

*ANNUAL FINANCIAL REPORT*

of

**TYLER COUNTY, TEXAS**

For the Year Ended  
December 31, 2012

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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 3, 2013

To the Honorable County Judge,  
Members of 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, 2012 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.

Tyler County, Texas  
Letter of Transmittal  
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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. 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) 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. It was asked by the Sheriff Elect Bryan Weatherford if the Department of Public Safety Office and the Parks and Wildlife located at the Justice Center could be relocated to the Nutrition Center in some of the vacant offices that are located there. He stated this would provide more room for the Sheriff's Department to operate more effectively.

### For the Future

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 is still being used. An update of this equipment is anticipated in the near future.



### 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 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 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 operation, 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.

Tyler County, Texas  
Letter of Transmittal  
December 31, 2012

## **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 Commissioners' Court as the County's auditors, and their opinion letter on the general purpose 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, 2012

**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:**

Bryan Weatherford	Justice of Peace, Precinct #1
Stevan Sturrock	Justice of Peace, Precinct #2
Milton Powers	Justice of Peace, Precinct #3
Jim Moore	Justice of Peace, Precinct #4

**LAW ENFORCEMENT:**

David Hennigan	County Sheriff
Guy Gary Mattingly	Constable, Precinct #1
David Davis	Constable, Precinct #2
Wade Skinner	Constable, Precinct #3
Jim Zachary	Constable, Precinct #4

**FINANCIAL ADMINISTRATION:**

Lynnette 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 the County of Tyler, Texas (the "County"), as of and for the year ended December 31, 2012, 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

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## **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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **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 3, 2013 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 3, 2013

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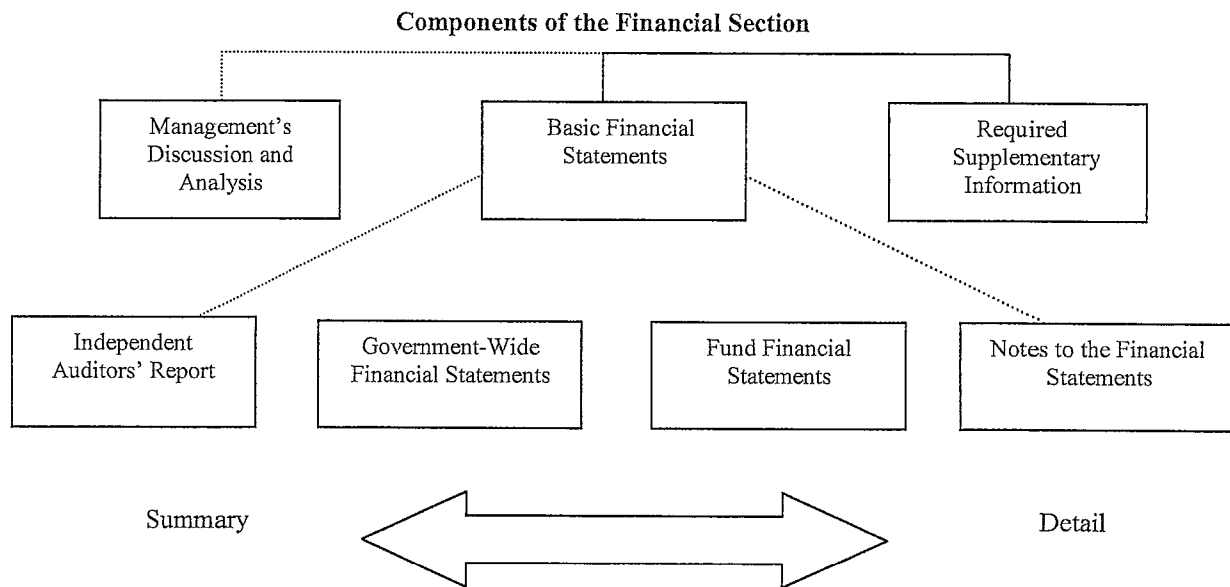
***MANAGEMENT'S DISCUSSION AND ANALYSIS***

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**TYLER COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended December 31, 2012

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 (the "County") for the year. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County's activities compare 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, 2012

The Statement of Activities presents information showing how the County's net position changed during the most recent year. All changes in the 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, franchise taxes, municipal court fines and permit 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 adopts an annual appropriated budget for its general and road and bridge funds. A budgetary comparison schedule has been provided for the general and road and bridge funds to demonstrate compliance with its budget.

### **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 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.



**TYLER COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended December 31, 2012

**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 a budgetary comparison schedule for the general fund and schedules of funding progress for the Texas County and District Retirement System and other post employment benefits for healthcare.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve, over time, as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$16,517,678 as of December 31, 2012. This compares with \$11,622,215 from the prior fiscal year. A portion of the County's net position, 34%, 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.

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
Current and other assets	\$ 20,096,358	\$ 18,358,830
Capital assets, net	5,659,326	2,399,074
<b>Total Assets</b>	<b>25,755,684</b>	<b>20,757,904</b>
Long-term liabilities	583,838	595,495
Other liabilities	168,658	286,190
<b>Total Liabilities</b>	<b>752,496</b>	<b>881,685</b>
Deferred inflows of resources	8,485,510	8,177,394
<b>Net position:</b>		
Net investment in capital assets	5,621,699	2,270,280
Restricted	5,321,366	6,206,942
Unrestricted	5,574,613	3,144,993
<b>Total Net Position</b>	<b>\$ 16,517,678</b>	<b>\$ 11,622,215</b>

A portion of the County's net position, \$5,321,366 or 32% represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$5,574,613 or 34%, may be used to meet the County's ongoing obligation to citizens and creditors.

**TYLER COUNTY, TEXAS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended December 31, 2012

The County's total net position increased by \$4,895,463 during the current fiscal year. This was primarily a result of an increase in capital assets due to construction projects during the year.

**Statement of Activities:**

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

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,982,551	\$ 2,043,279
Operating grants and contributions	4,016,530	2,621,087
General revenues:		
Taxes	8,989,676	8,582,591
Investment income	45,150	34,467
Other revenues	203,709	61,510
<b>Total Revenues</b>	<u>15,237,616</u>	<u>13,342,934</u>
<b>Expenses</b>		
General government	4,475,925	4,059,395
Administration of justice	827,247	790,867
Roads and bridges	2,468,607	2,291,086
Legal	-	17,778
Public safety	2,074,424	2,514,325
Health and human services	266,551	323,614
Community enrichment	38,051	25,423
Tax administration	188,931	235,445
Interest on long term debt	2,417	5,402
<b>Total Expenses</b>	<u>10,342,153</u>	<u>10,263,335</u>
<b>Change in Net Position</b>	4,895,463	3,079,599
Beginning Net Position	<u>11,622,215</u>	<u>8,542,616</u>
<b>Ending net position</b>	<u>\$ 16,517,678</u>	<u>\$ 11,622,215</u>

Overall, governmental activities revenue increased \$1,894,682 due to an increase in operating grants and property taxes. Total expenses were comparable to the prior year with an increase of only \$78,818.

**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 \$9,897,510. Of this, \$3,557,471 is unassigned and available for day-to-day operations of the County, \$1,018,673 is assigned for various

**TYLER COUNTY, TEXAS**  
*MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)*  
For the Year Ended December 31, 2012

purposes, \$1,700,984 is restricted for road and bridge projects, and \$3,620,382 is restricted within the County's special revenue funds.

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 \$3,557,471. 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 49% of total general fund expenditures, while total fund balance represents 63% of total fund expenditures.

There was an increase in the combined fund balance of \$1,736,624 over the prior year. The general fund and road and bridge experienced an increase of \$1,581,223 and \$60,047, respectively. The increases are due primarily to a decrease in expenditures and an increase in property taxes.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Actual general fund revenues were over final budgeted revenues by \$1,465,279 during the year. This net positive variance is attributable to taxes and other fees exceeding the anticipated amount in the original budget projections. General fund disbursements were under the final budget by \$420,860.

#### **CAPITAL ASSETS**

At the end of year 2012, the County's governmental activities funds had invested \$5,659,326 in a variety of capital assets and infrastructure (net of accumulated depreciation). Major capital asset events during the current year include the following:

- Airport hangar in the amount of \$25,000
- Equipment for road and bridges in the amount of \$170,265
- Vehicles for sheriff's department in the amount of \$145,489
- Construction in progress for infrastructure in the amount of \$3,304,249

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

#### **LONG-TERM DEBT**

At the end of the fiscal year, the County had total debt outstanding of \$37,627 which consists of two time warrant agreements. In addition, the County reported other long term-debt liabilities of \$546,211 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 the notes 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 2013 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, 2012

**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.

***BASIC FINANCIAL STATEMENTS***

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# TYLER COUNTY, TEXAS

## STATEMENT OF NET POSITION

December 31, 2012

	<u>Primary Government Governmental Activities</u>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 9,575,873
Investments	2,326,353
Receivables, net	8,194,132
<b>Total Current Assets</b>	<u>20,096,358</u>
Capital assets:	
Non-depreciable	3,304,249
Net depreciable capital assets	2,355,077
	<u>5,659,326</u>
<b>Total Assets</b>	<u>25,755,684</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Accounts payable and accrued liabilities	168,658
<b>Total Current Liabilities</b>	<u>168,658</u>
Noncurrent liabilities:	
Long-term liabilities due within one year	192,330
Long-term liabilities due in more than one year	391,508
	<u>583,838</u>
<b>Total Liabilities</b>	<u>752,496</u>
<b><u>Deferred Inflows of Resources</u></b>	
Property taxes	<u>8,485,510</u>
<b><u>Net Position</u></b>	
Net investment in capital assets	5,621,699
Restricted for:	
Road and bridge	1,700,984
Other purposes	3,620,382
Unrestricted	5,574,613
<b>Total Net Position</b>	<u>\$ 16,517,678</u>

See Notes to Financial Statements.

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# TYLER COUNTY, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
General government	\$ 4,475,925	\$ 1,323,910	\$ 4,016,530	\$ 864,515
Administration of justice	827,247	34,219	-	(793,028)
Roads and bridges	2,468,607	601,660	-	(1,866,947)
Public safety	2,074,424	22,762	-	(2,051,662)
Health and human services	266,551	-	-	(266,551)
Community enrichment	38,051	-	-	(38,051)
Tax administration	188,931	-	-	(188,931)
Interest and fiscal charges on long term debt	2,417	-	-	(2,417)
<b>Total Governmental Activities</b>	<b>\$ 10,342,153</b>	<b>\$ 1,982,551</b>	<b>\$ 4,016,530</b>	<b>(4,343,072)</b>
<b>General Revenues:</b>				
				8,367,253
				622,423
				45,150
				203,709
			<b>Total General Revenues</b>	<b>9,238,535</b>
			<b>Change in Net Position</b>	<b>4,895,463</b>
			Beginning net position	<b>11,622,215</b>
			<b>Ending Net Position</b>	<b>\$ 16,517,678</b>

See Notes to Financial Statements.

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# TYLER COUNTY, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

December 31, 2012

	General	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 3,982,027	\$ 2,276,081	\$ 3,317,765	\$ 9,575,873
Investments	2,022,421	-	303,932	2,326,353
Receivables, net	5,875,913	2,194,638	-	8,070,551
<b>Total Assets</b>	<b>\$ 11,880,361</b>	<b>\$ 4,470,719</b>	<b>\$ 3,621,697</b>	<b>\$ 19,972,777</b>
<b>Liabilities</b>				
Accounts payable	\$ 126,227	\$ 41,116	\$ 1,315	\$ 168,658
<b>Total Liabilities</b>	<b>126,227</b>	<b>41,116</b>	<b>1,315</b>	<b>168,658</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	7,177,990	2,728,619	-	9,906,609
<b>Fund Balances</b>				
Restricted:				
Road and bridge	-	1,700,984	-	1,700,984
Special revenue funds	-	-	3,620,382	3,620,382
Assigned:				
Airport	45,999	-	-	45,999
Rodeo arena/fairgrounds	26,992	-	-	26,992
Economic development	26,533	-	-	26,533
Waste collection center	88,043	-	-	88,043
County right of way	648,387	-	-	648,387
Emergency operations center	129,282	-	-	129,282
Nutrition Center	53,437	-	-	53,437
Unassigned	3,557,471	-	-	3,557,471
<b>Total Fund Balances</b>	<b>4,576,144</b>	<b>1,700,984</b>	<b>3,620,382</b>	<b>9,897,510</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 11,880,361</b>	<b>\$ 4,470,719</b>	<b>\$ 3,621,697</b>	

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	3,304,249
Depreciable capital assets, net	2,355,077

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	1,421,099
---------------------------------	-----------

Long-term liabilities, including time warrants payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Long-term liabilities due within one year	(192,330)
Long-term liabilities due in more than one year	(391,508)

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

	123,581
<b>Net Position of Governmental Activities</b>	<b>\$ 16,517,678</b>

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, 2012

	General	Road and Bridge	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 6,779,695	\$ 2,321,077	\$ -	\$ 9,100,772
Intergovernmental	465,194	60,007	3,491,329	4,016,530
Auto registration	-	537,069	-	537,069
Other fees	1,233,024	64,591	149,841	1,447,456
Investment income	26,246	9,275	9,629	45,150
Other revenues	200,156	-	2,531	202,687
<b>Total Revenues</b>	<u>8,704,315</u>	<u>2,992,019</u>	<u>3,653,330</u>	<u>15,349,664</u>
<b>Expenditures</b>				
General government	3,727,236	-	3,439,342	7,166,578
Administration of justice	691,391	-	135,856	827,247
Roads and bridges	-	2,468,607	-	2,468,607
Public safety	2,068,683	-	5,741	2,074,424
Health and human services	266,372	-	179	266,551
Community enrichment	38,051	-	-	38,051
Tax administration	188,931	-	-	188,931
<b>Debt Service:</b>				
Debt service	-	90,463	-	90,463
Interest charges	-	2,417	-	2,417
<b>Capital Outlay</b>	302,000	182,505	6,288	490,793
<b>Total Expenditures</b>	<u>7,282,664</u>	<u>2,743,992</u>	<u>3,587,406</u>	<u>13,614,062</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	1,421,651	248,027	65,924	1,735,602
<b>Other Financing Sources (Uses)</b>				
Transfers in	401,495	199,999	41,924	643,418
Transfers (out)	(241,923)	(389,001)	(12,494)	(643,418)
Sale of capital assets	-	1,022	-	1,022
<b>Total Other Financing Sources (Uses)</b>	<u>159,572</u>	<u>(187,980)</u>	<u>29,430</u>	<u>1,022</u>
<b>Net Change in Fund Balances</b>	1,581,223	60,047	95,354	1,736,624
Beginning fund balances	2,994,921	1,640,937	3,525,028	8,160,886
<b>Ending Fund Balances</b>	<u>\$ 4,576,144</u>	<u>\$ 1,700,984</u>	<u>\$ 3,620,382</u>	<u>\$ 9,897,510</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, 2012

Net changes in fund balances – total government funds \$ 1,736,624

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	3,645,002
Depreciation expense	(384,750)

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

Deferred revenue	(111,096)
------------------	-----------

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

(1,974)

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	91,167
--------------------	--------

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	(94,259)
Compensated absences	14,749

<b>Change in Net Position of Governmental Activities</b>	<b>\$ 4,895,463</b>
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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, 2012

	<u>Total Agency Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 3,543,843
<b>Total Assets</b>	<u>\$ 3,543,843</u>
<u>Liabilities</u>	
Due to other units	\$ 3,543,843
<b>Total Liabilities</b>	<u>\$ 3,543,843</u>

See Notes to Financial Statements.

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**TYLER COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2012

**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 entity 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 and its component units. 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, 2012

**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 all financial transactions not properly includable in other funds. The principal sources of receipts include local property taxes, licenses and permits, 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 proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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 government. 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. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type 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.

**TYLER COUNTY, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
For the Year Ended December 31, 2012

**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 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, franchise 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, Ch 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;

**TYLER COUNTY, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
For the Year Ended December 31, 2012

- (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;
- (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 which are:
  - (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or
  - (ii) secured by obligations of paragraphs (a) to (e) above and that have a market value of not less than the principal amount of the certificates but excluding certain mortgage-backed securities;
- (g) fully collateralized repurchase agreements, bankers' acceptances, commercial paper, mutual funds, guaranteed investment contracts, and investment pools all of which are required to meet certain restrictive criteria.

**3. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable, available financial resources.

All trade receivables are shown net of an allowance for uncollectibles.

**4. Restricted Assets**

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

**5. 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

**TYLER COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended December 31, 2012

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 primary government are depreciated using the straight-line method over the following estimated useful years:

Asset Description	Estimated Useful Life
Buildings and improvements	15 to 30 years
Equipment	5 to 20 years
Infrastructure	30-50 years

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

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 that qualifies for reporting in this category. The governmental funds report *unavailable revenues* from property taxes. This 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.

**7. 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.

**TYLER COUNTY, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
For the Year Ended December 31, 2012

**8. 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.

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.

**9. 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.

**10. 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.

**11. 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).



**TYLER COUNTY, TEXAS**  
*NOTES TO FINANCIAL STATEMENTS (Continued)*  
For the Year Ended December 31, 2012

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 an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

**13. 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**

**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

**TYLER COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended December 31, 2012

the tax assessor's agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general, road and bridge, and jail interest and sinking 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 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, 2012.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of December 31, 2012, the County had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Certificates of deposit	\$ 2,326,353	.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, 2012, pledged securities and FDIC insurance exceeded bank balances.

**TYLER COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended December 31, 2012

**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	\$ 5,811,285	\$ 2,216,198	\$ 8,027,483
Other taxes	117,863	-	117,863
Allowance for uncollectable	(53,235)	(21,560)	(74,795)
	<u>\$ 5,875,913</u>	<u>\$ 2,194,638</u>	<u>\$ 8,070,551</u>

**C. Capital Assets**

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

	Beginning Balance*	Increases	(Decreases)	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 3,304,249	\$ -	\$ 3,304,249
Total capital assets not being depreciated	<u>-</u>	<u>3,304,249</u>	<u>-</u>	<u>3,304,249</u>
Other capital assets:				
Equipment	3,247,235	315,753	-	3,562,988
Buildings	2,530,000	25,000	-	2,555,000
Infrastructure	51,995,887	-	-	51,995,887
Total other capital assets	<u>57,773,122</u>	<u>340,753</u>	<u>-</u>	<u>58,113,875</u>
Less accumulated depreciation for:				
Equipment	(2,336,161)	(332,583)	-	(2,668,744)
Buildings	(1,042,000)	(52,167)	-	(1,094,167)
Infrastructure	(51,995,887)	-	-	(51,995,887)
Total accumulated depreciation	<u>(55,374,048)</u>	<u>(384,750)</u>	<u>-</u>	<u>(55,758,798)</u>
Other capital assets, net	2,399,074	(43,997)	-	2,355,077
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 2,399,074</u>	<u>\$ 3,260,252</u>	<u>\$ -</u>	<u>5,659,326</u>
			Less associated debt	<u>(37,627)</u>
			<b>Net Investment in Capital Assets</b>	<u>\$ 5,621,699</u>

\*Beginning balances have been restated.

Depreciation was charged to governmental functions as follows:

General government	\$ 9,512
Roads and bridges	176,291
Health and human services	31,753
Public safety	167,194
<b>Total Governmental Activities Depreciation Expense</b>	<u>\$ 384,750</u>

**TYLER COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended December 31, 2012

**D. Long-Term Liabilities**

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended December 31, 2012. 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.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Time warrants	\$ 128,794	\$ -	\$ (91,167)	\$ 37,627	* \$ 37,627
Other:					
Compensated absences	186,641 **	82,968	(97,717)	171,892	154,703
Net OPEB obligation	280,060	94,259	-	374,319	-
	<u>466,701</u>	<u>177,227</u>	<u>(97,717)</u>	<u>546,211</u>	<u>154,703</u>
<b>Total Governmental Activities</b>	<u>\$ 595,495</u>	<u>\$ 177,227</u>	<u>\$ (188,884)</u>	<u>\$ 583,838</u>	<u>\$ 192,330</u>

\*\* Beginning balance has been restated.

Long-term debt due in more than one year \$ 391,508

\* Debt associated with capital assets \$ 37,627

Long-term debt obligations of the County as of December 31, 2012, are as follows:

	Percentage Interest Rate	Original Amount	Balance
<b>Time Warrants</b>			
Beaumont Tractor	6.00	\$ 64,268	\$ 18,246
First National Bank	3.75	\$ 38,762	19,381
<b>Total Governmental Activities Long-Term Debt</b>			<u>\$ 37,627</u>

A summary of the County's debt service requirements, including interest, is as follows:

Year Ending Dec. 31	Time Warrants	
	Principal	Interest
2013	<u>\$ 37,627</u>	<u>\$ 402</u>

**TYLER COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended December 31, 2012

**E. Interfund Transfers**

Transfers between the primary governmental funds during the 2012 year were as follows:

	Transfers In	Transfers Out
<b>Governmental Funds</b>		
Individual major governmental funds:		
General	\$ 401,495	\$ 241,923
Road and bridge	199,999	389,001
Other non-major funds	41,924	12,494
<b>Total Transfers</b>	<b>\$ 643,418</b>	<b>\$ 643,418</b>

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.

**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.

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**

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 TCERS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 624 nontraditional

**TYLER COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended December 31, 2012

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.

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 9.96 percent for calendar year 2012.

The Commissioners' Court adopted the rate of seven percent as the contribution rate payable by the employee members for calendar year 2012. 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, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011 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, 2011 was 20 years.

As of December 31, 2011, the most recent actuarial valuation date, the plan was 85.5 percent funded. The actuarial accrued liability for benefits was \$10,991,044 and the actuarial value of assets was \$9,397,645, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,593,399. The covered payroll (annual payroll of active employees covered by the plan) was \$3,977,658, and the ratio of the UAAL to the covered payroll was 40.1 percent.

**TYLER COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended December 31, 2012

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, 2011, the most recent valuation date, is as follows:

		<u>2012</u>	
Actuarial Valuation Date		12/31/2011	
Actuarial Value of Assets	\$	9,397,645	
Actuarial Accrued Liability	\$	10,991,044	
Percentage Funded		85.50%	
Unfunded Actuarial			
Accrued Liability (UAAL)	\$	1,593,399	
Annual Covered Payroll	\$	3,977,658	
UAAL % of Covered Payroll		40.06%	
Net Pension Obligation (NPO)			
at the Beginning of Period	\$	-	
Annual Req. Contrib. (ARC)		412,074	
Contributions Made		412,074	
<b>NPO at the End of Period</b>	<b>\$</b>	<b>-</b>	

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, 2010, the basis for determining the contribution rates for plan year 2012.

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>2012</u>	<u>2011</u>	<u>2010</u>
Annual Req. Contrib. (ARC)	\$ 412,074	\$ 372,190	\$ 355,681
Contributions Made	412,074	372,190	355,681
<b>NPO at the End of Period</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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

**TYLER COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended December 31, 2012

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 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.

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, 2012 is as follows:

Annual required contribution	\$ 172,403
Interest on OPEB obligation	12,603
Adjustment to ARC	<u>(11,676)</u>
Annual OPEB cost (expense) end of year	173,330
Net estimated employer contributions	<u>(79,071)</u>
Increase in net OPEB obligation	94,259
Net OPEB obligation - as of beginning of the year	280,060
Net OPEB obligation - as of end of the year	<u><u>\$ 374,319</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, 2012 and the preceding two fiscal years were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Amount</u> <u>Contributed</u>	<u>Percentage</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2010	\$ 162,806	\$ 69,483	42.7%	\$ 183,638
2011	\$ 167,990	\$ 71,568	42.6%	\$ 280,060
2012	\$ 173,330	\$ 79,071	45.6%	\$ 374,319



**TYLER COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended December 31, 2012

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, 2011 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%

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 \$1,287,498 at December 31, 2011. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 32.4 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 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
Health care cost trend rate	Initial rate of 8.50% declining to an ultimate rate of 4.50% 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.

**TYLER COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Year Ended December 31, 2012

**E. Accounting Changes and Restatement**

The County has restated beginning net position due to the addition of compensated absences and capital assets at the government wide level as required by generally accepted accounting principles. Net position has also been restated due to an agency fund that was reported as a special revenue fund in the prior year. Beginning fund balance and net position was also restated for a change in reporting of unearned property tax revenue and for the addition of an allowance for uncollected taxes. In addition, beginning fund balance was restated to report several funds within the general fund that no longer meet the definition of a special revenue fund, which must have a dedicated revenue source with an outside restriction on how the funds may be used. 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 Fund Balance</u>	<u>Road and Bridge Fund Balance</u>	<u>Nonmajor Governmental Fund Balance</u>
Prior year ending net position/ fund balances as reported	\$ 15,956,002	\$ 2,030,569	\$ 1,663,224	\$ 4,543,718
Change in reporting of unearned property tax revenue	(6,469,595)			-
Change in reporting of allowance for uncollected taxes	(76,610)	(54,323)	(22,287)	-
Change in reporting of compensated absences	(186,641)	-	-	-
Change in reporting of capital assets, cost	57,773,122	-	-	-
Change in reporting of capital assets, depreciation	(55,374,048)	-	-	-
Change in reporting of state comp rehabilitation fund	(15)	-	-	(15)
Change in reporting of special revenue funds	-	1,018,675	-	(1,018,675)
<b>Restated Beginning Net Position/Fund Balances</b>	<u>\$ 11,622,215</u>	<u>\$ 2,994,921</u>	<u>\$ 1,640,937</u>	<u>\$ 3,525,028</u>

***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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 5,764,626	\$ 5,764,626	\$ 6,779,695	\$ 1,015,069
Intergovernmental	210,000	373,634	465,194	91,560
Other fees	1,121,421	901,421	1,233,024	331,603
Interest	21,761	21,161	26,246	5,085
Other revenues	56,250	178,194	200,156	21,962
<b>Total Revenues</b>	<b>7,174,058</b>	<b>7,239,036</b>	<b>8,704,315</b>	<b>1,465,279</b>
<b>Expenditures</b>				
<b>General Government:</b>				
General operations	2,647,649	2,749,865	2,637,592	112,273
County judge	171,624	171,624	148,201	23,423
County treasurer	84,601	84,601	78,705	5,896
County auditor	110,744	113,162	114,180	(1,018)
County clerk	237,678	237,931	241,379	(3,448)
Maintenance	408,867	408,867	374,125	34,742
County court	182,916	182,916	133,054	49,862
	<b>3,844,079</b>	<b>3,948,966</b>	<b>3,727,236</b>	<b>221,730</b>
<b>Administration of Justice:</b>				
Justice of the peace	217,464	217,464	212,328	5,136
District attorney	296,994	296,994	272,899	24,095
1-A judicial district	70,859	71,774	67,703	4,071
District clerk	145,791	145,791	138,461	7,330
	<b>731,108</b>	<b>732,023</b>	<b>691,391</b>	<b>40,632</b>
<b>Public Safety:</b>				
DPS	34,114	34,114	32,673	1,441
Sheriff's department jail	354,145	401,655	391,407	10,248
Sheriff's department office	1,353,400	1,412,766	1,400,168	12,598
Constables	138,342	144,281	137,915	6,366
Emergency operations center	96,332	133,651	106,520	27,131
	<b>1,976,333</b>	<b>2,126,467</b>	<b>2,068,683</b>	<b>57,784</b>

**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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Expenditures (continued)</u></b>				
<b>Health and Human Services:</b>				
Veterans services	\$ 30,784	\$ 30,784	\$ 26,955	\$ 3,829
County extension	72,972	44,544	21,948	22,596
Waste collection center	204,607	204,607	155,483	49,124
Health and sanitation	16,000	16,000	13,600	2,400
Nutrition center	52,017	50,735	48,386	2,349
	<u>376,380</u>	<u>346,670</u>	<u>266,372</u>	<u>80,298</u>
<b>Communtiy Enrichment</b>				
Airport	\$ 25,800	\$ 25,800	\$ 16,577	\$ 9,223
Rodeo arena/fairgrounds	20,200	20,200	8,820	11,380
Economic development	11,600	11,600	7,034	4,566
Benevolence	60	50	195	(145)
	<u>57,660</u>	<u>57,650</u>	<u>32,626</u>	<u>25,024</u>
<b>Tax Administration:</b>				
Tax assessor collector	197,958	197,958	188,931	9,027
	<u>197,958</u>	<u>197,958</u>	<u>188,931</u>	<u>9,027</u>
<b>Capital Outlay</b>				
	<u>199,221</u>	<u>288,365</u>	<u>302,000</u>	<u>(13,635)</u>
<b>Total Expenditures</b>	<u>7,382,739</u>	<u>7,698,099</u>	<u>7,277,239</u>	<u>420,860</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(208,681)</u>	<u>(459,063)</u>	<u>1,427,076</u>	<u>1,886,139</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	325,194	125,244	201,495	76,251
Transfers (out)	(659,154)	(909,054)	(241,923)	667,131
<b>Total Other Financing (Uses)</b>	<u>(333,960)</u>	<u>(783,810)</u>	<u>(40,428)</u>	<u>743,382</u>
<b>Net Change in Fund Balance</b>	<u>\$ (542,641)</u>	<u>\$ (1,242,873)</u>	1,386,648	<u>\$ 2,629,521</u>
Beginning fund balance			<u>2,994,921</u>	
<b>Ending Fund Balance</b>			<u>\$ 4,381,569</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 the general fund without appropriated budgets	<u>194,575</u>
	<u>\$ 4,576,144</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 1,997,325	\$ 1,997,325	\$ 2,321,077	\$ 323,752
Intergovernmental	20,000	20,000	60,007	40,007
Auto registration	525,000	525,000	537,069	12,069
Other fees	45,750	45,750	64,591	18,841
Investment income	4,750	4,750	9,275	4,525
<b>Total Revenues</b>	<u>2,592,825</u>	<u>2,592,825</u>	<u>2,992,019</u>	<u>399,194</u>
<b>Expenditures</b>				
Roads and bridges	2,535,093	2,688,424	2,468,607	219,817
Capital outlay	226,105	185,303	182,505	2,798
Debt service	49,661	90,463	90,463	-
Interest charges	321	2,417	2,417	-
<b>Total Expenditures</b>	<u>2,811,180</u>	<u>2,966,607</u>	<u>2,743,992</u>	<u>222,615</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(218,355)</u>	<u>(373,782)</u>	<u>248,027</u>	<u>621,809</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,823,178	2,823,178	2,846,353	23,175
Transfers (out)	(35,103)	(2,623,178)	(3,035,355)	(412,177)
Sale of capital asset	-	-	1,022	1,022
<b>Total Other Financing Sources (Uses)</b>	<u>2,788,075</u>	<u>200,000</u>	<u>(187,980)</u>	<u>(387,980)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,569,720</u>	<u>\$ (173,782)</u>	<u>60,047</u>	<u>\$ 233,829</u>
Beginning fund balance			<u>1,640,937</u>	
<b>Ending Fund Balance</b>			<u>\$ 1,700,984</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, 2012

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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarial Valuation Date	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Actuarial Value of Assets	\$ 9,397,645	\$ 9,117,911	\$ 8,666,348	\$ 8,001,257
Actuarial Accrued Liability	\$ 10,991,044	\$ 10,384,269	\$ 9,688,516	\$ 9,038,326
Percentage Funded	85.5%	87.8%	89.4%	88.5%
Unfunded Actuarial				
Accrued Liability (UAAL)	\$ 1,593,399	\$ 1,266,358	\$ 1,022,168	\$ 1,037,069
Annual Covered Payroll	\$ 3,977,658	\$ 3,732,222	\$ 3,568,654	\$ 3,198,039
UAAL % of Covered Payroll	40.06%	33.93%	28.64%	32.43%
Net Pension Obligation (NPO)				
at the Beginning of Period	\$ -	\$ -	\$ -	\$ -
Annual Req. Contrib. (ARC)	412,074	372,190	355,681	297,821
Contributions Made	412,074	372,190	355,681	297,821
<b>NPO at the End of Period</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**TYLER COUNTY, TEXAS**  
**SCHEDULE OF FUNDING PROGRESS**  
**POST EMPLOYMENT HEALTHCARE BENEFITS<sup>1</sup>**  
For the Year Ended December 31, 2012

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%

<sup>1</sup>Valuations 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, 2012

		Special Revenue Funds			
		District Clerk Appropriations	County Clerk RMP	County District Attorney Forfeiture	Sheriff Forfeiture
<b>Assets</b>					
Cash and cash equivalents		\$ 48,329	\$ 254,620	\$ 16,169	\$ 18,341
Investments		-	-	-	-
<b>Total Assets</b>		<u>\$ 48,329</u>	<u>\$ 254,620</u>	<u>\$ 16,169</u>	<u>\$ 18,341</u>
<b>Liabilities</b>					
Accounts payable		-	334	-	-
<b>Total Liabilities</b>		<u>-</u>	<u>334</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>					
Restricted		48,329	254,286	16,169	18,341
<b>Total Fund Balances</b>		<u>48,329</u>	<u>254,286</u>	<u>16,169</u>	<u>18,341</u>
<b>Total Liabilities and Fund Balances</b>		<u>\$ 48,329</u>	<u>\$ 254,620</u>	<u>\$ 16,169</u>	<u>\$ 18,341</u>

**Special Revenue Funds**

<b>District Clerk RMP</b>	<b>Law Library</b>	<b>Jail Interest and Sinking</b>	<b>Violence Against Women</b>	<b>Small Business Loan</b>	<b>Peace Officer Service Fee</b>
\$ 4,023	\$ 2,592	\$ 707,394	\$ -	\$ 700	\$ 23,940
-	-	303,932	-	-	-
<u>\$ 4,023</u>	<u>\$ 2,592</u>	<u>\$ 1,011,326</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 23,940</u>
\$ -	\$ 135	\$ -	\$ -	\$ -	\$ -
-	135	-	-	-	-
4,023	2,457	1,011,326	-	700	23,940
4,023	2,457	1,011,326	-	700	23,940
<u>\$ 4,023</u>	<u>\$ 2,592</u>	<u>\$ 1,011,326</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 23,940</u>

**TYLER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)**  
December 31, 2012

		Special Revenue Funds			
		Courthouse Security	County RMP	Crime Stoppers	County District Attorney Fees
<b><u>Assets</u></b>					
Cash and cash equivalents		\$ 103,056	\$ 70,558	\$ 473	\$ 37,985
Investments		-	-	-	-
<b>Total Assets</b>		\$ 103,056	\$ 70,558	\$ 473	\$ 37,985
 <b><u>Liabilities</u></b>					
Accounts payable		\$ 395	\$ -	\$ -	\$ 117
<b>Total Liabilities</b>		395	-	-	117
 <b><u>Fund Balances</u></b>					
Restricted		102,661	70,558	473	37,868
<b>Total Fund Balances</b>		102,661	70,558	473	37,868
<b>Total Liabilities and Fund Balances</b>		\$ 103,056	\$ 70,558	\$ 473	\$ 37,985



**Special Revenue Funds**

<u>Civil Fees</u>	<u>Homeland Security</u>	<u>State DNA Testing Fee</u>	<u>Child Welfare Board</u>	<u>Child Safety</u>	<u>DETCOG Social Services Block Grant</u>
\$ 30,262	\$ 9,724	\$ 226	\$ 4,682	\$ 47,985	\$ 277
-	-	-	-	-	-
<u>\$ 30,262</u>	<u>\$ 9,724</u>	<u>\$ 226</u>	<u>\$ 4,682</u>	<u>\$ 47,985</u>	<u>\$ 277</u>
\$ 334	\$ -	\$ -	\$ -	\$ -	\$ -
334	-	-	-	-	-
<u>29,928</u>	<u>9,724</u>	<u>226</u>	<u>4,682</u>	<u>47,985</u>	<u>277</u>
<u>29,928</u>	<u>9,724</u>	<u>226</u>	<u>4,682</u>	<u>47,985</u>	<u>277</u>
<u>\$ 30,262</u>	<u>\$ 9,724</u>	<u>\$ 226</u>	<u>\$ 4,682</u>	<u>\$ 47,985</u>	<u>\$ 277</u>

**TYLER COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)**  
December 31, 2012

		Special Revenue Funds			
		TC Disaster Project Round II	Distict Court Technology	Emergency Disaster Relief	TXCDBG Grant - Ike
<b><u>Assets</u></b>					
Cash and cash equivalents		\$ -	\$ 7,900	\$ 1,852,948	\$ -
Investments		-	-	-	-
<b>Total Assets</b>		\$ -	\$ 7,900	\$ 1,852,948	\$ -
<b><u>Liabilities</u></b>					
Accounts payable		\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>		-	-	-	-
<b><u>Fund Balances</u></b>					
Restricted		-	7,900	1,852,948	-
<b>Total Fund Balances</b>		-	7,900	1,852,948	-
<b>Total Liabilities and Fund Balances</b>		\$ -	\$ 7,900	\$ 1,852,948	\$ -

**Special Revenue Funds**

<b>SECO Block Grant</b>	<b>DETCOG Communications Grant</b>	<b>Moving Violation Fees</b>	<b>TC Chapter 19</b>	<b>TC Special Trust</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ 69,102	\$ 20	\$ 3,752	\$ 2,707	\$ 3,317,765
-	-	-	-	-	303,932
<u>\$ -</u>	<u>\$ 69,102</u>	<u>\$ 20</u>	<u>\$ 3,752</u>	<u>\$ 2,707</u>	<u>\$ 3,621,697</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,315
-	-	-	-	-	1,315
-	69,102	20	3,752	2,707	3,620,382
-	69,102	20	3,752	2,707	3,620,382
<u>\$ -</u>	<u>\$ 69,102</u>	<u>\$ 20</u>	<u>\$ 3,752</u>	<u>\$ 2,707</u>	<u>\$ 3,621,697</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, 2012

	Special Revenue Funds			
	District Clerk Appropriations	County Clerk RMP	County District Attorney Forfeiture	Sheriff Forfeiture
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other fees	-	55,155	3,322	-
Investment income	86	433	29	33
Other revenues	-	-	-	-
<b>Total Revenues</b>	<b>86</b>	<b>55,588</b>	<b>3,351</b>	<b>33</b>
<b>Expenditures</b>				
General government	-	22,167	3,521	-
Administration of Justice	-	-	-	-
Public safety	-	-	-	2,645
Health and human services	-	-	-	-
Capital outlay	-	3,145	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>25,312</b>	<b>3,521</b>	<b>2,645</b>
<b>Excess (Deficiency) of</b>				
<b>Revenues Over (Under) Expenditures</b>	<b>86</b>	<b>30,276</b>	<b>(170)</b>	<b>(2,612)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>86</b>	<b>30,276</b>	<b>(170)</b>	<b>(2,612)</b>
Beginning fund balances	48,243	224,010	16,339	20,953
<b>Ending Fund Balances</b>	<b>\$ 48,329</b>	<b>\$ 254,286</b>	<b>\$ 16,169</b>	<b>\$ 18,341</b>

Special Revenue Funds

District Clerk RMP	Law Library	Jail Interest and Sinking	Violence Against Women	Small Business Loan	Peace Officer Service Fee
\$ -	\$ -	\$ -	\$ 58,306	\$ 6,976	\$ -
3,050	8,937	-	-	-	754
9	-	5,227	-	-	42
-	-	1,192	-	-	-
<u>3,059</u>	<u>8,937</u>	<u>6,419</u>	<u>58,306</u>	<u>6,976</u>	<u>796</u>
3,922	-	5,077	-	6,276	-
-	10,079	-	45,812	-	-
-	-	-	-	-	-
-	-	-	-	-	-
895	-	-	-	-	-
<u>4,817</u>	<u>10,079</u>	<u>5,077</u>	<u>45,812</u>	<u>6,276</u>	<u>-</u>
<u>(1,758)</u>	<u>(1,142)</u>	<u>1,342</u>	<u>12,494</u>	<u>700</u>	<u>796</u>
-	4,000	-	-	-	-
-	-	-	(12,494)	-	-
-	4,000	-	(12,494)	-	-
<u>(1,758)</u>	<u>2,858</u>	<u>1,342</u>	<u>-</u>	<u>700</u>	<u>796</u>
<u>5,781</u>	<u>(401)</u>	<u>1,009,984</u>	<u>-</u>	<u>-</u>	<u>23,144</u>
<u>\$ 4,023</u>	<u>\$ 2,457</u>	<u>\$ 1,011,326</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 23,940</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, 2012

	Special Revenue Funds			
	Courthouse Security	County RMP	Crime Stoppers	County District Attorney Fees
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other fees	12,992	5,146	2	5,240
Investment income	191	124	2	-
Other revenues	-	-	-	-
<b>Total Revenues</b>	<u>13,183</u>	<u>5,270</u>	<u>4</u>	<u>5,240</u>
<b>Expenditures</b>				
General government	-	-	-	-
Administration of Justice	20,987	2,475	-	6,603
Public safety	-	-	2	-
Health and human services	-	-	-	-
Capital outlay	2,248	-	-	-
<b>Total Expenditures</b>	<u>23,235</u>	<u>2,475</u>	<u>2</u>	<u>6,603</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(10,052)</u>	<u>2,795</u>	<u>2</u>	<u>(1,363)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(10,052)</u>	<u>2,795</u>	<u>2</u>	<u>(1,363)</u>
Beginning fund balances	<u>112,713</u>	<u>67,763</u>	<u>471</u>	<u>39,231</u>
<b>Ending Fund Balances</b>	<u>\$ 102,661</u>	<u>\$ 70,558</u>	<u>\$ 473</u>	<u>\$ 37,868</u>

**Special Revenue Funds**

<b>Civil Fees</b>	<b>Homeland Security</b>	<b>State DNA Testing Fee</b>	<b>Child Welfare Board</b>	<b>Child Safety</b>	<b>DETCOG Social Services Block Grant</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30,262	-	323	-	21,950	-
-	17	-	8	130	1
-	-	-	1,339	-	-
<u>30,262</u>	<u>17</u>	<u>323</u>	<u>1,347</u>	<u>22,080</u>	<u>1</u>
334	-	-	-	-	-
-	-	-	-	49,900	-
-	-	-	-	3,040	-
-	-	143	-	-	36
-	-	-	-	-	-
<u>334</u>	<u>-</u>	<u>143</u>	<u>-</u>	<u>52,940</u>	<u>36</u>
<u>29,928</u>	<u>17</u>	<u>180</u>	<u>1,347</u>	<u>(30,860)</u>	<u>(35)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>29,928</u>	<u>17</u>	<u>180</u>	<u>1,347</u>	<u>(30,860)</u>	<u>(35)</u>
-	9,707	46	3,335	78,845	312
<u>\$ 29,928</u>	<u>\$ 9,724</u>	<u>\$ 226</u>	<u>\$ 4,682</u>	<u>\$ 47,985</u>	<u>\$ 277</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, 2012

	Special Revenue Funds			
	TC Disaster Project Round II	District Court Technology	Emergency Disaster Relief	TXCDBG Grant - IKE
<b>Revenues</b>				
Intergovernmental	\$ 35,588	\$ -	\$ -	\$ 3,304,249
Other fees	-	2,652	-	-
Investment income	-	12	3,280	-
Other revenues	-	-	-	-
<b>Total Revenues</b>	<b>35,588</b>	<b>2,664</b>	<b>3,280</b>	<b>3,304,249</b>
<b>Expenditures</b>				
General government	35,588	-	-	3,304,249
Administration of Justice	-	-	-	-
Public safety	-	-	-	-
Health and human services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>35,588</b>	<b>-</b>	<b>-</b>	<b>3,304,249</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>2,664</b>	<b>3,280</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>2,664</b>	<b>3,280</b>	<b>-</b>
Beginning fund balances	-	5,236	1,849,668	-
<b>Ending Fund Balances</b>	<b>\$ -</b>	<b>\$ 7,900</b>	<b>\$ 1,852,948</b>	<b>\$ -</b>



**Special Revenue Funds**

<b>SECO Block Grant</b>	<b>DETCOG Communications Grant</b>	<b>Moving Violation Fees</b>	<b>TC Chapter 19</b>	<b>TC Special Trust</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 5,300	\$ 80,910	\$ -	\$ -	\$ -	\$ 3,491,329
-	-	56	-	-	149,841
-	-	-	-	5	9,629
-	-	-	-	-	2,531
<u>5,300</u>	<u>80,910</u>	<u>56</u>	<u>-</u>	<u>5</u>	<u>3,653,330</u>
46,400	11,808	-	-	-	3,439,342
-	-	-	-	-	135,856
-	-	54	-	-	5,741
-	-	-	-	-	179
-	-	-	-	-	6,288
<u>46,400</u>	<u>11,808</u>	<u>54</u>	<u>-</u>	<u>-</u>	<u>3,587,406</u>
(41,100)	69,102	2	-	5	65,924
31,470	-	-	3,752	2,702	41,924
-	-	-	-	-	(12,494)
<u>31,470</u>	<u>-</u>	<u>-</u>	<u>3,752</u>	<u>2,702</u>	<u>29,430</u>
(9,630)	69,102	2	3,752	2,707	95,354
9,630	-	18	-	-	3,525,028
<u>\$ -</u>	<u>\$ 69,102</u>	<u>\$ 20</u>	<u>\$ 3,752</u>	<u>\$ 2,707</u>	<u>\$ 3,620,382</u>

# TYLER COUNTY, TEXAS

## COMBINING BALANCE SHEET

### ROAD AND BRIDGE FUNDS

December 31, 2012

	Road and Bridge General	Road and Bridge Precinct No. 1	Road and Bridge Precinct No. 2	Road and Bridge Precinct No. 3
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ -	\$ 334,105	\$ 177,641	\$ 956,128
Receivables, net	2,194,638	-	-	-
<b>Total Assets</b>	<b>\$ 2,194,638</b>	<b>\$ 334,105</b>	<b>\$ 177,641</b>	<b>\$ 956,128</b>
<b><u>Liabilities</u></b>				
Accounts payable	\$ -	\$ 8,527	\$ 12,779	\$ 9,671
<b>Total Liabilities</b>	<b>-</b>	<b>8,527</b>	<b>12,779</b>	<b>9,671</b>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable revenue - property taxes	2,728,619	-	-	-
<b><u>Fund Balances</u></b>				
Restricted	(533,981)	325,578	164,862	946,457
<b>Total Fund Balances</b>	<b>(533,981)</b>	<b>325,578</b>	<b>164,862</b>	<b>946,457</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,194,638</b>	<b>\$ 334,105</b>	<b>\$ 177,641</b>	<b>\$ 956,128</b>

Road and Bridge Precinct No. 4	Interfund Activity Elimination	Total Road and Bridge Funds
\$ 808,207	\$ -	\$ 2,276,081
<u>-</u>	<u>-</u>	<u>2,194,638</u>
<u>\$ 808,207</u>	<u>\$ -</u>	<u>\$ 4,470,719</u>
<u>\$ 10,139</u>	<u>\$ -</u>	<u>\$ 41,116</u>
<u>10,139</u>	<u>-</u>	<u>41,116</u>
<u>-</u>	<u>-</u>	<u>2,728,619</u>
<u>798,068</u>	<u>-</u>	<u>1,700,984</u>
<u>798,068</u>	<u>-</u>	<u>1,700,984</u>
<u>\$ 808,207</u>	<u>\$ -</u>	<u>\$ 4,470,719</u>

# TYLER COUNTY, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### ROAD AND BRIDGE FUNDS

For the Year Ended December 31, 2012

	Road and Bridge General	Road and Bridge Precinct No. 1	Road and Bridge Precinct No. 2	Road and Bridge Precinct No. 3
<b>Revenues</b>				
Property taxes	\$ 2,321,077	\$ -	\$ -	\$ -
Intergovernmental	60,007	-	-	-
Auto registration	537,069	-	-	-
Other fees	40,360	1,617	2,227	5,256
Investment income	-	5,414	485	1,809
<b>Total Revenues</b>	2,958,513	7,031	2,712	7,065
<b>Expenditures</b>				
Roads and bridges	-	590,035	533,265	672,000
Capital outlay	-	5,375	40,515	74,750
Debt service	-	20,309	70,154	-
Interest charges	-	282	2,135	-
<b>Total Expenditures</b>	-	616,001	646,069	746,750
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	2,958,513	(608,970)	(643,357)	(739,685)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	643,106	586,316	847,929
Transfers (out)	(3,003,177)	-	(15,972)	-
Sale of capital asset	-	-	1,022	-
<b>Total Other Financing Sources (Uses)</b>	(3,003,177)	643,106	571,366	847,929
<b>Net Change in Fund Balances</b>	(44,664)	34,136	(71,991)	108,244
Beginning fund balances	(489,317)	291,442	236,853	838,213
<b>Ending Fund Balances</b>	\$ (533,981)	\$ 325,578	\$ 164,862	\$ 946,457

Road and Bridge Precinct No. 4	Interfund Activity Elimination	Total Road and Bridge Funds
\$ -	\$ -	\$ 2,321,077
-	-	60,007
-	-	537,069
15,131	-	64,591
1,567	-	9,275
<u>16,698</u>	<u>-</u>	<u>2,992,019</u>
673,307	-	2,468,607
61,865	-	182,505
-	-	90,463
-	-	2,417
<u>735,172</u>	<u>-</u>	<u>2,743,992</u>
<u>(718,474)</u>	<u>-</u>	<u>248,027</u>
769,002	(2,646,354)	199,999
(16,206)	2,646,354	(389,001)
-	-	1,022
<u>752,796</u>	<u>-</u>	<u>(187,980)</u>
34,322	-	60,047
<u>763,746</u>	<u>-</u>	<u>1,640,937</u>
<u>\$ 798,068</u>	<u>\$ -</u>	<u>\$ 1,700,984</u>

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**TYLER COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROAD AND BRIDGE FUND GENERAL**

For the Year Ended December 31, 2012

	<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>		
<b><u>Revenues</u></b>				
Property taxes	\$ 1,997,325	\$ 1,997,325	\$ 2,321,077	\$ 323,752
Intergovernmental	20,000	20,000	60,007	40,007
Auto registration	525,000	525,000	537,069	12,069
Other fees	45,750	45,750	40,360	(5,390)
<b>Total Revenues</b>	<u>2,588,075</u>	<u>2,588,075</u>	<u>2,958,513</u>	<u>370,438</u>
<b><u>Other Financing (Uses)</u></b>				
Transfers (out)	-	(2,588,075)	(3,003,177)	(415,102)
<b>Total Other Financing (Uses)</b>	<u>-</u>	<u>(2,588,075)</u>	<u>(3,003,177)</u>	<u>(415,102)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,588,075</u>	<u>\$ -</u>	(44,664)	<u>\$ (44,664)</u>
Beginning fund balance			(489,317)	
<b>Ending Fund Balance</b>			<u>\$ (533,981)</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other fees	\$ -	\$ -	\$ 1,617	\$ 1,617
Investment income	850	850	5,414	4,564
<b>Total Revenues</b>	<u>850</u>	<u>850</u>	<u>7,031</u>	<u>6,181</u>
<b>Expenditures</b>				
Roads and bridges	568,494	639,938	590,035	49,903
Capital outlay	6,000	6,000	5,375	625
Debt service	20,309	20,309	20,309	-
Interest charges	282	282	282	-
<b>Total Expenditures</b>	<u>595,085</u>	<u>666,529</u>	<u>616,001</u>	<u>50,528</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(594,235)</u>	<u>(665,679)</u>	<u>(608,970)</u>	<u>56,709</u>
<b>Other Financing Sources</b>				
Transfers in	642,311	642,311	643,106	795
<b>Total Other Financing Sources</b>	<u>642,311</u>	<u>642,311</u>	<u>643,106</u>	<u>795</u>
<b>Net Change in Fund Balance</b>	<u>\$ 48,076</u>	<u>\$ (23,368)</u>	34,136	<u>\$ 57,504</u>
Beginning fund balance			<u>291,442</u>	
<b>Ending Fund Balance</b>			<u>\$ 325,578</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other fees	\$ -	\$ -	\$ 2,227	\$ 2,227
Investment income	600	600	485	(115)
<b>Total Revenues</b>	<u>600</u>	<u>600</u>	<u>2,712</u>	<u>2,112</u>
<b>Expenditures</b>				
Roads and bridges	541,395	573,282	533,265	40,017
Capital outlay	81,514	40,712	40,515	197
Debt service	29,352	70,154	70,154	-
Interest charges	39	2,135	2,135	-
<b>Total Expenditures</b>	<u>652,300</u>	<u>686,283</u>	<u>646,069</u>	<u>40,214</u>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<u>(651,700)</u>	<u>(685,683)</u>	<u>(643,357)</u>	<u>42,326</u>
<b>Other Financing Sources</b>				
Sale of capital asset	-	-	1,022	1,022
Transfers in	579,124	579,124	586,316	7,192
Transfers (out)	(17,424)	(17,424)	(15,972)	1,452
<b>Total Other Financing Sources (Uses)</b>	<u>561,700</u>	<u>561,700</u>	<u>571,366</u>	<u>9,666</u>
<b>Net Change in Fund Balance</b>	<u>\$ (90,000)</u>	<u>\$ (123,983)</u>	<u>(71,991)</u>	<u>\$ 51,992</u>
Beginning fund balance			<u>236,853</u>	
<b>Ending Fund Balance</b>			<u>\$ 164,862</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, 2012

	<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>		
<b><u>Revenues</u></b>				
Other fees	\$ -	\$ -	\$ 5,256	\$ 5,256
Investment income	1,800	1,800	1,809	9
<b>Total Revenues</b>	<u>1,800</u>	<u>1,800</u>	<u>7,065</u>	<u>5,265</u>
<b><u>Expenditures</u></b>				
Roads and bridges	738,400	738,400	672,000	66,400
Capital outlay	74,750	74,750	74,750	-
<b>Total Expenditures</b>	<u>813,150</u>	<u>813,150</u>	<u>746,750</u>	<u>66,400</u>
<b>(Deficiency) of Revenues</b> <b>(Under) Expenditures</b>	<u>(811,350)</u>	<u>(811,350)</u>	<u>(739,685)</u>	<u>71,665</u>
<b><u>Other Financing Sources</u></b>				
Transfers in	839,919	839,919	847,929	8,010
<b>Total Other Financing Sources</b>	<u>839,919</u>	<u>839,919</u>	<u>847,929</u>	<u>8,010</u>
<b>Net Change in Fund Balance</b>	<u>\$ 28,569</u>	<u>\$ 28,569</u>	108,244	<u>\$ 79,675</u>
Beginning fund balance			<u>838,213</u>	
<b>Ending Fund Balance</b>			<u>\$ 946,457</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues</u></b>				
Other fees	\$ -	\$ -	\$ 15,131	\$ 15,131
Investment income	1,500	1,500	1,567	67
<b>Total Revenues</b>	1,500	1,500	16,698	15,198
<b><u>Expenditures</u></b>				
Roads and bridges	686,804	736,804	673,307	63,497
Capital outlay	63,841	63,841	61,865	1,976
<b>Total Expenditures</b>	750,645	800,645	735,172	65,473
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(749,145)	(799,145)	(718,474)	80,671
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	761,824	761,824	769,002	7,178
Transfers (out)	(17,679)	(17,679)	(16,206)	1,473
<b>Total Other Financing Sources (Uses)</b>	744,145	744,145	752,796	8,651
<b>Net Change in Fund Balance</b>	\$ (5,000)	\$ (55,000)	34,322	\$ 89,322
Beginning fund balance			763,746	
<b>Ending Fund Balance</b>			\$ 798,068	

**TYLER COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS (page 1 of 5)**  
 December 31, 2012

	<u>CDA Trust</u>	<u>CDA State Appropriations</u>	<u>Alternate Dispute Resolution</u>	<u>State Criminal Justice Planning</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 1,114	\$ 33,987	\$ 767	\$ 7
<b>Total Assets</b>	<u>\$ 1,114</u>	<u>\$ 33,987</u>	<u>\$ 767</u>	<u>\$ 7</u>
<b><u>Liabilities</u></b>				
Due to other units	\$ 1,114	\$ 33,987	\$ 767	\$ 7
<b>Total Liabilities</b>	<u>\$ 1,114</u>	<u>\$ 33,987</u>	<u>\$ 767</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	\$ 16,853	\$ 46	\$ 8,227	\$ 1
<u>\$ 1</u>	<u>\$ 205</u>	<u>\$ 16,853</u>	<u>\$ 46</u>	<u>\$ 8,227</u>	<u>\$ 1</u>
\$ 1	\$ 205	\$ 16,853	\$ 46	\$ 8,227	\$ 1
<u>\$ 1</u>	<u>\$ 205</u>	<u>\$ 16,853</u>	<u>\$ 46</u>	<u>\$ 8,227</u>	<u>\$ 1</u>

**TYLER COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS (page 2 of 5)**  
**December 31, 2012**

	<u>State TLFTA</u>	<u>State Time Payment</u>	<u>State Fugitive</u>	<u>State CCC</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 51	\$ 4,456	\$ 304	\$ 38,503
<b>Total Assets</b>	<u>\$ 51</u>	<u>\$ 4,456</u>	<u>\$ 304</u>	<u>\$ 38,503</u>
<b><u>Liabilities</u></b>				
Due to other units	\$ 51	\$ 4,456	\$ 304	\$ 38,503
<b>Total Liabilities</b>	<u>\$ 51</u>	<u>\$ 4,456</u>	<u>\$ 304</u>	<u>\$ 38,503</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>
\$ 32	\$ 196	\$ 41,892	\$ 44	\$ 32,259	\$ 9,065
<u>\$ 32</u>	<u>\$ 196</u>	<u>\$ 41,892</u>	<u>\$ 44</u>	<u>\$ 32,259</u>	<u>\$ 9,065</u>
\$ 32	\$ 196	\$ 41,892	\$ 44	\$ 32,259	\$ 9,065
<u>\$ 32</u>	<u>\$ 196</u>	<u>\$ 41,892</u>	<u>\$ 44</u>	<u>\$ 32,259</u>	<u>\$ 9,065</u>

**TYLER COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS (page 3 of 5)**  
 December 31, 2012

	<u>State Bail Bond</u>	<u>State EMS Trauma</u>	<u>State Judicial Support Fees</u>	<u>Jury Reimbursement Fee</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 5,534	\$ 2,142	\$ 14,275	\$ 3,178
<b>Total Assets</b>	<u>\$ 5,534</u>	<u>\$ 2,142</u>	<u>\$ 14,275</u>	<u>\$ 3,178</u>
<b><u>Liabilities</u></b>				
Due to other units	\$ 5,534	\$ 2,142	\$ 14,275	\$ 3,178
<b>Total Liabilities</b>	<u>\$ 5,534</u>	<u>\$ 2,142</u>	<u>\$ 14,275</u>	<u>\$ 3,178</u>



<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>
\$ 2,172	\$ 39	\$ 22,750	\$ 13,582	\$ 19,466	\$ 786,332
<u>\$ 2,172</u>	<u>\$ 39</u>	<u>\$ 22,750</u>	<u>\$ 13,582</u>	<u>\$ 19,466</u>	<u>\$ 786,332</u>
\$ 2,172	\$ 39	\$ 22,750	\$ 13,582	\$ 19,466	\$ 786,332
<u>\$ 2,172</u>	<u>\$ 39</u>	<u>\$ 22,750</u>	<u>\$ 13,582</u>	<u>\$ 19,466</u>	<u>\$ 786,332</u>

**TYLER COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS (page 4 of 5)**  
 December 31, 2012

	<u>District Clerk Child Support</u>	<u>Tax Assessor Tax</u>	<u>Tax Assessor Auto</u>	<u>Tax Assessor VIT</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 16	\$ 2,294,216	\$ 111,085	\$ 27,022
<b>Total Assets</b>	<u>\$ 16</u>	<u>\$ 2,294,216</u>	<u>\$ 111,085</u>	<u>\$ 27,022</u>
<b><u>Liabilities</u></b>				
Due to other units	\$ 16	\$ 2,294,216	\$ 111,085	\$ 27,022
<b>Total Liabilities</b>	<u>\$ 16</u>	<u>\$ 2,294,216</u>	<u>\$ 111,085</u>	<u>\$ 27,022</u>

<u>County Clerk General</u>	<u>County Clerk Trust</u>	<u>District Attorney Seizure</u>	<u>District Attorney Investigative</u>	<u>Justice of Peace Cash Bond</u>	<u>State Drug Court Programs</u>
\$ 977	\$ 24,080	\$ 19,973	\$ 1,340	\$ 200	\$ 1,543
<u>\$ 977</u>	<u>\$ 24,080</u>	<u>\$ 19,973</u>	<u>\$ 1,340</u>	<u>\$ 200</u>	<u>\$ 1,543</u>
\$ 977	\$ 24,080	\$ 19,973	\$ 1,340	\$ 200	\$ 1,543
<u>\$ 977</u>	<u>\$ 24,080</u>	<u>\$ 19,973</u>	<u>\$ 1,340</u>	<u>\$ 200</u>	<u>\$ 1,543</u>

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**TYLER COUNTY, TEXAS**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS (page 5 of 5)**  
 December 31, 2012

	<u>State Indigent Defense</u>	<u>State Appellate Judicial</u>	<u>State Comp Rehabilitation</u>	<u>Total All Agency Funds</u>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 632	\$ 5,264	\$ 15	\$ 3,543,843
<b>Total Assets</b>	<u>\$ 632</u>	<u>\$ 5,264</u>	<u>\$ 15</u>	<u>\$ 3,543,843</u>
<b><u>Liabilities</u></b>				
Due to other units	\$ 632	\$ 5,264	\$ 15	\$ 3,543,843
<b>Total Liabilities</b>	<u>\$ 632</u>	<u>\$ 5,264</u>	<u>\$ 15</u>	<u>\$ 3,543,843</u>

