

ANNUAL FINANCIAL REPORT

of

TYLER COUNTY, TEXAS

For the Year Ended
December 31, 2013

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TYLER COUNTY, TEXAS

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INTRODUCTORY SECTION

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TYLER COUNTY AUDITOR

Jackie Skinner

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July 31, 2014

To the Honorable County Judge,
Members of the Commissioners' Court,
and Management of
Tyler County, Texas:

The annual financial report (AFR) of the County of Tyler, Texas (the "County") for the fiscal year ended December 31, 2013 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the independent auditors' report.

The AFR is presented in two sections: Introductory and Financial. The Introductory Section includes this transmittal letter and a list of principal officials. The Financial Section includes the MD&A, the basic financial statements, budgetary comparison schedules, required supplementary information other than MD&A, as well as the independent auditors' report, financial statements, and schedules.

The financial reporting entity, the County, includes all the funds of the primary government (i.e., Tyler County as legally defined), as well as any component units. Component units are legally separate entities for which the primary government is financially accountable. Currently, the County does not have a component unit.

The County provides a full range of services complemented by statute or charter. This includes police protection, legal and judicial services, construction and maintenance of roads and bridges, and waste management.

TYLER COUNTY HISTORY

Tyler County was organized in 1846. It covered an area of 923 square miles. It was named for President John Tyler, who signed the resolution to annex Texas to the United States. An election was held to choose a County Seat. Although Town Bluff was popular, a more centrally located place was preferable. Josiah Wheat offered 200 acres of his land in the forks of Turkey Creek for a town site. His generous offer was accepted. Woodville was named for Governor George T. Wood who guided the bill creating the County successfully through the State Legislature while he was a State Senator. The town was surveyed, laid off in blocks and lots, and citizens began to clear the timber from the public square.

The census taken in 1850 records a population of 4,515. In 1960, the County's population had grown to 10,666. In 1990, the census count lists the population of Tyler County at 16,646, and in 2000, the population increased by 25.4 percent to 20,871.

The County Courthouse, a three story brick building, was originally built in 1891. An annex housing the Tax Office was added in 1962 on the Courthouse Square. The County's Justice Center was completed in 1988 with a 43 inmate capacity County Jail. It is located on Highway 69 and 287 north of Woodville. Another annex was purchased in 1992 at 1001 West Bluff to house the Tax Office, Veterans' Service, and Drivers' License Office. The Criminal District Attorney moved into the first annex and other offices filled its vacancy in the Courthouse.

The County owns and maintains a Collection Center, Rodeo Arena, and a small Airport. In 1989, Tyler County began construction on the Tyler County Human Resource Center at 201 Willow, Woodville, Texas. Funded by a Texas Department of Comptroller Grant, donations from Temple-Inland, and a land lease from the Veterans of Foreign Wars, the Center was completed in 1990. Serving as accommodations for the Tyler County Aging Services, it has become a vital part of our community. In 1999, the County Extension Offices were moved from the County Courthouse building to the Center to accommodate more room for other offices in the Courthouse. In 2005, the Veterans' Service Officer relocated to the Tyler County Human Resource Center, also known as Tyler County Nutrition (Senior Citizens) Center, for better accommodations to the veterans of Tyler County. Several organizations now lease office space in this building and assist the County in many ways. In 2006, the County purchased the J. B. Best Building, a County landmark, to house the Tyler County Clerk's Office.

MAJOR INITIATIVES

For the Year

The Jail Commission of Texas had informed Tyler County that its jail was out of compliance on population and inmates were being housed in other counties. Commissioners' Court began researching what was needed and where to get answers to this problem. A new jail was studied but, upon researching and studying the cost, the Commissioners' Court determined it was less expense for the County to house their inmates in other counties than it would be to build another jail. The Department of Public Safety Office and the Parks and Wildlife located at the Justice Center were relocated to the Nutrition Center in some of the vacant offices that were available. This move allowed the Sherriff's Department more space to operate more effectively.

The County also purchased the old Brookshire Brother's building to provide much needed space to house all of the County Commissioners and their staff to eliminate the lease expense. It will provide future space for other County offices as needed.

At this time, Tyler County has established an Emergency Operations Center in the Tyler County Nutrition (Senior Citizens) Building at 201 Willow, Woodville. Here, the operations will have much needed room to operate during another disaster if needed. The disaster grants continue to be a major item for consideration. They have assisted so many of Tyler County's needs.

The Tyler Collection Center (garbage transfer station) is located west of Woodville. It is one of the best in the state. Being established in 1993, much of the original equipment was still being used and in need of repair. An update of this equipment was done in September 2013.

General Government Functions

The Commissioners' Court is the governing body of the County. The Texas Constitution specifies that the Court consists of a County Judge, who is elected at large and serves as presiding officer, and four County Commissioners elected by the voters of their individual precinct. The Court exercises the powers provided by law to conduct the varied business of the County. The Local Government Code prescribes the duties and grants authority to the Commissioners' Court and other County officers relating to financial management. In compliance with state statutes, the Commissioners' Court maintains budgetary control to ensure that provisions embodied within the annually appropriated budget are met for most County functions. According to the budget laws of the State of Texas, expenditures may not exceed the amount appropriated for each fund.

The Budget Process

The County Judge serves as the Budget Officer and, along with the County Auditor, prepares an annual budget for presentation and approval by the Commissioners' Court. Departments submit budget requests for budget revisions and amendments to the County Auditor, who reviews for conformity to statutes, appropriateness within the scope of budget objectives and makes recommendations to the Commissioners' Court as required. The Commissioners' Court maintains sole authority for revising or amending the budget.

Notices, budget request forms, and a proposed budget planning calendar are distributed to elected officials and department heads who are responsible for preparing a departmental budget request and submitting the same to the County Judge, along with supporting documentation.

The County Auditor estimates historical revenues and beginning balances in conjunction with information obtained from various County offices. The County Judge compiles and analyzes budget requests and estimated revenues, conducting budget review meetings with departments and the County Auditor.

A preliminary budget is submitted to the Commissioners' Court and budget workshops are held with individual departments, if requested. A proposed budget is filed with the County Clerk for public inspection and a tax rate is proposed to support that budget, based upon the Tax Assessor/Collector's publication of the "Effective Tax Rate." Notices of the proposed tax rate are published in the local newspaper and public hearings are held to receive comments on the proposed budget and on the proposed tax rate. Changes warranted by law and required in the interest of the taxpayers are made, the budget is adopted, and a tax rate is set. The approved budget is filed with the County Clerk and the County Auditor.

The County Auditor monitors expenditures of the various departments to prevent expenditures from exceeding budget appropriations and sends a monthly financial report to the Commissioners' Court and the District Judges. The County Auditor provides a budget to actual expenditures report to each department on a monthly basis.

Departments may receive added incentives for efforts in cost effective measures during the budget year. Certain budget balances are carried forward (through the budget process) to allow and encourage departments to save toward larger expenditures. Road and Bridge departments are probably the most affected by the budget carry forward issue, as larger balances may occur.

Internal Control Structure

The County's accounting records for general government operations are maintained and the financial statements are presented on the modified accrual basis. The financial operating controls are shared by the Commissioners' Court, which is the governing body, and the County Auditor, who is appointed by the District Judges.

The County Auditor has the basic responsibility for maintaining the records of all financial transactions of the County and examining, auditing, and approving all disbursements from County funds prior to submission to Commissioners' Court for payment.

The Commissioners' Court sets the tax rate, establishes policies for County operations, approves contracts for the County and develops and adopts the County budget within the resources as estimated by the County Auditor.

In developing the County's accounting systems, consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of the financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived therefrom, and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. The County's internal accounting controls are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Cash Management

The County Treasurer, by statute, serves as the custodian of County funds and is responsible for the receipt and disbursement of all monies owed to or by the County. The County Treasurer is required to maintain accurate records of all transactions of his/her office and to regularly report to the Commissioners' Court.

The Commissioners' Court selected qualified banks to serve as the County depositories, in which the County Treasurer deposits all monies received. The County's investment policy was revised to meet the changes in the Public Funds Investment Act. Investment strategies were identified for each group of funds.

Risk Management

The County participates in the Texas Association of Counties' Workers' Compensation Pool to cover job related risk. The development of a limited risk management program has resulted in significant savings in workers' compensation insurance premiums. These savings are passed on to all County employees in the form of cost of living and merit salary increases. Additionally, the County annually reviews with its carrier all liability coverage, making necessary amendments and/or adjustments to policy deductibles and limits.

OTHER INFORMATION

Independent Audit

The County requires an annual audit of the books of accounts, financial records, and transactions of all departments of the County by an independent certified public accountant. The accounting firm of Belt Harris Pechacek, LLLP, *Certified Public Accountants* was selected by the Commissioners' Court as the County's auditors, and their opinion letter on the basic financial statements is included in the Financial Section of this report.

Acknowledgements

The preparation of this report was accomplished with the efficient and dedicated services of the entire staff of the County Auditor's office. We would like to express our appreciation to all members of the departments who assisted and contributed to its preparation. We would also like to thank the County Judge, members of the Commissioners' Court, and the Department Heads for their interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Jackie Skinner
Tyler County Auditor

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TYLER COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS

December 31, 2013

COMMISSIONERS COURT:

Jacques L. Blanchette	County Judge
Martin Nash	Commissioner, Precinct #1
Rusty Hughes	Commissioner, Precinct #2
Mike Marshall	Commissioner, Precinct #3
Jack Walston	Commissioner, Precinct #4

JUDICIAL:

Joe R. Smith	District Attorney
Kim Nagypal	District Clerk

COUNTY COURT AT LAW:

Donece Gregory	County Clerk
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JUSTICE COURTS:

Trisher Ford	Justice of Peace, Precinct #1
Judith Haney	Justice of Peace, Precinct #2
Milton Powers	Justice of Peace, Precinct #3
Jim Moore	Justice of Peace, Precinct #4

LAW ENFORCEMENT:

Bryan Weatherford	County Sheriff
Dale Freeman	Constable, Precinct #1
John Fuller	Constable, Precinct #2
Wade Skinner	Constable, Precinct #3
Jim Zachary	Constable, Precinct #4

FINANCIAL ADMINISTRATION:

Lynette Cruse	Tax Assessor/Collector
Sharon Fuller	County Treasurer
Jackie Skinner	County Auditor*

*Designated appointed official. All others are elected.

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Members of the Commissioners' Court of
Tyler County, Texas:

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 Tyler County, Texas (the "County"), as of and for the year ended December 31, 2013, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the 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 the County as of December 31, 2013, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section and combining statements and schedules are presented for purposes of additional analysis and are not required parts of the financial statements.

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

The introductory section has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the County's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
July 31, 2014

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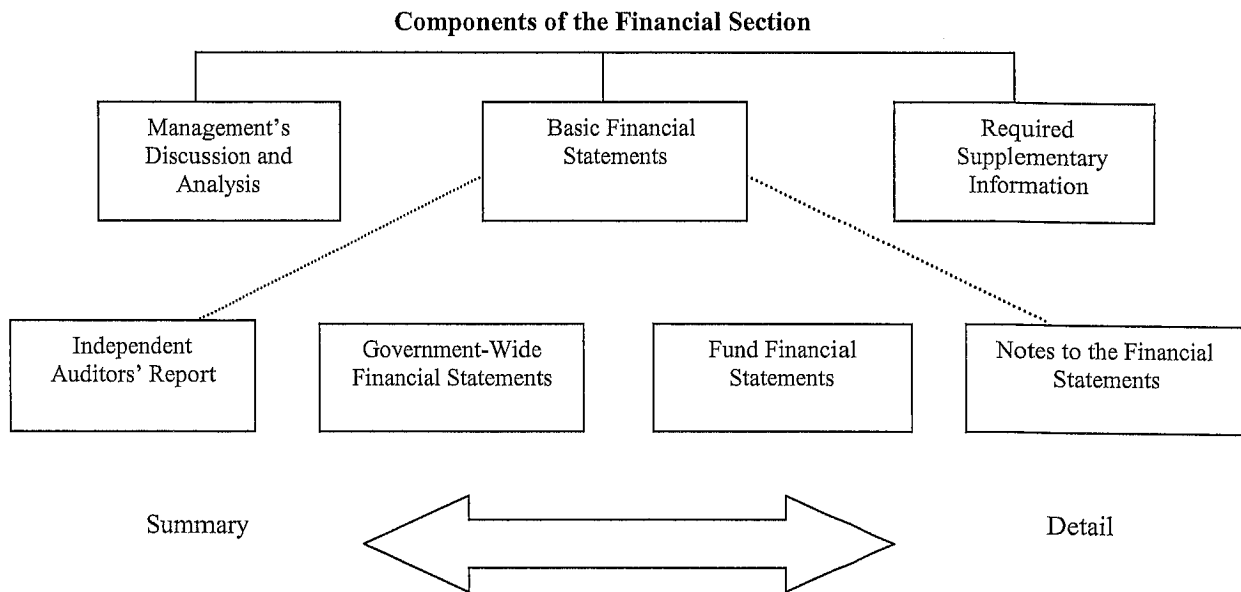
MANAGEMENT'S DISCUSSION AND ANALYSIS

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TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2013

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Tyler County, Texas (the "County") for the year ending December 31, 2013. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter and the County's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The County's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the County as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the County as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the County's financial statements, report information on the County's activities that enable the reader to understand the financial condition of the County. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the 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 in order to assess the overall health of the County.

TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

The Statement of Activities presents information showing how the County's net position changed during the most recent 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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities are reported as one class of activity:

1. *Governmental Activities* – Most of the County's basic services are reported here including general government, public safety, administration of justice, road and bridges, community enrichment, health and human services and tax administration. Interest payments on the County's debt are also reported here. Sales tax, property tax, court fines, and other fees finance most of these activities.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the County. They are usually segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of County funds are governmental and fiduciary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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 year. Such information may be useful in evaluating the County's near-term financing requirements.

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 County'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*.

The County maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and road and bridge funds, which are considered to be major funds for reporting purposes.

The County adopts an annual appropriated budget for its general and road and bridge funds. Budgetary comparison schedules have been provided for the general and road and bridge funds to demonstrate compliance with their budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those

TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

funds are not available to support the County's own programs. The County's fiduciary activities are reported separately in a statement of fiduciary net position.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general and road and bridge funds and schedules of funding progress for the Texas County and District Retirement System and other post employment healthcare benefits. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of the County's financial position. Assets exceed liabilities and deferred inflows of resources by \$20,418,972 as of December 31, 2013. This compares with \$17,749,993 from the prior fiscal year. A portion of the County's net position, 36 percent, reflects its investments in capital assets (e.g., construction in progress, building, equipment, and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 23,169,834	\$ 21,319,073
Capital assets, net	<u>7,359,623</u>	<u>5,668,926</u>
Total Assets	<u>30,529,457</u>	<u>26,987,999</u>
Long-term liabilities	628,971	583,838
Other liabilities	<u>393,990</u>	<u>168,658</u>
Total Liabilities	<u>1,022,961</u>	<u>752,496</u>
Deferred inflows of resources	<u>9,087,524</u>	<u>8,485,510</u>
Total Deferred Inflows of Resources	<u>9,087,524</u>	<u>8,485,510</u>
Net Position:		
Net investment in capital assets	7,359,623	5,631,299
Restricted	6,152,800	5,321,140
Unrestricted	<u>6,906,549</u>	<u>6,797,554</u>
Total Net Position	<u>\$ 20,418,972</u>	<u>\$ 17,749,993</u>

A portion of the County's net position, \$6,152,800 or 30 percent represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$6,906,549 or 34 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

The County's total net position increased by \$2,668,979 during the current fiscal year. This was primarily a result of an increase in capital assets due to construction projects during the year.

TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

Statement of Activities:

The following table provides a summary of the County's changes in net position:

	Governmental Activities	
	2013	2012
Revenues		
Program revenues:		
Charges for services	\$ 1,851,016	\$ 1,982,551
Operating grants and contributions	2,142,333	4,016,530
General revenues:		
Taxes	8,963,431	8,989,676
Investment income	45,363	45,150
Other revenues	267,481	203,709
Total Revenues	13,269,624	15,237,616
Expenses		
General government	6,054,572	4,475,925
Administration of justice	820,444	827,247
Roads and bridges	1,203,124	2,468,607
Public safety	1,922,803	2,074,424
Health and human services	286,510	266,551
Community enrichment	102,346	38,051
Tax administration	209,392	188,931
Interest on long term debt	1,454	2,417
Total Expenses	10,600,645	10,342,153
Change in Net Position	2,668,979	4,895,463
Beginning net position	17,749,993	12,854,530
Ending Net Position	\$ 20,418,972	\$ 17,749,993

Overall, governmental activities revenue decreased \$1,967,992 primarily as a result of a decrease in operating grants during the year. Total expenses were comparable to the prior year with an increase of only \$258,492.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

The County's governmental funds reflect a combined fund balance of \$12,143,992. Of this, \$4,629,596 is unassigned and available for day-to-day operations of the County, \$1,361,596 is assigned for various purposes, \$2,513,701 is restricted for road and bridge projects, and \$3,639,099 is restricted within the County's special revenue funds.

TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,629,596. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 60 percent of total general fund expenditures, while total fund balance represents 78 percent of total fund expenditures.

There was an increase in the combined fund balance of \$1,023,767 over the prior year. The general fund and road and bridge fund experienced increases of \$511,688 and \$493,136, respectively. The increases to fund balance are due primarily to decreases in expenses in general government and administration of justice areas.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were over final budgeted revenues by \$316,809 during the year. This net positive variance is attributable to taxes exceeding the anticipated amount in the original budget projections. General fund disbursements were under the final budget by \$1,174,756.

CAPITAL ASSETS

At the end of year 2013, the County's governmental activities funds had invested \$7,359,623 in a variety of capital assets and infrastructure (net of accumulated depreciation). Major capital asset events during the current year include the following:

- Improvements to the nutrition center in the amount of \$313,900
- Purchase of the old Brookshire's building for \$ 261,588
- Vehicles for sheriff's department in the amount of \$104,813
- Construction in progress for infrastructure in the amount of \$1,592,800

More detailed information on the County's capital assets can be found in note III.C. to the financial statements.

LONG-TERM DEBT

At the end of the fiscal year, the County paid off two time warrants and does not have any remaining outstanding long-term debt. In addition, the County reported other long-term liabilities of \$628,971 related to compensated absences and a net other post employment benefit obligation. More detailed information on the County's long term liabilities can be found in note III. D. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County has begun to improve economically. Three new industries have come into the County for the citizens. The tax collection rate has remained steady at 95 percent collection. Commissioners' Court has continued to do things necessary to keep the tax rate from being increased while maintaining the same level of services to the residents. The 2014 budget will meet with some challenges due to changes in federal guidelines where hospitalization insurance is concerned; however, due to the Court's careful management, the County is looking forward to a good year creating new job opportunities.

TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2013

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the finances of the County. Questions concerning this report or requests for additional financial information should be directed to Jackie Skinner, County Auditor, Tyler County, 100 West Bluff, Woodville, TX, 75979; telephone 409-283-3652.

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BASIC FINANCIAL STATEMENTS

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TYLER COUNTY, TEXAS

STATEMENT OF NET POSITION

December 31, 2013

	<u>Primary Government Governmental Activities</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 10,680,102
Investments	2,341,546
Due from other governments	1,371,235
Receivables, net	8,776,951
Total Current Assets	<u>23,169,834</u>
Capital assets:	
Non-depreciable	4,583,149
Net depreciable capital assets	2,776,474
	<u>7,359,623</u>
Total Assets	<u>30,529,457</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and accrued liabilities	393,990
Total Current Liabilities	<u>393,990</u>
Noncurrent liabilities:	
Long-term liabilities due within one year	129,960
Long-term liabilities due in more than one year	499,011
	<u>628,971</u>
Total Liabilities	<u>1,022,961</u>
<u>Deferred Inflows of Resources</u>	
Property taxes	9,087,524
<u>Net Position</u>	
Net investment in capital assets	7,359,623
Restricted for:	
Road and bridge	2,513,701
Other purposes	3,639,099
Unrestricted	6,906,549
Total Net Position	<u>\$ 20,418,972</u>

See Notes to Financial Statements.

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TYLER COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$ 6,054,572	\$ 1,252,333	\$ 2,142,333	\$ (2,659,906)
Administration of justice	820,444	3,246	-	(817,198)
Roads and bridges	1,203,124	583,096	-	(620,028)
Public safety	1,922,803	12,341	-	(1,910,462)
Health and human services	286,510	-	-	(286,510)
Community enrichment	102,346	-	-	(102,346)
Tax administration	209,392	-	-	(209,392)
Interest and fiscal charges on long term debt	1,454	-	-	(1,454)
Total Governmental Activities	\$ 10,600,645	\$ 1,851,016	\$ 2,142,333	(6,607,296)
General Revenues:				
				8,304,958
				658,473
				45,363
				267,481
			Total General Revenues	9,276,275
			Change in Net Position	2,668,979
			Beginning net position	17,749,993
			Ending Net Position	\$ 20,418,972

See Notes to Financial Statements.

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TYLER COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2013

	General	Road and Bridge	Nonmajor Governmental	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 4,594,938	\$ 2,748,473	\$ 3,336,691	\$ 10,680,102
Investments	2,035,711	-	305,835	2,341,546
Due from other governments	1,038,599	332,636	-	1,371,235
Receivables, net	6,464,668	2,232,388	-	8,697,056
Total Assets	\$ 14,133,916	\$ 5,313,497	\$ 3,642,526	\$ 23,089,939
<u>Liabilities</u>				
Accounts payable	\$ 326,418	\$ 64,145	\$ 3,427	\$ 393,990
Total Liabilities	326,418	64,145	3,427	393,990
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	7,816,306	2,735,651	-	10,551,957
<u>Fund Balances</u>				
Restricted:				
Road and bridge	-	2,513,701	-	2,513,701
Special revenue funds	-	-	3,639,099	3,639,099
Assigned:				
Airport	7,672	-	-	7,672
Rodeo arena/fairgrounds	31,898	-	-	31,898
Economic development	33,953	-	-	33,953
Waste collection center	174,441	-	-	174,441
County right of way	650,852	-	-	650,852
Emergency operations center	87,213	-	-	87,213
Nutrition center	83,918	-	-	83,918
Courthouse restoration	289,474	-	-	289,474
Legislative	2,175	-	-	2,175
Unassigned	4,629,596	-	-	4,629,596
Total Fund Balances	5,991,192	2,513,701	3,639,099	12,143,992
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 14,133,916	\$ 5,313,497	\$ 3,642,526	\$ 23,089,939

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TYLER COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
December 31, 2013

Fund balances - total governmental funds		\$ 12,143,992
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Nondepreciable capital assets		4,583,149
Depreciable capital assets, net		2,776,474
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		
Deferred inflows - property tax		1,464,433
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Long-term liabilities due within one year		(129,960)
Long-term liabilities due in more than one year		(499,011)
Court fines receivable, net of related allowance, are not current financial resources and, therefore, are not reported in the governmental funds.		
		79,895
	Net Position of Governmental Activities	<u>\$ 20,418,972</u>

See Notes to Financial Statements.

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TYLER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2013

	<u>General</u>	<u>Road and Bridge</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 6,704,646	\$ 2,215,451	\$ -	\$ 8,920,097
Intergovernmental	220,210	267,677	1,654,446	2,142,333
Auto registration	-	519,068	-	519,068
Other fees	1,172,971	64,028	138,635	1,375,634
Investment income	25,890	10,114	9,359	45,363
Other revenues	262,315	-	1,166	263,481
Total Revenues	<u>8,386,032</u>	<u>3,076,338</u>	<u>1,803,606</u>	<u>13,265,976</u>
Expenditures				
General government	3,701,835	-	1,685,591	5,387,426
Administration of justice	797,357	-	23,087	820,444
Roads and bridges	-	2,671,205	-	2,671,205
Public safety	2,165,153	-	13,014	2,178,167
Health and human services	269,643	-	5,134	274,777
Community enrichment	102,346	-	-	102,346
Tax administration	209,392	-	-	209,392
Debt service:				
Debt service	-	37,627	-	37,627
Interest charges	-	1,454	-	1,454
Capital outlay	<u>461,250</u>	<u>76,916</u>	<u>25,205</u>	<u>563,371</u>
Total Expenditures	<u>7,706,976</u>	<u>2,787,202</u>	<u>1,752,031</u>	<u>12,246,209</u>
Excess of Revenues Over Expenditures	679,056	289,136	51,575	1,019,767
Other Financing Sources (Uses)				
Transfers in	37,482	200,000	4,850	242,332
Transfers (out)	(204,850)	-	(37,482)	(242,332)
Sale of capital assets	-	4,000	-	4,000
Total Other Financing Sources (Uses)	<u>(167,368)</u>	<u>204,000</u>	<u>(32,632)</u>	<u>4,000</u>
Net Change in Fund Balances	511,688	493,136	18,943	1,023,767
Beginning fund balances	<u>5,479,504</u>	<u>2,020,565</u>	<u>3,620,156</u>	<u>11,120,225</u>
Ending Fund Balances	<u>\$ 5,991,192</u>	<u>\$ 2,513,701</u>	<u>\$ 3,639,099</u>	<u>\$ 12,143,992</u>

See Notes to Financial Statements.

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TYLER 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 December 31, 2013

Net changes in fund balances – total governmental funds \$ 1,023,767

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	2,125,128
Depreciation expense	(434,431)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred revenue	43,334
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Court fines receivable, net of related allowance, are not current financial resources and, therefore, are not reported in the governmental funds.

(43,686)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal payments	37,627
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This adjustment reflects the net change in the OPEB obligation and compensated absences.

Net OPEB obligation	(110,252)
Compensated absences	27,492

Change in Net Position of Governmental Activities	\$ <u>2,668,979</u>
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See Notes to Financial Statements.

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TYLER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
 December 31, 2013

		<u>Total Agency Funds</u>
<u>Assets</u>		
Cash and cash equivalents		\$ 4,206,947
	Total Assets	<u>\$ 4,206,947</u>
<u>Liabilities</u>		
Due to other units		\$ 4,206,947
	Total Liabilities	<u>\$ 4,206,947</u>

See Notes to Financial Statements.

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TYLER COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Tyler County, Texas (the "County") is an independent government entity created in 1846 from Liberty County by an act of the Texas Legislature. The County is governed by Commissioners' Court, composed of four County Commissioners and the County Judge, all of whom are elected officials.

The County's financial statements include the accounts of all County operations. The County provides a vast array of services including administration of general government, justice, road and bridges, community enrichment, public safety, health and human services, and tax administration.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the County's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the County is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the County's financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The County's basic financial statements include the primary government only. The County has no oversight responsibility for any other entities since they are not considered financially accountable to the County. Financial accountability is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing body.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The County has no business-type activities.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following governmental funds:

The *general fund* is used to account for and report all financial transactions not accounted for and reported in another fund. The principal sources of receipts include local property taxes, fees, fines and forfeitures, and charges for services. Disbursements include general government, administration of justice, public safety, health and human services, community enrichment, and tax administration. The general fund is always considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following special revenue fund is considered a major fund for reporting purposes:

Road & Bridge Fund – This fund is used to account for receipts of property taxes levied and vehicle registration fees. Uses of funds are restricted for the maintenance of roads, bridges, and the operations of related facilities. All precinct operations, as well as permanent road monies, are accounted for in this fund.

Additionally, the County reports the following fund types:

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. The County maintains one type of fiduciary fund, agency funds. The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

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

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.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current*

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

financial resources or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

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

1. Cash and Cash Equivalents

The County'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.

2. Investments

The Public Funds Investment Act, Chapter 2256 of the Local Government Code of Texas authorizes the County to invest in:

- (a) obligations of the United States or its agencies and instrumentalities;
- (b) direct obligations of the State of Texas or its agencies and instrumentalities;
- (c) collateral mortgage obligations, although significantly limited;
- (d) other obligations, the principal and interest on which are unconditionally guaranteed or insured or backed by the full faith and credit of the State of Texas or the United States or their respective agencies and instrumentalities;

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

- (e) obligations of state, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than "A" or its equivalent;
- (f) certificates of deposit issued by state and national banks or savings and loan domiciled in Texas in accordance with specific criteria;
- (g) fully collateralized repurchase agreements, bankers' acceptances, commercial paper, mutual funds, and investment pools all of which are required to meet certain restrictive criteria.

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Property, plant, and equipment of the County are depreciated using the straight-line method over the following estimated useful years:

Asset Description	Estimated Useful Life
Buildings and improvements	20 to 50 years
Equipment	5 to 20 years
Infrastructure	30 years

4. 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 has no items that qualify for reporting in this category.

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

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At the government-wide level, the County reports a deferred inflow of resources for that portion of property taxes that was collected for use in the subsequent period.

5. Compensated Employee Absences

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. Additionally, Sheriff's department employees are allowed to accumulate holidays. No liability is reported for unpaid accumulated sick leave since it does not vest. Vacation, compensatory time, and holiday pay that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and road and bridge funds.

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

7. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

8. Fund Balance Flow Assumptions

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

9. Fund Balance Policies

Fund balances of governmental funds are 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).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

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 Commissioners' Court is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) 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 County Judge 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.

10. Post Employment Healthcare Benefits

In order to recognize and reward long-term employees, as well as to provide an incentive for remaining in the County's employment, the County administers a single-employer defined benefit other post employment benefits (OPEB) plan, known as Tyler County Retiree Health Care Plan (the "Plan").

Retirees who meet the criteria are eligible for health coverage that is 100 percent paid for by the County. Retirees must be 62 years of age and have eight years of continuous service with the County. Retirees who retire before age 62 are eligible for health coverage that is 80 percent paid for by the County based on the following eligibility rule of 25 years of continuous service with the

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

County and meet the 75 points rule. Health coverage ends at age 65 and four months. Members terminating before normal retirement conditions are not eligible for retiree health care.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

General property taxes are recorded as receipts when levied for the current year and due, payable, and collected in the current year.

The property tax calendar dates are:

- Levy date and due date – October 1
- Collection dates – October 1 through June 30
- Lien date – July 1

The County bills and collects its own taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor's agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general and road and bridge fund of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners' Court for the tax year for which the collections are made.

The appraisal of property within the County is the responsibility of the County-wide appraisal district, which is required under the Property Tax Code to assess all property within the appraisal district on the basis of 100 percent of its appraised value and is prohibited from applying any assessment ratios. The appraisal district must review the value of the property within the County every three years unless the County, at its own discretion, requires more frequent reviews. The County may challenge the appraised values through various appeals and, if necessary, legal action. Under this legislation, the County sets tax rates on County property.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The original budget is adopted by the Commissioners' Court prior to the beginning of the year. The legal level of control is the department level as defined by State statute. Management is authorized to transfer

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

budgeted amounts between departments within any fund; however, any revisions that alter the total disbursements of any fund must be approved by the Commissioners' Court.

Budgets are adopted on a GAAP basis for all budgeted funds. Several supplemental budget appropriations were made for the year ended December 31, 2013.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of December 31, 2013, the County had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Certificates of deposit	\$ 2,341,546	.60
Portfolio weighted average maturity		.60

Interest rate risk. In accordance with its investment policy, the County manages its exposure to declines in fair market values by limiting the stated maturity of its investment portfolio to no more than two years.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County's investment policy requires funds on deposit at the depository bank to be collateralized by securities and FDIC insurance. As of December 31, 2013, pledged securities and FDIC insurance exceeded bank balances.

B. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund and road and bridge fund, including the applicable allowances for uncollectible accounts:

	General	Road and Bridge	Total
Property taxes	\$ 6,399,619	\$ 2,254,489	\$ 8,654,108
Other taxes	120,024	-	120,024
Allowance for uncollectible	(54,975)	(22,101)	(77,076)
	\$ 6,464,668	\$ 2,232,388	\$ 8,697,056

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

C. Capital Assets

A summary of changes in capital assets for the year end is as follows:

	Beginning Balance*	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Construction in progress	\$ 3,304,249	\$ 1,592,800	\$ (313,900)	\$ 4,583,149
Total capital assets not being depreciated	3,304,249	1,592,800	(313,900)	4,583,149
Other capital assets:				
Equipment	3,782,516	254,792	-	4,037,308
Buildings and improvements	2,555,000	591,436	-	3,146,436
Infrastructure	51,995,887	-	-	51,995,887
Total other capital assets	58,333,403	846,228	-	59,179,631
Less accumulated depreciation for:				
Equipment	(2,878,672)	(359,391)	-	(3,238,063)
Buildings and improvements	(1,094,167)	(75,040)	-	(1,169,207)
Infrastructure	(51,995,887)	-	-	(51,995,887)
Total accumulated depreciation	(55,968,726)	(434,431)	-	(56,403,157)
Other capital assets, net	2,364,677	411,797	-	2,776,474
Governmental Activities Capital Assets, Net	\$ 5,668,926	\$ 2,004,597	\$ (313,900)	7,359,623
Net Investment in Capital Assets				\$ 7,359,623

*Beginning balances have been restated.

Depreciation was charged to governmental functions as follows:

General government	\$ 20,781
Roads and bridges	177,975
Health and human services	56,378
Public safety	179,297
Total Governmental Activities Depreciation Expense	\$ 434,431

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

D. Long-Term Debt

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended December 31, 2013. In general, the County uses the general and road and bridge funds to liquidate governmental long-term liabilities.

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.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Time warrants	\$ 37,627	\$ -	\$ (37,627)	\$ -	\$ -
Other:					
Compensated absences	171,892	153,588	(181,080)	144,400	129,960
Net OPEB obligation	374,319	110,252	-	484,571	-
	<u>546,211</u>	<u>263,840</u>	<u>(181,080)</u>	<u>628,971</u>	<u>129,960</u>
Total Governmental Activities	<u>\$ 583,838</u>	<u>\$ 263,840</u>	<u>\$ (218,707)</u>	<u>\$ 628,971</u>	<u>\$ 129,960</u>
				<u>\$ 499,011</u>	
				<u>Long-term debt due in more than one year</u>	

E. Interfund Transfers

Transfers between the primary governmental funds during the 2013 year were as follows:

Governmental Funds	<u>Transfers In</u>	<u>Transfers Out</u>
Individual major governmental funds:		
General	\$ 37,482	\$ 204,850
Road and bridge	200,000	-
Other nonmajor funds	4,850	37,482
Total Transfers	<u>\$ 242,332</u>	<u>\$ 242,332</u>

Amounts transferred between funds relate to amounts collected by general, road and bridge, and special revenue funds for various governmental disbursements.

IV. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County participates along with 279 other entities in the Texas Association of Counties' Workers' Compensation Self-Insurance Fund (the "Pool"). The Pool was created by the Texas Association of Counties in 1974 to insure the County for workers' compensation related claims. This Pool purchases commercial insurance at group rates for participants in the Pool. The County has no additional risk or responsibility to the Pool in which it participates, outside of payment of insurance premiums. The County has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three fiscal years.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. No claims are reported at year end.

C. Pension Plan

Texas County and District Retirement System

Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 624 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, Texas 78768-2034.

The plan provisions are adopted by the Commissioners' Court within the options available in Texas State statutes governing TCDRS (the "TCDRS Act"). Members can retire at ages 60 and above with eight or more years of service, with 30 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 their employer.

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 within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

Funding Policy

The County has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The County contributed using the actuarially determined rate of 10.59 percent for calendar year 2013.

The Commissioners' Court adopted the rate of seven percent as the contribution rate payable by the employee members for calendar year 2013. The Commissioners' Court may change the employee contribution rate and the employer contribution rate within the options available in the TCDRS Act.

Annual Pension Costs

The required contribution was part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 8.0 percent investment rate of return (net of administrative expenses) and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2012 was 20 years.

As of December 31, 2012, the most recent actuarial valuation date, the plan was 84.55 percent funded. The actuarial accrued liability for benefits was \$12,092,041 and the actuarial value of assets was \$10,223,566, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,868,475. The covered payroll (annual payroll of active employees covered by the plan) was \$4,098,122, and the ratio of the UAAL to the covered payroll was 45.59 percent.

The County's schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

The funded status as of December 31, 2012, the most recent valuation date, is as follows:

	<u>2013</u>
Actuarial Valuation Date	12/31/2012
Actuarial Value of Assets	\$ 10,223,566
Actuarial Accrued Liability	\$ 12,092,041
Percentage Funded	84.55%
Unfunded Actuarial	
Accrued Liability (UAAL)	\$ 1,868,475
Annual Covered Payroll	\$ 4,098,122
UAAL % of Covered Payroll	45.59%
Net Pension Obligation (NPO)	
at the Beginning of Period	\$ -
Annual Req. Contrib. (ARC)	453,907
Contributions Made	453,907
NPO at the End of Period	\$ -

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuations as of December 31, 2012, the basis for determining the contribution rates for plan year 2013.

Actuarial cost method	Entry age
Amortization method	Level percent of payroll, closed
Remaining amortization period	20
Asset valuation method	10-yr smoothed value
Investment rate of return	8%
Projected salary increases	5.4%
Includes inflation at	3.5%
Cost of living adjustments	None

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Annual Req. Contrib. (ARC)	\$ 453,907	\$ 412,074	\$ 372,190
Contributions Made	453,907	412,074	372,190
NPO at the End of Period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

D. Other Post Employment Benefits

Plan Description

In order to recognize and reward long-term employees, as well as to provide an incentive for remaining in the County's employment, the County administers a single-employer defined benefit other post employment benefits (OPEB) plan, known as Tyler County Retiree Health Care Plan (the "Plan").

Retirees who meet the criteria are eligible for health coverage that is 100 percent paid for by the County. Retirees must be 62 years of age and have eight years of continuous service with the County. Retirees who retire before age 62 are eligible for health coverage that is 80 percent paid for by the County based on the following eligibility rule of 25 years of continuous service with the County and meet the 75 points rule. Health coverage ends at age 65 and four months. Members terminating before normal retirement conditions are not eligible for retiree health care.

The County does not provide death-in-service benefits to a surviving spouse of an employee. Surviving spouses are eligible for Consolidated Omnibus Budget Reconciliation Act (COBRA) benefits only.

Unless qualified based on normal retirement benefits above, the County does not provide health benefits to a disabled retiree. Disabled retirees are eligible for COBRA benefits only.

Effective August 1, 2006, retirees will have a flat \$10,000 life benefit with no age reduction. This coverage is offered at no cost to the retiree.

Retirees may purchase health care coverage for eligible spouses and dependents at their own expense.

Funding Policy and Annual OPEB Cost

The County has elected to finance the OPEB plan on a pay-as-you-go basis.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

The County's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The annual OPEB cost for the fiscal year ending December 31, 2013 is as follows:

Annual required contribution	\$ 153,245
Interest on OPEB obligation	16,844
Adjustment to ARC	<u>(15,606)</u>
Annual OPEB cost (expense) end of year	154,483
Net estimated employer contributions	<u>(44,231)</u>
Increase in net OPEB obligation	110,252
Net OPEB obligation - as of beginning of the year	<u>374,319</u>
Net OPEB obligation - as of end of the year	<u><u>\$ 484,571</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending December 31, 2013 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Amount Contributed	Percentage Contributed	Net OPEB Obligation
2011	\$ 167,990	\$ 71,568	42.6%	\$ 280,060
2012	\$ 173,330	\$ 79,071	45.6%	\$ 374,319
2013	\$ 154,483	\$ 44,231	28.6%	\$ 484,571

Funding Status and Funding Progress

The funded status of the County's retiree health care plan under GASB Statement No. 45 as of December 31, 2013 is as follows:

Actuarial Valuation Date as of	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (d)	Ratio of UAAL to Annual Covered Payroll (b-a)/d
12/31/11	\$ -	\$1,287,498	\$1,287,498	0.0%	\$3,977,658	32.4%
12/31/13	\$ -	\$1,218,944	\$1,218,944	0.0%	\$4,286,957	28.4%

Under the reporting parameters, the County's retiree health care plan is zero percent funded with an estimated actuarial accrued liability exceeding actuarial assets by \$1,218,944 at December 31, 2013. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 28.4 percent.

Actuarial Methods and Assumptions

The projected unit credit actuarial cost method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2013

computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Inflation rate	3.00% per annum
Investment rate of return	4.50% net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Payroll growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 7.50% declining to an ultimate rate of 5.50% after 8 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the ARC of the County's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as RSI provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Accounting Changes and Restatement

The County has restated beginning net position due to the addition of capital assets at the government-wide level as required by generally accepted accounting principles. Net position has also been restated due to a change in the reporting of property taxes and an agency fund that was reported as a special revenue fund in the prior year. The conversion of prior year ending net position and fund balances to beginning net position and fund balances is as follows:

	<u>Governmental Activities</u>	<u>General</u>	<u>Road and Bridge</u>	<u>Nonmajor Governmental Funds</u>
Prior year ending net position/ fund balances as reported	\$ 16,517,678	\$ 4,576,144	\$ 1,700,984	\$ 3,620,382
Change in reporting of unearned property tax revenue	1,222,941	903,360	319,581	-
Change in reporting of capital assets, cost	219,528	-	-	-
Change in reporting of capital assets, depreciation	(209,928)	-	-	-
Change in reporting of special revenue funds	(226)	-	-	(226)
Restated Beginning Net Position/Fund Balances	<u>\$ 17,749,993</u>	<u>\$ 5,479,504</u>	<u>\$ 2,020,565</u>	<u>\$ 3,620,156</u>

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REQUIRED SUPPLEMENTARY INFORMATION

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 1 of 2)
GENERAL FUND
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 6,003,740	\$ 6,161,040	\$ 6,704,646	\$ 543,606
Intergovernmental	210,000	342,000	220,210	(121,790)
Other fees	1,151,938	1,262,767	1,172,971	(89,796)
Interest	21,761	21,761	25,890	4,129
Other revenues	63,165	281,655	262,315	(19,340)
Total Revenues	7,450,604	8,069,223	8,386,032	316,809
Expenditures				
General Government:				
General operations	2,529,725	2,936,150	2,528,290	407,860
County judge	140,056	155,635	155,200	435
County treasurer	56,337	59,721	56,233	3,488
County auditor	149,581	149,859	145,359	4,500
County clerk	250,361	255,954	233,018	22,936
Maintenance	413,043	490,692	394,722	95,970
County court	193,963	230,086	189,013	41,073
	3,733,066	4,278,097	3,701,835	576,262
Administration of Justice:				
Justice of the peace	237,872	243,011	240,447	2,564
District attorney	307,006	325,276	314,570	10,706
1-A/88th Judicial district	72,735	82,762	77,025	5,737
District clerk	181,356	181,356	165,315	16,041
	798,969	832,405	797,357	35,048
Public Safety:				
DPS	36,010	9,541	8,064	1,477
Sheriff's department jail	423,905	425,866	402,213	23,653
Sheriff's department office	1,371,882	1,459,630	1,458,293	1,337
Constables	177,542	185,887	146,735	39,152
Emergency operations center	103,907	196,381	149,848	46,533
County right-of-way fund	-	294,412	-	294,412
	2,113,246	2,571,717	2,165,153	406,564

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Page 2 of 2)
GENERAL FUND

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures (continued)</u>				
Health and Human Services:				
Veterans services	\$ 34,037	\$ 34,497	\$ 28,660	\$ 5,837
County extension	81,857	30,199	26,483	3,716
Waste collection center	234,943	232,092	165,172	66,920
Health and sanitation	16,000	16,000	13,900	2,100
Nutrition center	52,017	55,215	35,428	19,787
	<u>418,854</u>	<u>368,003</u>	<u>269,643</u>	<u>98,360</u>
Community Enrichment				
Airport	31,300	31,300	24,695	6,605
Rodeo arena/fairgrounds	22,530	30,095	29,234	861
Economic development	11,600	11,600	6,671	4,929
Benevolence	55	55	-	55
Courthouse restoration	-	34,819	34,819	-
	<u>65,485</u>	<u>107,869</u>	<u>95,419</u>	<u>12,450</u>
Tax Administration:				
Tax assessor collector	214,816	214,816	209,392	5,424
	<u>214,816</u>	<u>214,816</u>	<u>209,392</u>	<u>5,424</u>
Capital Outlay				
	<u>229,578</u>	<u>501,898</u>	<u>461,250</u>	<u>40,648</u>
Total Expenditures	<u>7,574,014</u>	<u>8,874,805</u>	<u>7,700,049</u>	<u>1,174,756</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures				
	<u>(123,410)</u>	<u>(805,582)</u>	<u>685,983</u>	<u>1,491,565</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	37,482	37,482
Transfers (out)	<u>(311,300)</u>	<u>(323,280)</u>	<u>(204,850)</u>	<u>118,430</u>
Total Other Financing (Uses)	<u>(311,300)</u>	<u>(323,280)</u>	<u>(167,368)</u>	<u>155,912</u>
Net Change in Fund Balance	<u>\$ (434,710)</u>	<u>\$ (1,128,862)</u>	518,615	<u>\$ 1,647,477</u>
Beginning fund balance			<u>5,479,504</u>	
Ending Fund Balance			<u>\$ 5,998,119</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. Reconciliation of general fund balance to fund financial statements:

Net effect of subfunds within general fund without appropriated budgets	(6,927)
	<u>\$ 5,991,192</u>

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TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 2,073,199	\$ 2,073,199	\$ 2,215,451	\$ 142,252
Intergovernmental	33,875	33,875	267,677	233,802
Auto registration	525,000	525,000	519,068	(5,932)
Other fees	45,750	45,750	64,028	18,278
Investment income	4,750	4,750	10,114	5,364
Total Revenues	<u>2,682,574</u>	<u>2,682,574</u>	<u>3,076,338</u>	<u>393,764</u>
Expenditures				
Roads and bridges	2,688,798	2,939,837	2,671,205	268,632
Capital outlay	190,053	190,988	76,916	114,072
Debt service	40,862	38,301	37,627	674
Interest charges	3,203	3,203	1,454	1,749
Total Expenditures	<u>2,922,916</u>	<u>3,172,329</u>	<u>2,787,202</u>	<u>385,127</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(240,342)</u>	<u>(489,755)</u>	<u>289,136</u>	<u>778,891</u>
Other Financing Sources (Uses)				
Transfers in	2,914,928	2,914,928	3,040,765	125,837
Transfers (out)	(2,718,727)	(2,849,707)	(2,840,765)	8,942
Sale of capital asset	-	-	4,000	4,000
Total Other Financing Sources	<u>196,201</u>	<u>65,221</u>	<u>204,000</u>	<u>138,779</u>
Net Change in Fund Balance	<u>\$ (44,141)</u>	<u>\$ (424,534)</u>	493,136	<u>\$ 917,670</u>
Beginning fund balance			<u>2,020,565</u>	
Ending Fund Balance			<u>\$ 2,513,701</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. Transfers between subfunds have not been eliminated in order to more accurately demonstrate compliance with budgeted amounts.

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TYLER COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended December 31, 2013

The County's annual covered payroll and pension costs are actuarially valued on a calendar year basis. Because the County makes all the annually required contributions, no net pension obligation (NPO) exists. The information presented below represents the County's schedule of funding progress.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarial Valuation Date	12/31/2012	12/31/2011	12/31/2010
Actuarial Value of Assets	\$ 10,223,566	\$ 9,397,645	\$ 9,117,911
Actuarial Accrued Liability	\$ 12,092,041	\$ 10,991,044	\$ 10,384,269
Percentage Funded	84.5%	85.5%	87.8%
Unfunded Actuarial			
Accrued Liability (UAAL)	\$ 1,868,475	\$ 1,593,399	\$ 1,266,358
Annual Covered Payroll	\$ 4,098,122	\$ 3,977,658	\$ 3,732,222
UAAL % of Covered Payroll	45.59%	40.06%	33.93%
Net Pension Obligation (NPO)			
at the Beginning of Period	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	453,907	412,074	372,190
Contributions Made	453,907	412,074	372,190
NPO at the End of Period	\$ -	\$ -	\$ -

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TYLER COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
POST EMPLOYMENT HEALTHCARE BENEFITS¹
For the Year Ended December 31, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/11	\$ -	\$ 1,287,498	\$ 1,287,498	0.0%	\$ 3,977,658	32.4%
12/31/13	\$ -	\$ 1,218,944	\$ 1,218,944	0.0%	\$ 4,286,957	28.4%

¹Valuations are performed every two years in accordance with GASB Statement No. 45 parameters.

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***COMBINING STATEMENTS
AND SCHEDULES***

TYLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)
December 31, 2013

		<u>Special Revenue Funds</u>			
		<u>District Clerk Appropriations</u>	<u>County Clerk RMP</u>	<u>County District Attorney Forfeiture</u>	<u>Sheriff Forfeiture</u>
<u>Assets</u>					
Cash and cash equivalents		\$ 48,427	\$ 291,077	\$ 15,600	\$ 7,102
Investments		-	-	-	-
Total Assets		<u>\$ 48,427</u>	<u>\$ 291,077</u>	<u>\$ 15,600</u>	<u>\$ 7,102</u>
<u>Liabilities</u>					
Accounts payable		\$ -	\$ 336	\$ -	\$ -
Total Liabilities		<u>-</u>	<u>336</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>					
Restricted		48,427	290,741	15,600	7,102
Total Fund Balances		<u>48,427</u>	<u>290,741</u>	<u>15,600</u>	<u>7,102</u>
Total Liabilities and Fund Balances		<u>\$ 48,427</u>	<u>\$ 291,077</u>	<u>\$ 15,600</u>	<u>\$ 7,102</u>

Special Revenue Funds

District Clerk RMP	Law Library	Jail Interest and Sinking	Violence Against Women	Small Business Loan	Peace Officer Service Fee
\$ 3,720	\$ 2,083	\$ 692,329	\$ -	\$ -	\$ 25,439
-	-	305,835	-	-	-
<u>\$ 3,720</u>	<u>\$ 2,083</u>	<u>\$ 998,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,439</u>
\$ 614	\$ 2,083	\$ -	\$ -	\$ -	\$ -
<u>614</u>	<u>2,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3,106	-	998,164	-	-	25,439
<u>3,106</u>	<u>-</u>	<u>998,164</u>	<u>-</u>	<u>-</u>	<u>25,439</u>
<u>\$ 3,720</u>	<u>\$ 2,083</u>	<u>\$ 998,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,439</u>

TYLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)
December 31, 2013

		<u>Special Revenue Funds</u>			
		<u>Courthouse Security</u>	<u>County RMP</u>	<u>Crime Stoppers</u>	<u>County District Attorney Fees</u>
<u>Assets</u>					
Cash and cash equivalents		\$ 70,298	\$ 76,216	\$ -	\$ 35,007
Investments		-	-	-	-
Total Assets		<u>\$ 70,298</u>	<u>\$ 76,216</u>	<u>\$ -</u>	<u>\$ 35,007</u>
<u>Liabilities</u>					
Accounts payable		\$ 270	\$ -	\$ -	\$ 124
Total Liabilities		<u>270</u>	<u>-</u>	<u>-</u>	<u>124</u>
<u>Fund Balances</u>					
Restricted		70,028	76,216	-	34,883
Total Fund Balances		<u>70,028</u>	<u>76,216</u>	<u>-</u>	<u>34,883</u>
Total Liabilities and Fund Balances		<u>\$ 70,298</u>	<u>\$ 76,216</u>	<u>\$ -</u>	<u>\$ 35,007</u>

Special Revenue Funds

<u>Civil Fees</u>	<u>Homeland Security</u>	<u>Child Welfare Board</u>	<u>Child Safety</u>	<u>DETCOG Social Services Block Grant</u>	<u>Distict Court Technology</u>
\$ 39,490	\$ 9,744	\$ 339	\$ 63,330	\$ 278	\$ 10,603
-	-	-	-	-	-
<u>\$ 39,490</u>	<u>\$ 9,744</u>	<u>\$ 339</u>	<u>\$ 63,330</u>	<u>\$ 278</u>	<u>\$ 10,603</u>
-	-	-	-	-	-
-	-	-	-	-	-
39,490	9,744	339	63,330	278	10,603
<u>39,490</u>	<u>9,744</u>	<u>339</u>	<u>63,330</u>	<u>278</u>	<u>10,603</u>
<u>\$ 39,490</u>	<u>\$ 9,744</u>	<u>\$ 339</u>	<u>\$ 63,330</u>	<u>\$ 278</u>	<u>\$ 10,603</u>

TYLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)
December 31, 2013

		Special Revenue Funds			
		Emergency Disaster Relief	TX CDBG Grant - 010191	DETCOG Communications Grant	Moving Violation Fees
<u>Assets</u>					
Cash and cash equivalents		\$ 1,860,083	\$ -	\$ 79,286	\$ 37
Investments		-	-	-	-
Total Assets		\$ 1,860,083	\$ -	\$ 79,286	\$ 37
<u>Liabilities</u>					
Accounts payable		\$ -	\$ -	\$ -	\$ -
Total Liabilities		-	-	-	-
<u>Fund Balances</u>					
Restricted		1,860,083	-	79,286	37
Total Fund Balances		1,860,083	-	79,286	37
Total Liabilities and Fund Balances		\$ 1,860,083	\$ -	\$ 79,286	\$ 37

Special Revenue Funds

<u>TC Chapter 19</u>	<u>TC Special Trust</u>	<u>TX CDBG Grant - 220191</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 3,452	\$ 2,751	\$ -	\$ 3,336,691
-	-	-	305,835
<u>\$ 3,452</u>	<u>\$ 2,751</u>	<u>\$ -</u>	<u>\$ 3,642,526</u>
-	-	-	3,427
-	-	-	3,427
3,452	2,751	-	3,639,099
3,452	2,751	-	3,639,099
<u>\$ 3,452</u>	<u>\$ 2,751</u>	<u>\$ -</u>	<u>\$ 3,642,526</u>

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 1 of 3)
For the Year Ended December 31, 2013

	<u>Special Revenue Funds</u>			
	<u>District Clerk Appropriations</u>	<u>County Clerk RMP</u>	<u>County District Attorney Forfeiture</u>	<u>Sheriff Forfeiture</u>
<u>Revenues</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other fees	-	73,854	-	-
Investment income	98	567	31	20
Other revenues	-	-	-	-
Total Revenues	<u>98</u>	<u>74,421</u>	<u>31</u>	<u>20</u>
<u>Expenditures</u>				
General government	-	37,966	600	-
Administration of justice	-	-	-	-
Public safety	-	-	-	11,259
Health and human services	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>37,966</u>	<u>600</u>	<u>11,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>98</u>	<u>36,455</u>	<u>(569)</u>	<u>(11,239)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>98</u>	<u>36,455</u>	<u>(569)</u>	<u>(11,239)</u>
Beginning fund balances	<u>48,329</u>	<u>254,286</u>	<u>16,169</u>	<u>18,341</u>
Ending Fund Balances	<u>\$ 48,427</u>	<u>\$ 290,741</u>	<u>\$ 15,600</u>	<u>\$ 7,102</u>

Special Revenue Funds

District Clerk RMP	Law Library	Jail Interest and Sinking	Violence Against Women	Small Business Loan	Peace Officer Service Fee
\$ -	\$ -	\$ -	\$ 37,482	\$ 6,903	\$ -
2,278	12,266	-	-	-	1,449
8	6	4,346	-	-	50
-	-	378	-	-	-
<u>2,286</u>	<u>12,272</u>	<u>4,724</u>	<u>37,482</u>	<u>6,903</u>	<u>1,499</u>
3,203	-	17,886	-	7,603	-
-	16,353	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,203</u>	<u>16,353</u>	<u>17,886</u>	<u>-</u>	<u>7,603</u>	<u>-</u>
(917)	(4,081)	(13,162)	37,482	(700)	1,499
-	1,624	-	-	-	-
-	-	-	(37,482)	-	-
-	1,624	-	(37,482)	-	-
(917)	(2,457)	(13,162)	-	(700)	1,499
<u>4,023</u>	<u>2,457</u>	<u>1,011,326</u>	<u>-</u>	<u>700</u>	<u>23,940</u>
<u>\$ 3,106</u>	<u>\$ -</u>	<u>\$ 998,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,439</u>

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)
For the Year Ended December 31, 2013

	Special Revenue Funds			
	Courthouse Security	County RMP	Crime Stoppers	County District Attorney Fees
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other fees	12,341	5,508	-	3,749
Investment income	161	150	-	-
Other revenues	-	-	-	-
Total Revenues	12,502	5,658	-	3,749
Expenditures				
General government	19,930	-	-	-
Administration of justice	-	-	-	6,734
Public safety	-	-	473	-
Health and human services	-	-	-	-
Capital outlay	25,205	-	-	-
Total Expenditures	45,135	-	473	6,734
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,633)	5,658	(473)	(2,985)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(32,633)	5,658	(473)	(2,985)
Beginning fund balances	102,661	70,558	473	37,868
Ending Fund Balances	\$ 70,028	\$ 76,216	\$ -	\$ 34,883

Special Revenue Funds

<u>Civil Fees</u>	<u>Homeland Security</u>	<u>Child Welfare Board</u>	<u>Child Safety</u>	<u>DETCOG Social Services Block Grant</u>	<u>District Court Technology</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,979	-	-	16,407	-	2,684
-	20	3	117	1	19
-	-	788	-	-	-
<u>7,979</u>	<u>20</u>	<u>791</u>	<u>16,524</u>	<u>1</u>	<u>2,703</u>
1,603	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,179	-	-
-	-	5,134	-	-	-
-	-	-	-	-	-
<u>1,603</u>	<u>-</u>	<u>5,134</u>	<u>1,179</u>	<u>-</u>	<u>-</u>
<u>6,376</u>	<u>20</u>	<u>(4,343)</u>	<u>15,345</u>	<u>1</u>	<u>2,703</u>
3,186	-	-	-	-	-
-	-	-	-	-	-
<u>3,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
9,562	20	(4,343)	15,345	1	2,703
<u>29,928</u>	<u>9,724</u>	<u>4,682</u>	<u>47,985</u>	<u>277</u>	<u>7,900</u>
<u>\$ 39,490</u>	<u>\$ 9,744</u>	<u>\$ 339</u>	<u>\$ 63,330</u>	<u>\$ 278</u>	<u>\$ 10,603</u>

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)
For the Year Ended December 31, 2013

	Special Revenue Funds			
	Emergency Disaster Relief	TX CDBG Grant - 010191	DETCOG Communications Grant	Moving Violation Fees
Revenues				
Intergovernmental	\$ 3,377	\$ 1,592,800	\$ 10,184	\$ -
Other fees	-	-	-	120
Investment income	3,758	-	-	-
Other revenues	-	-	-	-
Total Revenues	7,135	1,592,800	10,184	120
Expenditures				
General government	-	1,592,800	-	-
Administration of justice	-	-	-	-
Public safety	-	-	-	103
Health and human services	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	1,592,800	-	103
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,135	-	10,184	17
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	7,135	-	10,184	17
Beginning fund balances	1,852,948	-	69,102	20
Ending Fund Balances	\$ 1,860,083	\$ -	\$ 79,286	\$ 37

Special Revenue Funds

<u>TC</u> <u>Chapter 19</u>	<u>TC</u> <u>Special Trust</u>	<u>TX CDBG</u> <u>Grant - 220191</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
\$ -	\$ -	\$ 3,700	\$ 1,654,446
-	-	-	138,635
-	4	-	9,359
-	-	-	1,166
<u>-</u>	<u>4</u>	<u>3,700</u>	<u>1,803,606</u>
300	-	3,700	1,685,591
-	-	-	23,087
-	-	-	13,014
-	-	-	5,134
-	-	-	25,205
<u>300</u>	<u>-</u>	<u>3,700</u>	<u>1,752,031</u>
<u>(300)</u>	<u>4</u>	<u>-</u>	<u>51,575</u>
-	40	-	4,850
-	-	-	(37,482)
-	40	-	(32,632)
(300)	44	-	18,943
<u>3,752</u>	<u>2,707</u>	<u>-</u>	<u>3,620,156</u>
<u>\$ 3,452</u>	<u>\$ 2,751</u>	<u>\$ -</u>	<u>\$ 3,639,099</u>

TYLER COUNTY, TEXAS

COMBINING BALANCE SHEET

ROAD AND BRIDGE FUNDS

December 31, 2013

	Road and Bridge General	Road and Bridge Precinct No. 1	Road and Bridge Precinct No. 2	Road and Bridge Precinct No. 3
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 394,045	\$ 266,972	\$ 1,092,609
Due from other governments	332,636	-	-	-
Receivables, net	2,232,388	-	-	-
Total Assets	\$ 2,565,024	\$ 394,045	\$ 266,972	\$ 1,092,609
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 15,373	\$ 19,631	\$ 18,678
Total Liabilities	-	15,373	19,631	18,678
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	2,735,651	-	-	-
<u>Fund Balances</u>				
Restricted	(170,627)	378,672	247,341	1,073,931
Total Fund Balances	(170,627)	378,672	247,341	1,073,931
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,565,024	\$ 394,045	\$ 266,972	\$ 1,092,609

<u>Road and Bridge Precinct No. 4</u>	<u>Interfund Activity Elimination</u>	<u>Total Road and Bridge Funds</u>
\$ 994,847	\$ -	\$ 2,748,473
-	-	332,636
-	-	2,232,388
<u>\$ 994,847</u>	<u>\$ -</u>	<u>\$ 5,313,497</u>
\$ 10,463	\$ -	\$ 64,145
<u>10,463</u>	<u>-</u>	<u>64,145</u>
-	-	2,735,651
984,384	-	2,513,701
<u>984,384</u>	<u>-</u>	<u>2,513,701</u>
<u>\$ 994,847</u>	<u>\$ -</u>	<u>\$ 5,313,497</u>

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ROAD AND BRIDGE FUNDS
For the Year Ended December 31, 2013

	Road and Bridge General	Road and Bridge Precinct No. 1	Road and Bridge Precinct No. 2	Road and Bridge Precinct No. 3
Revenues				
Property taxes	\$ 2,215,451	\$ -	\$ -	\$ -
Intergovernmental	70,705	196,972	-	-
Auto registration	519,068	-	-	-
Other fees	47,353	496	369	9,355
Investment income	-	4,911	672	2,385
Total Revenues	<u>2,852,577</u>	<u>202,379</u>	<u>1,041</u>	<u>11,740</u>
Expenditures				
Roads and bridges	-	804,187	510,460	760,186
Capital outlay	-	17,110	-	31,306
Debt service	-	-	37,627	-
Interest charges	-	-	1,454	-
Total Expenditures	<u>-</u>	<u>821,297</u>	<u>549,541</u>	<u>791,492</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,852,577</u>	<u>(618,918)</u>	<u>(548,500)</u>	<u>(779,752)</u>
Other Financing Sources (Uses)				
Transfers in	-	672,012	642,845	907,226
Transfers (out)	(2,808,804)	-	(15,866)	-
Sale of capital asset	-	-	4,000	-
Total Other Financing Sources (Uses)	<u>(2,808,804)</u>	<u>672,012</u>	<u>630,979</u>	<u>907,226</u>
Net Change in Fund Balances	43,773	53,094	82,479	127,474
Beginning fund balances	(214,400)	325,578	164,862	946,457
Ending Fund Balances	<u>\$ (170,627)</u>	<u>\$ 378,672</u>	<u>\$ 247,341</u>	<u>\$ 1,073,931</u>

<u>Road and Bridge Precinct No. 4</u>	<u>Interfund Activity Elimination</u>	<u>Total Road and Bridge Funds</u>
\$ -	\$ -	\$ 2,215,451
-	-	267,677
-	-	519,068
6,455	-	64,028
2,146	-	10,114
<u>8,601</u>	<u>-</u>	<u>3,076,338</u>
596,372	-	2,671,205
28,500	-	76,916
-	-	37,627
-	-	1,454
<u>624,872</u>	<u>-</u>	<u>2,787,202</u>
<u>(616,271)</u>	<u>-</u>	<u>289,136</u>
818,682	(2,840,765)	200,000
(16,095)	2,840,765	-
-	-	4,000
<u>802,587</u>	<u>-</u>	<u>204,000</u>
186,316	-	493,136
798,068	-	2,020,565
<u>\$ 984,384</u>	<u>\$ -</u>	<u>\$ 2,513,701</u>

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TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE GENERAL FUND
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 2,073,199	\$ 2,073,199	\$ 2,215,451	\$ 142,252
Intergovernmental	33,875	33,875	70,705	36,830
Auto registration	525,000	525,000	519,068	(5,932)
Other fees	45,750	45,750	47,353	1,603
Total Revenues	<u>2,677,824</u>	<u>2,677,824</u>	<u>2,852,577</u>	<u>174,753</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(2,677,824)	(2,808,804)	(2,808,804)	-
Total Other Financing (Uses)	<u>(2,677,824)</u>	<u>(2,808,804)</u>	<u>(2,808,804)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (130,980)</u>	43,773	<u>\$ 174,753</u>
Beginning fund balance			(214,400)	
Ending Fund Balance			<u>\$ (170,627)</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND PRECINCT NO. 1

For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 196,972	\$ 196,972
Other fees	-	-	496	496
Investment income	850	850	4,911	4,061
Total Revenues	<u>850</u>	<u>850</u>	<u>202,379</u>	<u>201,529</u>
Expenditures				
Roads and bridges	604,753	816,295	804,187	12,108
Capital outlay	24,974	24,974	17,110	7,864
Debt service	14,674	674	-	674
Total Expenditures	<u>644,401</u>	<u>841,943</u>	<u>821,297</u>	<u>20,646</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(643,551)</u>	<u>(841,093)</u>	<u>(618,918)</u>	<u>222,175</u>
Other Financing Sources (Uses)				
Transfers in	644,751	644,751	672,012	27,261
Transfers (out)	(1,200)	(1,200)	-	1,200
Total Other Financing Sources	<u>643,551</u>	<u>643,551</u>	<u>672,012</u>	<u>28,461</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (197,542)</u>	53,094	<u>\$ 250,636</u>
Beginning fund balance			<u>325,578</u>	
Ending Fund Balance			<u>\$ 378,672</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND PRECINCT NO. 2

For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other fees	\$ -	\$ -	\$ 369	\$ 369
Investment income	600	600	672	72
Total Revenues	<u>600</u>	<u>600</u>	<u>1,041</u>	<u>441</u>
<u>Expenditures</u>				
Roads and bridges	559,996	563,524	510,460	53,064
Capital outlay	42,870	42,870	-	42,870
Debt service	26,188	37,627	37,627	-
Interest charges	3,203	3,203	1,454	1,749
Total Expenditures	<u>632,257</u>	<u>647,224</u>	<u>549,541</u>	<u>97,683</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(631,657)</u>	<u>(646,624)</u>	<u>(548,500)</u>	<u>98,124</u>
<u>Other Financing Sources (Uses)</u>				
Sale of capital asset	-	-	4,000	4,000
Transfers in	607,140	607,140	642,845	35,705
Transfers (out)	(19,624)	(19,624)	(15,866)	3,758
Total Other Financing Sources	<u>587,516</u>	<u>587,516</u>	<u>630,979</u>	<u>43,463</u>
Net Change in Fund Balance	<u>\$ (44,141)</u>	<u>\$ (59,108)</u>	82,479	<u>\$ 141,587</u>
Beginning fund balance			<u>164,862</u>	
Ending Fund Balance			<u>\$ 247,341</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND PRECINCT NO. 3
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other fees	\$ -	\$ -	\$ 9,355	\$ 9,355
Investment income	1,800	1,800	2,385	585
Total Revenues	<u>1,800</u>	<u>1,800</u>	<u>11,740</u>	<u>9,940</u>
<u>Expenditures</u>				
Roads and bridges	771,988	807,957	760,186	47,771
Capital outlay	105,140	76,075	31,306	44,769
Total Expenditures	<u>877,128</u>	<u>884,032</u>	<u>791,492</u>	<u>92,540</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(875,328)</u>	<u>(882,232)</u>	<u>(779,752)</u>	<u>102,480</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	876,528	876,528	907,226	30,698
Transfers (out)	(1,200)	(1,200)	-	1,200
Total Other Financing Sources	<u>875,328</u>	<u>875,328</u>	<u>907,226</u>	<u>31,898</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (6,904)</u>	127,474	<u>\$ 134,378</u>
Beginning fund balance			<u>946,457</u>	
Ending Fund Balance			<u>\$ 1,073,931</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND PRECINCT NO. 4
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other fees	\$ -	\$ -	\$ 6,455	\$ 6,455
Investment income	1,500	1,500	2,146	646
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>8,601</u>	<u>7,101</u>
<u>Expenditures</u>				
Roads and bridges	752,061	752,061	596,372	155,689
Capital outlay	17,069	47,069	28,500	18,569
Total Expenditures	<u>769,130</u>	<u>799,130</u>	<u>624,872</u>	<u>174,258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(767,630)</u>	<u>(797,630)</u>	<u>(616,271)</u>	<u>181,359</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	786,509	786,509	818,682	32,173
Transfers (out)	(18,879)	(18,879)	(16,095)	2,784
Total Other Financing Sources	<u>767,630</u>	<u>767,630</u>	<u>802,587</u>	<u>34,957</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (30,000)</u>	186,316	<u>\$ 216,316</u>
Beginning fund balance			<u>798,068</u>	
Ending Fund Balance			<u>\$ 984,384</u>	

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (page 1 of 5)
 December 31, 2013

	<u>CDA Trust</u>	<u>CDA State Appropriations</u>	<u>Alternate Dispute Resolution</u>	<u>State Criminal Justice Planning</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 17,114	\$ 59,916	\$ 375	\$ 7
Total Assets	<u>\$ 17,114</u>	<u>\$ 59,916</u>	<u>\$ 375</u>	<u>\$ 7</u>
<u>Liabilities</u>				
Due to other units	\$ 17,114	\$ 59,916	\$ 375	\$ 7
Total Liabilities	<u>\$ 17,114</u>	<u>\$ 59,916</u>	<u>\$ 375</u>	<u>\$ 7</u>

<u>State LEOCE</u>	<u>State OCLF Insurance</u>	<u>State DPS Arrest Fees</u>	<u>State General Revenue</u>	<u>Supplement Court Guardianship</u>	<u>State LEOA</u>
\$ 1	\$ 205	\$ 19,556	\$ 40	\$ 10,126	\$ 1
<u>\$ 1</u>	<u>\$ 205</u>	<u>\$ 19,556</u>	<u>\$ 40</u>	<u>\$ 10,126</u>	<u>\$ 1</u>
\$ 1	\$ 205	\$ 19,556	\$ 40	\$ 10,126	\$ 1
<u>\$ 1</u>	<u>\$ 205</u>	<u>\$ 19,556</u>	<u>\$ 40</u>	<u>\$ 10,126</u>	<u>\$ 1</u>

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (page 2 of 5)
 December 31, 2013

	<u>State TLFTA</u>	<u>State Time Payment</u>	<u>State Fugitive</u>	<u>State CCC</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 76	\$ 6,957	\$ 125	\$ 18,816
Total Assets	<u>\$ 76</u>	<u>\$ 6,957</u>	<u>\$ 125</u>	<u>\$ 18,816</u>
<u>Liabilities</u>				
Due to other units	\$ 76	\$ 6,957	\$ 125	\$ 18,816
Total Liabilities	<u>\$ 76</u>	<u>\$ 6,957</u>	<u>\$ 125</u>	<u>\$ 18,816</u>

<u>State Juvenile Crime and Detention</u>	<u>Tyler County Search and Rescue</u>	<u>Justice Court Tech</u>	<u>Corrective Management Inst. TX</u>	<u>State Tertiary Care</u>	<u>State Traffic Fee</u>
\$ 13	\$ 197	\$ 35,658	\$ 26	\$ 33,881	\$ 6,457
<u>\$ 13</u>	<u>\$ 197</u>	<u>\$ 35,658</u>	<u>\$ 26</u>	<u>\$ 33,881</u>	<u>\$ 6,457</u>
\$ 13	\$ 197	\$ 35,658	\$ 26	\$ 33,881	\$ 6,457
<u>\$ 13</u>	<u>\$ 197</u>	<u>\$ 35,658</u>	<u>\$ 26</u>	<u>\$ 33,881</u>	<u>\$ 6,457</u>

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (page 3 of 5)
December 31, 2013

	<u>State Bail Bond</u>	<u>State EMS Trauma</u>	<u>State Judicial Support Fees</u>	<u>Jury Reimbursement Fee</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 2,960	\$ 1,282	\$ 30,128	\$ 3,982
Total Assets	\$ 2,960	\$ 1,282	\$ 30,128	\$ 3,982
<u>Liabilities</u>				
Due to other units	\$ 2,960	\$ 1,282	\$ 30,128	\$ 3,982
Total Liabilities	\$ 2,960	\$ 1,282	\$ 30,128	\$ 3,982

<u>State CVC</u>	<u>State Judicial Education</u>	<u>Sheriff Department Cash Bond</u>	<u>Sheriff Jail Commissary and Inmate Trust</u>	<u>District Clerk Fee</u>	<u>District Clerk Trust</u>
\$ 1,191	\$ 46	\$ 49,750	\$ 15,361	\$ 43,518	\$ 971,426
<u>\$ 1,191</u>	<u>\$ 46</u>	<u>\$ 49,750</u>	<u>\$ 15,361</u>	<u>\$ 43,518</u>	<u>\$ 971,426</u>
\$ 1,191	\$ 46	\$ 49,750	\$ 15,361	\$ 43,518	\$ 971,426
<u>\$ 1,191</u>	<u>\$ 46</u>	<u>\$ 49,750</u>	<u>\$ 15,361</u>	<u>\$ 43,518</u>	<u>\$ 971,426</u>

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (page 4 of 5)
 December 31, 2013

	<u>State Law Enforcement Management</u>	<u>Tax Assessor Tax</u>	<u>Tax Assessor Auto</u>	<u>Tax Assessor VIT</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 1	\$ 2,620,173	\$ 107,952	\$ 26,925
Total Assets	<u>\$ 1</u>	<u>\$ 2,620,173</u>	<u>\$ 107,952</u>	<u>\$ 26,925</u>
<u>Liabilities</u>				
Due to other units	\$ 1	\$ 2,620,173	\$ 107,952	\$ 26,925
Total Liabilities	<u>\$ 1</u>	<u>\$ 2,620,173</u>	<u>\$ 107,952</u>	<u>\$ 26,925</u>

<u>County Clerk General</u>	<u>County Clerk Trust</u>	<u>District Attorney Seizure</u>	<u>District Attorney Investigative</u>	<u>State Drug Court Programs</u>	<u>State Indigent Defense</u>
\$ 977	\$ 91,691	\$ 20,869	\$ 1,340	\$ 2,155	\$ 220
<u>\$ 977</u>	<u>\$ 91,691</u>	<u>\$ 20,869</u>	<u>\$ 1,340</u>	<u>\$ 2,155</u>	<u>\$ 220</u>
\$ 977	\$ 91,691	\$ 20,869	\$ 1,340	\$ 2,155	\$ 220
<u>\$ 977</u>	<u>\$ 91,691</u>	<u>\$ 20,869</u>	<u>\$ 1,340</u>	<u>\$ 2,155</u>	<u>\$ 220</u>

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (page 5 of 5)
 December 31, 2013

	State Appellate Judicial	State Comp Rehabilitation	State DNA Testing Fee	Total All Agency Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 5,220	\$ 15	\$ 218	\$ 4,206,947
Total Assets	\$ 5,220	\$ 15	\$ 218	\$ 4,206,947
<u>Liabilities</u>				
Due to other units	\$ 5,220	\$ 15	\$ 218	\$ 4,206,947
Total Liabilities	\$ 5,220	\$ 15	\$ 218	\$ 4,206,947