET CHANGE IN FUND BALANCE	(183,152)	(183,152)	13,910	197,062
FUND BALANCE AT BEGINNING OF YEAR	180,334	180,334	180,334	-
FUND BALANCE AT END OF YEAR	<u>\$ (2,818)</u>	<u>\$ (2,818)</u>	<u>\$ 194,244</u>	<u>\$ 197,062</u>

## Fiduciary Funds

**WALKER COUNTY, TEXAS**

## COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

## AGENCY FUNDS

SEPTEMBER 30, 2018

	Adult Probation	Sheriff Commissary Fund	Walker County Public Safety Communications Center
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 398,841	\$ 71,403	\$ 676,846
Total Assets	<u>\$ 398,841</u>	<u>\$ 71,403</u>	<u>\$ 676,846</u>
<b>LIABILITIES:</b>			
Accounts Payable	\$ 6,619	\$ 3,915	\$ 753
Due to Other Governments	-	-	663,519
Due to Others	366,237	67,488	-
Accrued Liabilities	25,985	-	12,574
Total Liabilities	<u>\$ 398,841</u>	<u>\$ 71,403</u>	<u>\$ 676,846</u>

LEOSE Training Fund	Walker County Entergy Transportation TRZ #1	County Officials Trust & Agency Funds	Total Agency Funds (See Exhibit A-10)
\$ 41,759	\$ 362	\$ 4,020,815	\$ 5,210,026
<u>\$ 41,759</u>	<u>\$ 362</u>	<u>\$ 4,020,815</u>	<u>\$ 5,210,026</u>
\$ -	\$ -	\$ -	\$ 11,287
41,759	-	1,576,234	2,281,512
-	362	2,444,581	2,878,668
-	-	-	38,559
<u>\$ 41,759</u>	<u>\$ 362</u>	<u>\$ 4,020,815</u>	<u>\$ 5,210,026</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, 2017	Additions	Deductions	Balance September 30, 2018
<b>COUNTY OFFICIALS TRUST &amp; AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 3,477,713	\$ 31,230,139	\$ 30,687,037	\$ 4,020,815
Total Assets	<u>\$ 3,477,713</u>	<u>\$ 31,230,139</u>	<u>\$ 30,687,037</u>	<u>\$ 4,020,815</u>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 1,655,178	\$ 26,970,581	\$ 27,049,525	\$ 1,576,234
Due to Others	1,822,535	4,259,558	3,637,512	2,444,581
Total Liabilities	<u>\$ 3,477,713</u>	<u>\$ 31,230,139</u>	<u>\$ 30,687,037</u>	<u>\$ 4,020,815</u>
<b>WALKER COUNTY PUBLIC SAFETY COMMUNICATIONS CENTER</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 467,795	\$ 1,474,888	\$ 1,265,837	\$ 676,846
Accounts Receivable, Net	-	-	-	-
Due from Others	-	-	-	-
Total Assets	<u>\$ 467,795</u>	<u>\$ 1,474,888</u>	<u>\$ 1,265,837</u>	<u>\$ 676,846</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 32,499	\$ 180,147	\$ 211,893	\$ 753
Accrued Liabilities	12,753	12,574	12,753	12,574
Due to Other Governments	422,543	1,273,876	1,032,900	663,519
Total Liabilities	<u>\$ 467,795</u>	<u>\$ 1,466,597</u>	<u>\$ 1,257,546</u>	<u>\$ 676,846</u>
<b>SHERIFF COMMISSARY FUND</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 56,228	\$ 44,169	\$ 28,994	\$ 71,403
Total Assets	<u>\$ 56,228</u>	<u>\$ 44,169</u>	<u>\$ 28,994</u>	<u>\$ 71,403</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 842	\$ 27,211	\$ 24,138	\$ 3,915
Due to Others	55,386	40,500	28,398	67,488
Total Liabilities	<u>\$ 56,228</u>	<u>\$ 67,711</u>	<u>\$ 52,536</u>	<u>\$ 71,403</u>
<b>ADULT PROBATION</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 410,485	\$ 1,687,828	\$ 1,699,472	\$ 398,841
Total Assets	<u>\$ 410,485</u>	<u>\$ 1,687,828</u>	<u>\$ 1,699,472</u>	<u>\$ 398,841</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 5,133	\$ 163,132	\$ 161,646	\$ 6,619
Accrued Liabilities	27,735	53,156	54,906	25,985
Due to Other Governments	1,842	-	1,842	-
Due to Others	375,775	1,668,904	1,678,442	366,237
Total Liabilities	<u>\$ 410,485</u>	<u>\$ 1,885,192</u>	<u>\$ 1,896,836</u>	<u>\$ 398,841</u>
<b>AGENCY FUND - LEOSE TRAINING FUND</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 38,752	\$ 9,543	\$ 6,536	\$ 41,759
Total Assets	<u>\$ 38,752</u>	<u>\$ 9,543</u>	<u>\$ 6,536</u>	<u>\$ 41,759</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 4,770	\$ 4,770	\$ -
Due to Other Governments	38,752	9,543	6,536	41,759
Total Liabilities	<u>\$ 38,752</u>	<u>\$ 14,313</u>	<u>\$ 11,306</u>	<u>\$ 41,759</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, 2017	Additions	Deductions	Balance September 30, 2018
<b>WALKER COUNTY TIRZ #1</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 362	\$ -	\$ -	\$ 362
Total Assets	<u>\$ 362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362</u>
<b>LIABILITIES</b>				
Due to Others	\$ 362	\$ -	\$ -	\$ 362
Total Liabilities	<u>\$ 362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362</u>
<b>TOTAL AGENCY FUNDS:</b>				
<b>ASSETS</b>				
Cash & Investments	\$ 4,451,335	\$ 34,446,567	\$ 33,687,876	\$ 5,210,026
Accounts Receivable, Net	-	-	-	-
Due from Others	-	-	-	-
Total Assets	<u>\$ 4,451,335</u>	<u>\$ 34,446,567</u>	<u>\$ 33,687,876</u>	<u>\$ 5,210,026</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 38,474	\$ 375,260	\$ 402,447	\$ 11,287
Accrued Liabilities	40,488	65,730	67,659	38,559
Due to Other Governments	2,118,315	28,254,000	28,090,803	2,281,512
Due to Others	2,254,058	5,968,962	5,344,352	2,878,668
Total Liabilities	<u>\$ 4,451,335</u>	<u>\$ 34,663,952</u>	<u>\$ 33,905,261</u>	<u>\$ 5,210,026</u>



**WALKER COUNTY, TEXAS**

COMPARATIVE SCHEDULES BY SOURCE OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018 AND 2017

**EXHIBIT C-31**

	2018	2017
Capital Assets:		
Land	\$ 680,552	\$ 680,552
CIP	94,401	-
Vehicles	6,136,388	5,831,307
Office Furniture and Fixtures	1,896,633	1,874,656
Machinery and equipment	8,074,959	7,806,209
Buildings and Facilities	33,194,985	33,181,755
Improvements	4,306,760	4,306,760
Total Capital Assets	<u>\$ 54,384,678</u>	<u>\$ 53,681,239</u>
Investment in Capital Assets by Source:		
Operating Fund	\$ 8,713,213	\$ 8,462,720
Special Revenue Funds	25,024,516	24,571,570
Capital Projects Funds	20,646,949	20,646,949
Total Investment in Capital Assets	<u>\$ 54,384,678</u>	<u>\$ 53,681,239</u>

**WALKER COUNTY, TEXAS**

SCHEDULE OF DEPRECIATION EXPENSE BY FUNCTION AND ACTIVITY OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018

**EXHIBIT C-32**

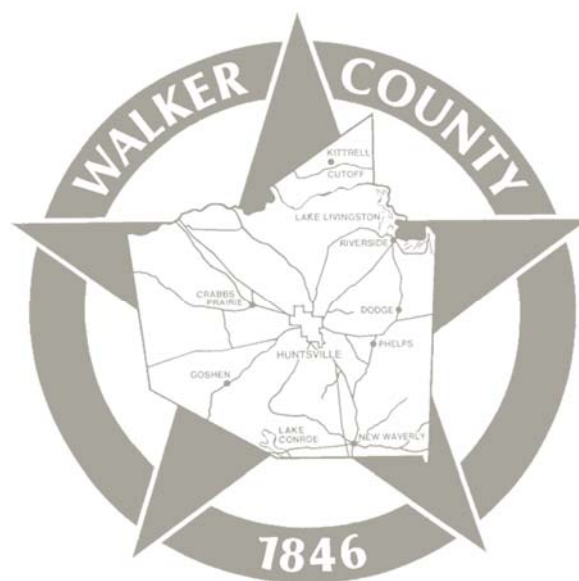
Function and Activity	Buildings and Facilities	Improvements	Office Furniture and Fixtures	Machinery and Equipment	Vehicles	Total
<b>General Government:</b>						
County Judge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT Operations-County Judge	-	-	25,348	-	-	25,348
Commissioners Court	-	-	1,901	-	-	1,901
County Clerk	-	-	3,444	-	-	3,444
Voter Registration	-	-	2,000	-	-	2,000
Elections	974	-	-	-	-	974
County Facilities	-	89,935	-	36,176	3,500	129,611
H.E.A.R.T.S Complex	98,131	-	-	285	-	98,416
Courthouse Annex-Sam Houston Avenue	75,125	-	-	1,862	-	76,987
Courthouse Annex II - University Avenue	4,308	4,659	-	-	-	8,967
Annex 340 Hwy 75 North	-	-	-	-	-	-
Annex 344 Hwy 75 North	-	1,622	-	-	-	1,622
Non-Departmental/Centralized Costs	-	-	-	-	-	-
Total General Government	178,538	96,216	32,693	38,323	3,500	349,270
<b>Financial:</b>						
County Auditor	-	-	46,934	-	-	46,934
County Treasurer	-	-	2,210	-	-	2,210
Purchasing	-	-	1,414	-	-	1,414
Total Financial	-	-	50,558	-	-	50,558
<b>Judicial:</b>						
County Court at Law	\$ -	\$ -	\$ 1,058	\$ 1,576	\$ -	\$ 2,634
12th Judicial District	-	-	1,299	-	-	1,299
278th Judicial District	-	-	1,142	-	-	1,142
District Clerk	-	-	7,228	-	-	7,228
Criminal District Attorney	-	758	5,892	-	10,807	17,457
Justice of Peace - Precinct 1	-	-	-	-	-	-
Justice of Peace - Precinct 2	-	-	-	-	-	-
Justice of Peace - Precinct 3	-	2,547	-	-	-	2,547
Justice of Peace - Precinct 4	-	-	1,238	-	-	1,238
SPU Criminal	-	-	6,489	-	-	6,489
SPU State Allocation	-	-	-	-	62,574	62,574
SPU Civil	-	-	5,463	-	11,110	16,573
SPU Juvenile	-	-	-	-	1,297	1,297
Juvenile Probation Support	-	-	1,268	-	-	1,268
Juvenile Title IV E	-	-	-	-	-	-
Total Judicial	-	3,305	31,077	1,576	85,788	121,746
<b>Public Safety:</b>						
Sheriff's Office	112,874	-	17,611	22,897	212,124	365,506
Courthouse Security	-	-	-	20,049	-	20,049
Constable - Precinct 1	-	-	-	-	-	-
Constable - Precinct 2	-	-	-	-	2,745	2,745
Constable - Precinct 3	-	-	-	-	4,612	4,612
Constable - Precinct 4	-	-	-	4,394	16,558	20,952
Department of Public Safety	-	-	-	1,574	-	1,574
Weigh Station	5,732	616	-	-	-	6,348
Emergency Operations	168,721	-	1,336	6,792	-	176,849
Walker County EMS - Emergency Services	-	-	-	38,264	118,758	157,022
CDBG Grant	-	-	-	166,525	19,130	185,655
Total Public Safety	287,327	616	18,947	260,495	373,927	941,312
<b>Correction and Rehabilitation:</b>						
County Jail	902,566	3,578	1,393	173,895	10,906	1,092,338
Probation Support	46,101	-	1,636	1,590	-	49,327
Adult Basic Supervision	-	-	-	-	-	-
Total Correction and Rehabilitation	948,667	3,578	3,029	175,485	10,906	1,141,665
<b>Health and Welfare:</b>						
Planning and Development	-	-	1,964	1,774	5,195	8,933
Litter Control - General Fund	-	-	-	2,042	7,144	9,186
Total Health and Welfare	-	-	1,964	3,816	12,339	18,119
<b>Culture and Education:</b>						
Texas AgriLife Extension Service	-	-	1,296	539	-	1,835
Total Culture and Education	-	-	1,296	539	-	1,835
<b>Public Transportation:</b>						
Road and Bridge General	-	-	-	6,971	-	6,971
Road and Bridge - Precinct 1	-	20,543	-	37,636	8,326	66,505
Road and Bridge - Precinct 2	432	-	1,270	16,605	13,696	32,003
Road and Bridge - Precinct 3	-	8,381	-	20,304	12,684	41,369
Road and Bridge - Precinct 4	4,317	23,225	-	41,235	15,268	84,045
Road and Bridge Weigh Station Operations	-	-	-	2,490	-	2,490
Total Public Transportation	4,749	52,149	1,270	125,241	49,974	233,383
<b>Total Capital Assets</b>	<b>\$ 1,419,281</b>	<b>\$ 155,864</b>	<b>\$ 140,834</b>	<b>\$ 605,475</b>	<b>\$ 536,434</b>	<b>\$ 2,857,888</b>

**WALKER COUNTY, TEXAS**

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY OF  
CAPITAL ASSETS USED IN GOVERNMENTAL FUNDS  
YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-33

Function and Activity	Capital Assets October 1, 2017	Additions	Deductions	Capital Assets September 30, 2018
General Government:				
County Judge	\$ 13,231	\$ -	\$ -	\$ 13,231
IT Operations-County Judge	715,436	11,982	(13,121)	714,297
Commissioners Court	9,503	-	-	9,503
County Clerk	18,783	-	-	18,783
Voter Registration	9,998	-	-	9,998
Elections	133,131	-	-	133,131
County Facilities	4,299,148	77,694	(20,130)	4,356,712
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	10,124,704	89,676	(33,251)	10,181,129
Financial:				
County Auditor	245,141	-	-	245,141
County Treasurer	11,049	-	-	11,049
Purchasing	44,501	44,650	(32,357)	56,794
Total Financial	300,691	44,650	(32,357)	312,984
Judicial:				
12th Judicial District	5,244	6,494	-	11,738
278th Judicial District	12,206	-	(6,494)	5,712
County Court at Law	13,168	-	-	13,168
District Clerk	36,142	-	-	36,142
Criminal District Attorney	453,053	59,565	(20,761)	491,857
Justice of Peace - Precinct 2	104,357	-	-	104,357
Justice of Peace - Precinct 3	113,017	6,390	-	119,407
Justice of Peace - Precinct 4	87,601	-	-	87,601
SPU Criminal	42,063	-	-	42,063
SPU State Allocation	302,872	19,996	-	322,868
SPU Civil	119,741	-	(32,293)	87,448
SPU Juvenile	70,122	-	-	70,122
Juvenile Probation Support	15,740	-	-	15,740
Juvenile Title IV E	-	-	-	-
Total Judicial	1,375,326	92,445	(59,548)	1,408,223
Public Safety:				
Sheriff's Office	4,776,764	215,337	(152,732)	4,839,369
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	46,121	(42,161)	82,090
Constable - Precinct 4	87,402	42,161	-	129,563
Department of Public Safety	7,871	-	-	7,871
Weigh Station	400,893	-	(15,867)	385,026
Emergency Management (Operations)	4,092,570	-	-	4,092,570
CDBG Grant - Radios	928,270	-	-	928,270
EMS - Emergency Services	1,621,632	260,739	(120,500)	1,761,871
Total Public Safety	12,171,647	564,358	(331,260)	12,404,745
Correction and Rehabilitation:				
County Jail	21,361,910	117,262	(20,620)	21,458,552
Probation Support	938,140	-	-	938,140
Adult Basic Supervision	49,227	-	-	49,227
Total Correction and Rehabilitation	22,349,277	117,262	(20,620)	22,445,919
Health and Welfare:				
Planning and Development	181,188	-	-	181,188
Litter Control - General Fund	69,922	14,912	-	84,834
Total Health and Welfare	251,110	14,912	-	266,022
Culture and Education:				
Texas AgriLife Extension Service	14,582	-	-	14,582
Total Culture and Education	14,582	-	-	14,582
Public Transportation:				
Road and Bridge General	789,858	-	-	789,858
Road and Bridge - Precinct 1	1,528,629	-	-	1,528,629
Road and Bridge - Precinct 2	1,290,403	-	-	1,290,403
Road and Bridge - Precinct 3	1,534,068	171,143	-	1,705,211
Road and Bridge - Precinct 4	1,950,944	84,980	(23,851)	2,012,073
Road and Bridge Weigh Station Operations	-	24,900	-	24,900
Total Public Transportation	7,093,902	281,023	(23,851)	7,351,074
Total Capital Assets	\$ 53,681,239	\$ 1,204,326	\$ (500,887)	\$ 54,384,678



# STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends	136
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	146
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	153
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	158
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	160
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>2018</u>	<u>2017</u>	<u>2016</u>
Governmental Activities			
Invested in capital assets, net of related debt	\$ 7,970,991	\$ 8,868,866	\$ 9,685,620
Restricted	2,255,968	2,129,888	1,863,075
Unrestricted	(14,374,814)	(9,765,392)	(5,191,383)
Total governmental activities net assets	<u>\$ (4,147,855)</u>	<u>\$ 1,233,362</u>	<u>\$ 6,357,312</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	\$ 7,970,991	\$ 8,868,866	\$ 9,685,620
Restricted	2,255,968	2,129,888	1,863,075
Unrestricted	(14,374,814)	(9,765,392)	(5,191,383)
Total governmental activities net assets	<u>\$ (4,147,855)</u>	<u>\$ 1,233,362</u>	<u>\$ 6,357,312</u>



Table E-1

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 10,521,448	\$ 11,004,750	\$ 12,086,797	\$ 12,439,349	\$ 13,032,866	\$ 12,704,554	\$ 13,024,741
1,584,821	83,580	116,489	-	83,707	1,336,137	1,232,050
(5,497,318)	5,487,590	4,122,953	5,270,066	7,234,637	7,364,026	7,784,884
<u>\$ 6,608,951</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,521,448	\$ 11,004,750	\$ 12,086,797	\$ 12,439,349	\$ 13,032,866	\$ 12,704,554	\$ 13,024,741
1,584,821	83,580	116,489	-	83,707	1,336,137	1,232,050
(5,497,318)	5,487,590	4,122,953	5,270,066	7,234,637	7,364,026	7,784,884
<u>\$ 6,608,951</u>	<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>

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

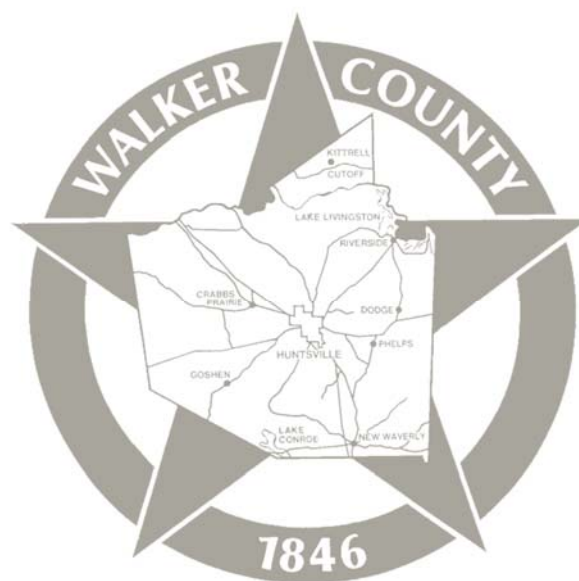
	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Expenses</b>			
Governmental Activities:			
General Government	\$ 4,358,180	\$ 6,496,973	\$ 5,543,255
Financial	2,529,932	2,455,399	2,333,148
Judicial	11,102,287	11,589,784	10,040,223
Public Safety	10,136,547	9,566,499	9,142,524
Correction and Rehabilitation	4,387,983	4,345,175	3,860,155
Health & Welfare	707,113	653,677	799,830
Culture and Education	226,851	279,911	278,594
Public Transportation	6,211,591	7,445,266	5,917,477
Intergovernmental Expenditure	-	-	-
Interest & Fiscal Charges	501,513	518,479	535,128
Total Governmental Activities	<u>\$ 40,161,997</u>	<u>\$ 43,351,163</u>	<u>\$ 38,450,334</u>
Business-type activities			
EMS	\$ -	\$ -	\$ -
Total primary government	<u>\$ 40,161,997</u>	<u>\$ 43,351,163</u>	<u>\$ 38,450,334</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services:			
General Government	\$ 848,792	\$ 771,922	\$ 819,957
Financial	750,706	676,956	687,049
Judicial	748,720	731,024	705,742
Public Safety	2,453,193	2,798,656	2,630,156
Correction and Rehabilitation	285,823	365,119	383,983
Health & Welfare	296,098	216,964	221,049
Culture and Education	-	-	-
Public Transportation	1,886,447	1,616,998	1,868,567
Operating grants and contributions	6,488,447	8,046,362	8,891,973
Capital grants and contributions	-	-	99,640
Total Governmental Activities	<u>\$ 13,758,226</u>	<u>\$ 15,224,001</u>	<u>\$ 16,308,116</u>
Business-type activities			
Charges for service	\$ -	\$ -	\$ -
Operating grants and contributions	-	-	-
EMS	\$ -	\$ -	\$ -
Total primary government	<u>\$ 13,758,226</u>	<u>\$ 15,224,001</u>	<u>\$ 16,308,116</u>
Net (expense)/revenue			
Governmental activities	\$ (26,403,771)	\$ (28,127,162)	\$ (22,142,218)
Business-type activities	-	-	-
Total primary government net expense	<u>\$ (26,403,771)</u>	<u>\$ (28,127,162)</u>	<u>\$ (22,142,218)</u>
<b>General Revenues and Other Changes in Net Position</b>			
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities:			
Taxes			
Property taxes	\$ 19,532,967	\$ 18,691,980	\$ 17,975,921
Sales taxes	3,824,119	3,704,825	3,261,313
Other taxes	149,997	20,335	34,120
Vehicle Registration	-	-	-
Alcoholic beverage taxes	115,860	114,489	133,244
Investment earnings	347,850	151,111	70,920
Transfers	-	-	-
Other	648,967	320,472	415,061
Total governmental activities	<u>\$ 24,619,760</u>	<u>\$ 23,003,212</u>	<u>\$ 21,890,579</u>
Business-type activities:			
Investment earnings	\$ -	\$ -	\$ -
Transfers	-	-	-
Total business-type activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 24,619,760</u>	<u>\$ 23,003,212</u>	<u>\$ 21,890,579</u>
<b>Change in Net Position</b>			
Governmental activities	\$ (1,784,011)	\$ (5,123,950)	\$ (251,639)
Adjustment-Implementation GASB 68 & 71 for Pensions	-	-	-
Adjustment-Implementation GASB 75 for OPEB	(4,527,777)	-	-
Prior Period Adjustment (Road and Bridge Revenues)	(56,803)	-	-
Prior Period Adjustment (Establish Internal Service Fund)	987,374	-	-
Business-type activities	-	-	-
Total primary government	<u>\$ (5,381,217)</u>	<u>\$ (5,123,950)</u>	<u>\$ (251,639)</u>

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 5,034,941	\$ 4,981,792	\$ 6,320,712	\$ 4,863,509	\$ 3,495,070	\$ 3,759,057	\$ 3,000,402
\$ 2,228,163	2,010,372	1,057,993	1,496,460	2,344,939	1,951,551	2,186,499
\$ 9,785,092	9,308,556	8,780,081	8,912,108	9,150,956	9,071,422	8,457,490
\$ 7,358,381	8,034,882	7,749,329	7,622,032	10,244,585	10,617,796	10,775,866
\$ 3,809,298	3,240,101	2,397,990	1,940,555	-	-	-
\$ 1,101,500	687,926	620,634	580,721	1,151,364	666,885	603,749
\$ 267,349	246,614	279,181	184,623	-	-	-
\$ 5,255,590	4,604,784	4,921,612	5,347,720	5,018,699	4,744,706	4,596,948
\$ -	-	-	-	-	-	-
\$ 551,478	637,620	672,971	11,750	38,128	62,340	85,581
\$ 35,391,792	\$ 33,752,647	\$ 32,800,503	\$ 30,959,478	\$ 31,443,741	\$ 30,873,757	\$ 29,706,535
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 35,391,792	\$ 33,752,647	\$ 32,800,503	\$ 30,959,478	\$ 31,443,741	\$ 30,873,757	\$ 29,706,535
\$ 745,490	\$ 842,054	\$ 5,438,239	\$ 859,145	\$ 412,098	\$ 829,984	\$ 930,385
668,773	544,054	503,007	450,135	834,039	330,896	330,732
646,069	769,676	530,432	658,268	805,272	681,587	650,617
3,089,754	2,810,452	253,021	2,525,266	3,274,199	3,543,133	3,351,915
195,042	199,606	160,918	172,042	-	-	-
197,043	162,037	109,604	170,754	112,731	110,969	88,115
-	-	-	8,369	-	-	-
1,823,854	2,040,526	83,040	2,009,110	2,184,655	2,129,055	2,285,532
6,840,859	6,284,264	6,363,325	5,823,400	7,690,227	7,488,881	6,903,805
393,558	40,301	-	-	-	-	54,254
\$ 14,600,442	\$ 13,692,970	\$ 13,441,586	\$ 12,676,489	\$ 15,313,221	\$ 15,114,505	\$ 14,595,355
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 14,600,442	\$ 13,692,970	\$ 13,441,586	\$ 12,676,489	\$ 15,313,221	\$ 15,114,505	\$ 14,595,355
\$ (20,791,350)	\$ (20,059,677)	\$ (19,358,917)	\$ (18,282,989)	\$ (16,130,520)	\$ (15,759,252)	\$ (15,111,180)
-	-	-	-	-	-	-
\$ (20,791,350)	\$ (20,059,677)	\$ (19,358,917)	\$ (18,282,989)	\$ (16,130,520)	\$ (15,759,252)	\$ (15,111,180)
<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 17,294,805	\$ 16,804,691	\$ 15,468,449	\$ 13,019,116	\$ 12,842,095	\$ 12,625,076	\$ 11,522,727
3,293,984	3,114,639	2,696,082	2,488,739	2,442,426	2,343,620	2,423,490
28,452	20,494	367,715	26,669	25,190	21,982	24,399
-	-	-	-	-	-	-
123,386	113,186	70,775	92,974	137,417	92,676	89,173
24,256	17,952	35,570	13,696	15,303	38,938	152,407
-	-	-	-	-	-	-
283,576	238,396	-	-	-	-	-
\$ 21,048,459	\$ 20,309,358	\$ 18,638,591	\$ 15,641,194	\$ 15,462,431	\$ 15,122,292	\$ 14,212,196
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 21,048,459	\$ 20,309,358	\$ 18,638,591	\$ 15,641,194	\$ 15,462,431	\$ 15,122,292	\$ 14,212,196
\$ 257,109	\$ 249,681	\$ (720,326)	\$ (2,641,795)	\$ (668,089)	\$ (636,960)	\$ (898,984)
(10,224,078)	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ (9,966,969)	\$ 249,681	\$ (720,326)	\$ (2,641,795)	\$ (668,089)	\$ (636,960)	\$ (898,984)

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Other Taxes</b>	<b>Alcoholic Beverage Tax</b>	<b>Total</b>
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
2018	19,532,967	3,824,119	149,997	115,860	23,622,943



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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund			
Nonspendable - Prepaid Expenditures	\$ 38,918	\$ 34,146	\$ 34,146
Committed for Projects	1,490,076	1,311,619	1,794,683
Assigned - One Time Allocation	1,974,688	2,204,972	1,638,021
Unassigned	7,337,147	6,057,982	6,013,553
Unreserved	-	-	-
Total general fund	<u>\$ 10,840,829</u>	<u>\$ 9,608,719</u>	<u>\$ 9,480,403</u>
 All other governmental funds			
Reserved	\$ -	\$ -	\$ -
Restricted - Debt Service	194,244	180,334	180,420
Restricted - Other Governmental Funds	2,102,748	1,956,903	1,652,320
Restricted - Capital Projects	-	-	-
Committed for Public Transportation	2,220,474	2,708,608	3,726,799
Committed for Public Safety	809,392	1,155,639	1,279,654
Unassigned	-	-	-
Unreserved, reported in:	-	-	-
Special revenue funds	-	-	-
Total all other governmental funds	<u>\$ 5,326,858</u>	<u>\$ 6,001,484</u>	<u>\$ 6,839,193</u>

Notes

- (1) In Fiscal Year ending September 30, 2011, GASB 54 was implemented. New classification of Fund Balances. See Note L, page 51.

(1)						
<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 35,538	\$ 30,081	\$ 33,227	\$ 34,434	\$ 33,383	\$ -	\$ -
1,499,348	1,054,938	862,695	721,980	1,362,950	-	-
1,747,376	1,580,532	1,231,385	1,433,682	1,076,540	-	-
5,516,930	5,006,369	3,887,335	3,327,237	4,040,071	-	-
-	-	-	-	-	5,636,281	5,586,097
\$ 8,799,192	\$ 7,671,920	\$ 6,014,642	\$ 5,517,333	\$ 6,512,944	\$ 5,636,281	\$ 5,586,097
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,288,853	\$ 1,179,475
159,259	176,508	141,977	9	97,168	-	-
1,412,114	1,054,960	819,058	783,523	686,705	-	-
629,092	975,602	6,368,829	18,888,014	-	-	-
1,964,019	1,391,850	1,008,717	1,208,584	954,656	-	-
1,518,682	1,125,825	547,155	402,593	637,029	-	-
-	-	-	-	376,094	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,631,726	2,371,763
\$ 5,683,166	\$ 4,724,745	\$ 8,885,736	\$ 21,282,723	\$ 2,751,652	\$ 3,920,579	\$ 3,551,238

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Revenues</b>			
Property Taxes	\$ 19,515,667	\$ 18,547,489	\$ 17,800,474
Other Taxes	4,089,976	3,839,649	3,428,677
Licenses and permits	295,998	216,827	220,856
Intergovernmental	6,798,805	8,348,978	9,382,483
Charges for services	5,418,480	5,576,992	5,450,527
Fines	1,217,903	1,100,612	1,249,603
Interest Income	347,850	151,111	70,920
Other	648,966	341,611	424,455
Total revenues	<u>\$ 38,333,645</u>	<u>\$ 38,123,269</u>	<u>\$ 38,027,995</u>
<b>Expenditures</b>			
General Government	\$ 4,249,401	\$ 4,127,171	\$ 3,753,987
Financial	2,361,129	2,314,602	2,212,332
Judicial	10,450,395	10,995,766	9,913,226
Public Safety	9,217,046	8,931,995	8,500,706
Corrections and Rehabilitation	3,104,984	2,945,935	3,484,610
Health & Welfare	677,829	613,494	770,316
Culture and Education	203,872	261,618	264,492
Public Transportation	6,078,834	7,269,313	5,916,715
Intergovernmental/Contractual	-	-	-
Capital Outlay	-	-	-
Debt service			
Principal	865,000	845,000	830,000
Interest	510,868	527,768	544,368
Other charges	-	-	-
Total expenditures	<u>\$ 37,719,358</u>	<u>\$ 38,832,662</u>	<u>\$ 36,190,752</u>
Excess of revenues over (under) expenditures	<u>\$ 614,287</u>	<u>\$ (709,393)</u>	<u>\$ 1,837,243</u>
<b>Other financing sources (uses)</b>			
Transfers in	\$ 1,741,162	\$ 1,613,245	\$ 1,750,124
Transfers out	(1,741,162)	(1,613,245)	(1,750,124)
Issuance of Certificate of Obligation	-	-	-
Premium of Issue of Debt	-	-	-
sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 614,287	\$ (709,393)	\$ 1,837,243
Decrease in fund balances EMS			
Debt service as a percentage of noncapital expenditures	3.76%	3.65%	3.99%

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



<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 17,181,150	\$ 16,774,474	\$ 15,003,377	\$ 12,895,031	\$ 12,759,820	\$ 12,568,933	\$ 11,510,947
3,445,822	3,248,319	3,134,572	2,608,382	2,605,032	2,458,278	2,537,062
224,649	161,392	133,457	105,837	112,025	96,904	84,288
8,492,303	6,340,871	6,480,749	6,072,422	7,730,809	7,419,809	7,601,448
5,611,276	5,610,425	5,026,172	5,178,624	5,741,943	5,899,127	5,716,805
1,414,356	1,530,692	1,561,876	1,178,873	1,451,893	1,315,714	1,413,686
24,257	17,952	35,570	22,838	15,303	38,938	152,407
364,409	399,198	297,423	224,846	298,440	403,525	452,249
\$ 36,758,222	\$ 34,083,323	\$ 31,673,196	\$ 28,286,853	\$ 30,715,265	\$ 30,201,228	\$ 29,468,892
\$ 3,235,748	\$ 3,005,714	\$ 2,881,971	\$ 2,822,719	\$ 1,908,570	\$ 1,874,541	\$ 1,852,065
2,147,626	2,057,822	1,535,474	1,499,540	2,006,059	1,920,995	1,835,543
9,621,632	9,319,085	9,324,929	9,000,862	9,110,130	9,014,958	8,515,885
8,532,630	7,559,836	6,164,325	6,038,477	8,383,465	9,483,904	9,836,567
2,979,371	7,745,408	2,088,515	2,191,908	-	-	-
1,211,316	670,722	593,720	464,466	948,792	554,724	522,896
264,068	244,993	186,050	184,623	-	-	-
5,304,471	4,606,788	4,634,876	4,720,409	4,729,129	4,241,268	3,990,104
-	-	1,226,231	1,206,060	1,174,386	1,134,146	1,069,738
-	-	13,595,819	2,111,121	1,676,803	1,072,856	3,073,396
815,000	800,000	685,000	628,135	631,672	535,091	619,306
560,667	576,668	655,964	13,913	53,105	73,065	98,972
-	-	-	-	-	-	-
\$ 34,672,529	\$ 36,587,036	\$ 43,572,874	\$ 30,882,233	\$ 30,622,111	\$ 29,905,548	\$ 31,414,472
\$ 2,085,693	\$ (2,503,713)	\$ (11,899,678)	\$ (2,595,380)	\$ 93,154	\$ 295,680	\$ (1,945,580)
\$ 1,807,837	\$ 2,015,985	\$ 1,578,561	\$ 1,655,069	\$ 1,334,051	\$ 1,644,023	\$ 1,420,689
(1,807,837)	(2,015,985)	(1,578,561)	(1,655,069)	(1,334,051)	(1,644,023)	(1,420,689)
-	-	-	20,000,000	-	123,843	-
-	-	-	130,840	-	-	-
\$ -	\$ -	\$ -	\$ 20,130,840	\$ -	\$ 123,843	\$ -
\$ 2,085,693	\$ (2,503,713)	\$ (11,899,678)	\$ 17,535,460	\$ 93,154	\$ 419,523	\$ (1,945,580)
4.20%	4.55%	4.47%	2.23%	2.37%	2.11%	2.53%

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

<b>Fiscal Year</b>	<b>Property Tax(1)</b>	<b>Sales Tax</b>	<b>Other Taxes</b>	<b>Alcoholic Beverage Tax</b>	<b>Total Other Taxes</b>	<b>Total Taxes</b>
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
2018	19,515,667	3,824,119	149,997	115,860	4,089,976	23,605,643

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
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
2018	1,898,283,205	980,232,732	1,598,143,151	4,476,659,088	472,345,989

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

StateCode	Description	Grouping	FY 2018	FY 2017	FY 2016
A	Single Family Residence	residential	\$ 1,605,119,526	\$ 1,430,160,105	\$ 1,365,140,626
B	MultiFamily Residence	residential	293,163,679	264,497,190	259,866,510
C	Vacant Lot	land	136,212,443	109,705,616	94,325,461
D1	Qualified Ag Land	land	1,437,057,066	1,372,420,453	1,327,441,283
D2	Non Qualified Land	land	24,873,642	22,293,751	17,888,182
E	Farm or Ranch Improv.	commercial	529,868,225	471,715,766	456,971,752
F1	Commercial Real	commercial	419,979,707	402,765,906	379,402,379
F2	Industrial Real Property	commercial	30,384,800	28,426,490	26,470,380
G1	Oil and Gas	minerals	12,120,638	5,862,802	8,361,917
G3	Minerals-Non Producing	minerals	275,360	275,360	275,360
J1	Water Systems	personal	11,380	11,380	11,380
J2	Gas Distribution System	personal	2,388,940	2,278,490	1,961,270
J3	Electric Company	personal	52,375,130	49,994,160	46,003,490
J4	Telephone Company	personal	9,502,360	9,733,410	9,389,820
J5	RailRoad	personal	23,792,480	22,035,800	20,481,730
J6	Pipelane Company	personal	53,217,130	34,602,700	33,711,030
J7	Cable Television Co.	personal	7,179,210	6,108,870	5,818,520
J8	Other type of Utility	personal	31,800	31,800	31,800
L1	Commercial Personal	personal	153,588,670	140,311,380	135,741,450
L2	Industrial Personal	personal	94,682,930	101,689,710	151,800,590
M1	Tangible Other	personal	45,576,241	47,222,669	48,656,088
N	Intangible Property	personal	-	-	-
O	Residential Inventory	personal	2,249,640	3,140,504	1,199,600
S	Special Inventory Tax	personal	15,354,080	16,099,610	14,795,200
			<b>\$ 4,949,005,077</b>	<b>\$ 4,541,383,922</b>	<b>\$ 4,405,745,818</b>

Less:

Productivity Loss (Ag and Timber Use)	(1,386,106,672)	(1,323,148,574)	(1,282,993,441)
Homestead Cap (10% cap on residential homesteads)	(15,617,546)	(9,911,926)	(19,201,950)
Tax Ceiling and Over 65 and disabled exemption	(77,410,748)	(71,774,857)	(68,932,746)
Other Exemptions /Deductions	(12,745,699)	(20,823,045)	(56,427,523)
Total Exemptions	<b>\$ (1,491,880,665)</b>	<b>\$ (1,425,658,402)</b>	<b>\$ (1,427,555,660)</b>
Taxable Assessed Value	<b>\$ 3,457,124,412</b>	<b>\$ 3,115,725,520</b>	<b>\$ 2,978,190,158</b>

Total Direct Tax Rate	<b>\$0.5185</b>	<b>\$0.6157</b>	<b>\$0.6206</b>
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(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
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%
1,491,880,665	3,457,124,412	0.5185	69.85%

FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
\$ 1,214,424,490	\$ 1,171,963,250	\$ 1,119,049,757	\$ 1,096,500,415	\$ 1,019,194,065	\$ 1,001,871,339
243,410,560	240,178,120	255,472,510	233,875,970	212,421,879	211,171,040
84,045,429	81,439,934	81,767,312	93,750,505	90,377,875	89,540,840
1,116,282,909	1,108,156,711	911,121,052	874,865,866	800,701,069	798,546,287
15,206,290	11,979,881	65,901,900	88,151,283	51,886,549	52,847,729
415,792,778	377,940,875	311,709,173	304,499,853	299,170,151	292,208,361
340,586,809	323,489,681	280,310,140	263,245,850	258,115,930	252,701,530
24,033,940	23,838,600	18,758,400	18,192,520	18,764,790	15,585,940
10,520,067	4,663,359	4,582,581	6,033,800	7,186,881	9,409,435
275,360	275,360	276,680	280,680	280,680	284,060
4,000	4,000	4,000	4,000	4,000	4,000
1,686,520	1,531,050	1,328,950	1,483,120	1,424,250	1,434,290
41,235,270	38,883,940	39,602,830	53,687,160	33,991,630	32,425,920
10,158,600	11,128,710	12,680,250	16,647,590	16,696,730	18,138,180
18,452,040	16,640,630	14,891,740	13,876,060	12,053,960	11,209,160
34,937,800	26,260,590	26,112,300	25,696,480	19,739,420	15,325,720
5,750,570	5,659,900	5,910,520	3,049,230	3,108,650	2,969,980
31,800	31,800	31,800	31,800	31,800	31,800
123,936,440	118,823,670	113,080,610	113,485,550	193,157,700	232,557,780
148,850,040	153,479,910	132,878,470	126,233,030	44,107,500	11,132,160
42,782,260	44,088,289	46,904,675	49,752,480	52,040,250	52,533,620
-	-	15,110	9,710	9,710	
1,953,840	2,665,130	1,817,150	2,261,020	2,153,860	2,467,100
11,180,020	10,926,260	9,891,630	8,766,500	6,935,660	9,400,840
<b>\$ 3,905,537,832</b>	<b>\$ 3,774,049,650</b>	<b>\$ 3,454,099,540</b>	<b>\$ 3,394,380,472</b>	<b>\$ 3,143,554,989</b>	<b>\$ 3,113,797,111</b>
(1,072,732,022)	(1,061,987,752)	(864,873,036)	(829,788,729)	(753,891,998)	(775,445,300)
(6,118,846)	(4,844,955)	(3,921,326)	(11,967,776)	(7,534,476)	(15,567,539)
(66,620,346)	(61,884,961)	(59,008,162)	(56,299,468)	(54,192,145)	(46,170,943)
(62,907,910)	(75,629,347)	(57,171,848)	(57,135,097)	(63,347,006)	(66,137,508)
\$ (1,208,379,124)	\$ (1,204,347,015)	\$ (984,974,372)	\$ (955,191,070)	\$ (878,965,625)	\$ (903,321,290)
<b>\$ 2,697,158,708</b>	<b>\$ 2,569,702,635</b>	<b>\$ 2,469,125,168</b>	<b>\$ 2,439,189,402</b>	<b>\$ 2,264,589,364</b>	<b>\$ 2,210,475,821</b>
<b>\$0.6589</b>	<b>\$0.6778</b>	<b>\$0.6355</b>	<b>\$0.5536</b>	<b>\$0.5793</b>	<b>\$0.5770</b>

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

	<u>2018</u>	<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>
County:										
Operating	0.5408	0.5708	0.5724	0.6071	0.6209	0.5712	0.5391	0.5485	0.5485	0.5132
Debt Service	<u>0.0407</u>	<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>
Total	0.5815	0.6157	0.6206	0.6589	0.6778	0.6355	0.5536	0.5793	0.5770	0.5450
Huntsville ISD										
Operating	1.1000	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
Debt Service	<u>0.0800</u>	<u>0.1400</u>	<u>0.1400</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>
Total	1.1800	1.1800	1.1800	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>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
New Waverly ISD										
Operating	1.1700	1.1700	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0234
Debt Service	<u>0.1900</u>	<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>
Total	1.3600	1.3600	1.2400	1.2400	1.2400	1.2605	1.2605	1.2700	1.2700	1.2534
City of Huntsville										
Operating	0.2745	0.2838	0.2833	0.2862	0.2920	0.2639	0.2381	0.2134	0.2249	0.2108
Debt Service	<u>0.0921</u>	<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>
Total	0.3666	0.3809	0.3838	0.4106	0.4206	0.4206	0.3915	0.4007	0.4007	0.4007
City of New Waverly										
Operating	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
City of Riverside										
Operating	0.1438	0.1561	0.1681	0.1918	0.0817	0.0894	0.0818	0.0551	0.1101	0.0803
Debt Service	<u>0.0000</u>	<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>
Total	0.1438	0.1561	0.1681	0.1918	0.1924	0.2030	0.2088	0.2136	0.2064	0.2340
Hospital District										
Operating	0.1254	0.1346	0.1427	0.1537	0.1590	0.1554	0.1568	0.1530	0.1534	0.1537
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.1254	0.1346	0.1427	0.1537	0.1590	0.1554	0.1568	0.1530	0.1534	0.1537
Fire District #1										
Operating	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Debt Service	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Fire District #2										
Operating	0.0678	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0300	0.0300
Debt Service	<u>0.0322</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
Total	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0300	0.0300
<b>Totals</b>										
Operating Total	4.5223	4.5553	4.4465	4.5188	4.4336	4.3599	4.2958	4.2500	4.2469	4.1514
Debt Service Total	<u>0.4350</u>	<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>
Total	4.9573	5.0273	4.9352	5.0650	5.0998	5.0850	4.9812	5.0266	4.9475	4.9268

**WALKER COUNTY, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS  
SEPTEMBER 30, 2018**

<u><b>Taxpayer</b></u>	<u><b>For the Fiscal Year Ending 09/30/18</b></u>	
	<b>Taxable</b>	<b>Percentage of</b>
	<b>Assessed</b>	<b>Total Taxable</b>
	<b>Value</b>	<b>Assessed</b>
	<b>Value</b>	<b>Value</b>
Entergy Texas Inc	\$ 42,142,790	1.22%
PEP-SHSU LLC	24,934,820	0.72%
C150 1300 Smither Drive LLC	21,713,800	0.63%
American Campus Community	19,975,680	0.58%
Union Pacific Railroad Co	19,272,410	0.56%
Weatherford US LP	17,610,359	0.51%
Vesper Forum LLC	16,900,000	0.49%
Wal-Mart Stores Texas LLC 0285-1-14206	16,854,890	0.49%
Waypoint Sam Houston Owner LLC	16,697,440	0.48%
Lone Star NGL Pipeline LP	16,494,070	0.48%

<u><b>Taxpayer</b></u>	<u><b>For the Fiscal Year Ending 09/30/09</b></u>	
	<b>Taxable</b>	<b>Percentage of</b>
	<b>Assessed</b>	<b>Total Taxable</b>
	<b>Value</b>	<b>Assessed</b>
	<b>Value</b>	<b>Value</b>
Entergy Gulf States, Inc.	\$ 23,875,120	1.12%
Weatherford Completion & Oilfield Services	20,028,946	0.94%
Southwestern Bell Telephone	16,799,550	0.79%
Wal-Mart Stores Texas LP #01-0285	16,093,830	0.75%
Huntsville Aberdeen Place LP	14,788,360	0.69%
Huntsville Place LP	13,430,650	0.63%
SCI Gateway at Huntsville Fund etal	12,638,450	0.59%
Samuel C. Dominey	11,197,330	0.52%
Arbors of Huntsville	10,032,160	0.47%
Universal Forest Products	9,424,699	0.44%

Source: Walker County Appraisal District

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

<b>Fiscal Year Ended September 30</b>	<b>(1) Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
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%
2018	19,249,734	18,703,271	97.2%	496,720	19,199,991	99.7%

(1) Original Tax Levy



**WALKER COUNTY  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligations Bonds (1)</b>	<b>Capital Leases</b>	<b>Total Outstanding Debt</b>	<b>Percentage of Personal Income (2)</b>	<b>Population</b>	<b>Debt Per Capita</b>
2009	\$ 1,671,056	\$ -	\$ 1,671,056	0.11%	64,739	\$ 25.81
2010	1,259,808	-	1,259,808	0.08%	67,861	18.56
2011	628,135	-	628,135	0.04%	67,861	9.26
2012	20,124,352	-	20,124,352	1.12%	68,087	295.57
2013	19,432,864	-	19,432,864	1.03%	68,408	284.07
2014	18,626,376	-	18,626,376	0.96%	68,817	270.67
2015	17,804,888	-	17,804,888	1.00%	69,789	255.12
2016	16,968,401	-	16,968,401	0.92%	70,699	240.01
2017	16,116,913	-	16,116,913	0.83%	71,484	225.46
2018	15,245,425	-	15,245,425	0.77%	72,245	211.02

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

(2) Personal income is disclosed on page 158.

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

<b>Fiscal Year</b>	<b>General Obligations Bonds (1)</b>	<b>Less: Amounts Available in Debt Service Fund (2)</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2009	\$ 1,671,056	\$ 401,510	\$ 1,269,546	0.06%	\$ 19.61
2010	1,259,808	427,477	832,331	0.04%	12.27
2011	628,135	473,262	154,873	0.01%	2.28
2012	20,124,352	32,807	20,091,545	0.82%	295.09
2013	19,432,864	141,977	19,290,887	0.78%	282.00
2014	18,626,376	176,508	18,449,868	0.72%	268.10
2015	17,804,888	159,259	17,645,629	0.65%	252.84
2016	16,968,401	180,420	16,787,981	0.56%	237.46
2017	16,116,913	180,334	15,936,579	0.51%	222.94
2018	15,245,425	194,244	15,051,181	0.44%	208.34

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

(2) This is the amount restricted for debt service principal payments.

**WALKER COUNTY  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF SEPTEMBER 30, 2018**

<u>Governmental Unit</u>	(1) Debt Outstanding	(2) Estimated Percentage Applicable	(3) Estimated Share of Overlapping Debt
Huntsville I.S.D.	\$ 23,423,212	100%	\$ 23,423,212
New Waverly I.S.D.	4,718,400	100%	4,718,400
City of Huntsville	63,365,730	100%	63,365,730
City of New Waverly	70,000	100%	70,000
City of Riverside	-	100%	-
Subtotal Overlapping Debt			<u>\$ 91,577,342</u>
Walker County direct debt			\$ 15,160,000
Total direct and overlapping debt			<u><u>\$ 106,737,342</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>2018</u>	<u>2017</u>	<u>2016</u>
Debt limit (Based on 25% of Value Real Property)	\$ 1,119,164,772	\$ 1,025,496,319	\$ 981,876,643
Total net debt applicable to limit	<u>14,965,756</u>	<u>14,965,756</u>	<u>16,689,580</u>
Legal debt margin	<u>\$ 1,104,199,016</u>	<u>\$ 1,010,530,563</u>	<u>\$ 965,187,063</u>
Total net debt applicable to the limit as a percentage of debt limit	1.34%	1.46%	1.70%

**Legal Debt Margin Calculation for Fiscal Year 2018**

Assessed value	\$ 2,984,778,423
Add back: exempt real property	<u>1,491,880,665</u>
Total assessed value	<u>\$ 4,476,659,088</u>
Debt limit (25% of total assessed value)	\$ 1,119,164,772
Debt applicable to limit:	
General obligation debt	\$ 15,160,000
Less: Amount set aside for repayment of general obligation debt	194,244
Total net debt applicable to limit	<u>\$ 14,965,756</u>
Legal debt margin	<u>\$ 1,104,199,016</u>

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 863,445,801	\$ 834,746,763	\$ 761,047,122	\$ 743,270,566	\$ 687,658,077	\$ 678,618,267	\$ 657,490,347
17,540,741	18,449,868	19,173,023	19,967,193	154,873	832,331	1,269,546
<u>\$ 845,905,060</u>	<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>
2.03%	2.21%	2.52%	2.69%	0.02%	0.12%	0.19%

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

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(2) Personal Income (amounts expressed in thousands)</b>	<b>(2) Per Capita Personal Income</b>	<b>(3) Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
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	\$ 26,456	n/a	7,369	5.8%
2017	71,484	\$ 1,938,000	\$ 27,024	n/a	7,219	4.3%
2018	72,245	\$ 1,972,000	\$ 27,302	n/a	7,186	4.0%

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

Total personal income and per capita income is as of December 31, 2017

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

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

<u>Employer</u>	2018		
	<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%
Gulf Coast Trade Center	186	10	0.83%

<u>Employer</u>	2008		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Texas Department of Criminal Justice	6438	1	25.58%
Sam Houston State University	3241	2	12.88%
Huntsville Independent School District	1000	3	3.97%
Huntsville Memorial Hospital	563	4	2.24%
Wal-Mart	507	5	2.01%
Region VI Education Service Center	375	6	1.49%
Walker County	354	7	1.41%
City of Huntsville	300	8	1.19%
Weatherford Completion Center	224	9	0.89%
Gulf Coast Trade Center	196	10	0.78%

Note. Total employees in Walker County in September 2018 was 23,786.

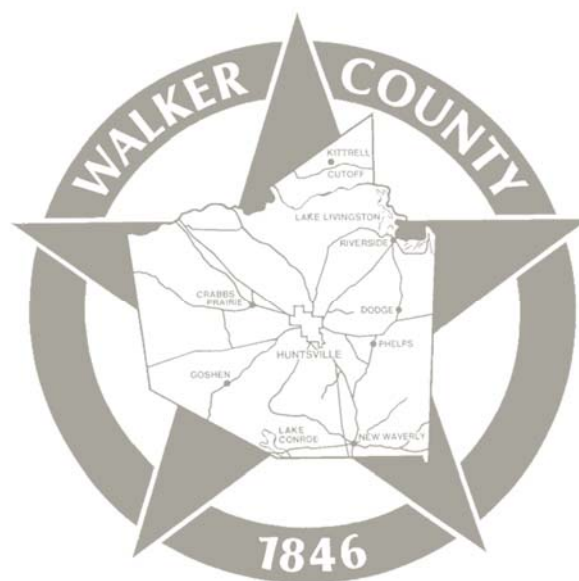
Major Employer information is based on most current information available from the Huntsville Walker County Chamber of Commerce

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

Function	Full-time Equivalent Employees as of September 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating										
General Government										
Elected	2	2	2	2	2	2	2	1	1	1
Employees	30.5	30.5	30	29	27	26	25.5	15.5	15.5	13.5
Judicial										
Elected	7.5	7.5	7.5	7.5	7.5	7.5	7.5	9	9	9
Employees	46.5	45.5	46	45.5	44.5	43	43	42	41	40
Financial										
Elected	2	2	2	2	2	2	2	3	3	3
Appointed	2	2	2	2	2	2	2	2	2	2
Employees	23	23	21.5	21.5	21	21	21	30	31	31
Public Safety										
Elected	5	5	5	5	5	5	5	5	5	5
Employees-Certified	39	36	33	33	31	30.5	30	35.5	35.5	35.5
Employees-Non-Certified	7.5	7.5	7.5	7.5	8.5	8.5	8	34.5	34.5	34.5
Employee-Certified/Noncertified										
Employees - EMS	39	39	39	39	39	39	39	33	33	32
Corrections and Rehabilitation										
Employees-Certified	39	39	39	40.5	40.5	33.5	33.5	0	0	0
Employees-Non-Certified	3.5	3.5	3.5	3.5	3.5	3.5	3.5	0	0	0
Health and Welfare										
Employees	7.5	7.5	7.5	7.5	7.5	6.5	6.5	10.5	10.5	10
Culture and Education										
Employees	4	4	4	4	4	4	4	0	0	0
Public Transportation										
Elected	4	4	4	4	4	4	4	4	4	4
Employees	34.5	34.5	34.5	34.5	34	34	33.5	32.5	32.5	31
Legislatively Designated										
Judicial	0	0	0	0	0	0	0	1	1	1.5
Public Safety	0	0	0	0	0	0	0	3	2	2
General Government	0	0	0	0	0	0	0	2	2	3
Grants/State Funding										
Juvenile Probation	6	6	6	6	6	6	6	6	6	6
Adult Probation	29.5	29.5	29	29	29	29	29	29	29	32
SPU Criminal/Civil/Juvenile	44	44	44	45	45	45	45	45	48	51.4
Total	376	372	367	368	363	352	350	343.5	345.5	347.4

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





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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Function</b>			
Sheriff Office/Constables			
Papers Served	1,779	1,880	1,942
Jail			
Bookings at Jail	3,719	3,791	3,671
Average Daily Jail Population	172	162	171
Highest Daily Jail Population	211	193	228
Health and Welfare			
Permits Issued	823	1,080	1,164
Judicial/Courts			
Number of indigent cases	1,191	1,383	1,219
Cases filed District Courts-Civil	498	561	521
Cases filed District Courts-Criminal	526	436	443
Cases filed District Courts-Family	575	521	595
Cases disposed -County Court at Law	933	908	935
Cases filed in Court at Law-Criminal	866	927	796
Cases filed County Court at Law-Civil	292	251	225
Cases filed in JP Courts-Traffic/Non Traffic Misdemeanors	8,716	6,817	7,747
Cases filed in JP Courts - Civil	1,054	819	818
Cases Disposed of - JP Courts	7,454	6,750	7,806
County Clerk			
Documents recorded	8,907	8,983	10,296
Adult Probation			
Offenders Supervised	3,291	3,363	3,293
Juvenile Probation			
Juveniles Supervised	69	74	61

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
1,975	1,647	1,853	1,712	1,773	2,003	1,933
3,806	3,015	3,918	4,238	4,456	4,089	4,086
154	147	146	151	151	143	136
179	196	176	173	175	176	153
1,020	861	405	897	899	860	250
1,127	1,092	1,277	1,330	1,239	1,361	1,462
499	587	491	461	493	533	550
628	466	377	556	654	621	615
533	559	534	625	868	819	748
1,107	1,337	1,403	1,508	1,696	1,833	2,073
944	893	1,198	1,583	1,555	1,605	1,864
284	282	343	487	478	547	601
8,276	9,172	10,899	9,099	12,682	11,732	11,786
801	714	658	718	587	677	657
8,084	8,864	9,939	8,794	12,805	13,060	12,603
9,160	10,172	10,079	9,503	9,036	8,400	8,441
3,258	3,400	3,476	3,415	3,388	3,395	2,409
67	63	81	90	109	109	111

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

<b>Function</b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Public Safety										
Sheriff Office										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	35	35	35	35	35	35	35	35	34	33
Jail	1	1	1	1	1	1	1	1	1	1
Number of beds	268	268	268	268	268	162	162	162	162	162
Road & Bridge										
Miles of roads	539.72	539.72	539.72	537	537	537	537	537	552	531
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, 2018, 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 25, 2019.

**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 25, 2019



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

***CERTIFIED PUBLIC ACCOUNTANTS***

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HUNTSVILLE, TEXAS 77342

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

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

Members of the Commissioners' Court:

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

We have audited Walker County, Texas' compliance with the types of compliance requirements described in the *Texas Uniform Grant Management Standards* that could have a direct and material effect on each of Walker County, Texas' major state programs for the year ended September 30, 2018. Walker County, Texas' major 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 the requirements of laws, regulations, contracts, and grants applicable to its state programs.

**Auditor's Responsibility**

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

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

**Opinion on Each Major State Program**

In our opinion, Walker County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state programs for the year ended September 30, 2018.

## 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 state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *Texas Uniform Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Walker County, Texas' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we 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 *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 25, 2019



# WALKER COUNTY, TEXAS

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2018

### 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. 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 *Texas Uniform Grant Management  
Standards*?

\_\_\_\_ Yes      X No

Identification of major programs:

Name of State Program

State Aid Contract

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?

X Yes      \_\_\_\_ No

### B. Financial Statement Findings

NONE

### C. State Award Findings and Questioned Costs

NONE

**WALKER COUNTY, TEXAS****SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

<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 STATE AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

**EXHIBIT D-1**  
Page 1 of 2

State Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	State Expenditures
<b>STATE AWARDS</b>				
<b>Passed Through Office of Court Administration:</b>				
Task Force on Indigent Defense		212-18-236	\$ -	\$ 82,882
<b>Passed Through Juvenile Probation Commission:</b>				
State Aid Contract		A-2018-236	-	222,483
Commitment Reduction		C-2018-236	-	32,946
Mental Health Services		N-2018-236	-	33,552
Regional Service Enhancement Project		R-2018-236	-	8,115
Community Programs		A-2018-236	-	100,404
<b>Total Passed Through Juvenile Probation Commission</b>			<b>-</b>	<b>397,500</b>
<b>Passed Through Department of Corrections:</b>				
CSCD - Basic Supervision		2018-900	-	369,218
CSCD - Court Services		2018-003	-	189,582
CSCD - Substance Abuse Services		2018-002	-	112,015
<b>Total Passed Through Department of Corrections</b>			<b>-</b>	<b>670,815</b>
<b>Passed Through Office of Governor:</b>				
Prosecution of Prison Crimes - Criminal		SF-11-A10-14918-18	-	1,504,282
<b>Passed Through Office of State Comptroller:</b>				
Judiciary Apportionment - CDA		N/A	-	22,500
<b>Passed Through Office of Attorney General:</b>				
Statewide Victim Information and Notification Everyday System		1877893	-	16,995
<b>Passed Through Southeast Texas Trauma Regional Advisory Council:</b>				
EMS Trauma Care System		N/A	-	21,374
<b>Passed Through Mental Health Services:</b>				
Regional Juvenile Mental Health Services		26067-06	-	8,200
<b>Passed Through Montgomery County:</b>				
Texas Department of Motor Vehicles		608-18-1700000	-	72,127
<b>Passed Through Office of the Secretary of State:</b>				
Chapter 19 Voter Funds		N/A	-	7,665
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b>-</b>	<b>2,804,340</b>

The accompanying notes are an integral part of this schedule.

**WALKER COUNTY, TEXAS**  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2018

**EXHIBIT D-1**  
Page 2 of 2

State Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	State Expenditures
<b>STATE ALLOCATIONS</b>				
SPU - State Allocation		08-A10-14918-18	\$ -	\$ 320,960
SPU - Civil		08-A10-14918-18	-	2,317,176
SPU - Longevity Pay - Civil		08-A10-14918-18	-	6,900
SPU - Longevity Pay - Criminal		08-A10-14918-18	-	22,870
SPU - Juvenile		08-A10-14918-18	-	747,586
SPU - Longevity Pay - Juvenile		08-A10-14918-18	-	3,320
Constitutional Judge Salary Supplement		SB 600	-	25,330
CCL Judge Supplement		SB 600	-	84,000
State Prosecutor Salary Supplement		HB 9	-	4,375
Juror Pay		SB 1704	-	12,070
State Longevity Pay		SB 844	-	7,190
Road & Bridge - Lateral Road Allocation		Tax Code-Chap 162	-	103,765
Rider 78 and Rider 81 - Supplement for District Clerk		HB 1	-	12,000
<b>TOTAL STATE ALLOCATIONS</b>			<u>-</u>	<u>3,667,542</u>
<b>STATE REIMBURSEMENTS</b>				
State Funds - Capital Murder		N/A	-	189,228
Sexual Assault Exam		N/A	-	10,379
<b>TOTAL STATE REIMBURSEMENTS</b>			<u>-</u>	<u>199,607</u>
<b>TOTAL STATE AWARDS, ALLOCATIONS, AND REIMBURSEMENTS</b>			<u>\$ -</u>	<u>\$ 6,671,489</u>

The accompanying notes are an integral part of this schedule.

## **WALKER COUNTY, TEXAS**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2018**

#### Basis of Presentation

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

#### 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.

