

ANNUAL FINANCIAL REPORT

of

TYLER COUNTY, TEXAS

For the Year Ended
December 31, 2017

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TYLER COUNTY, TEXAS

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INTRODUCTORY SECTION

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TYLER COUNTY, TEXAS
LIST OF ELECTED AND APPOINTED OFFICIALS

December 31, 2017

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:

Lou Ann Cloy	District Attorney
Chryl Pounds	District Clerk

COUNTY COURT AT LAW:

Donece Gregory	County Clerk
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JUSTICE COURTS:

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

LAW ENFORCEMENT:

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

FINANCIAL ADMINISTRATION:

Lynette Cruse	Tax Assessor/Collector
Sue Saunders	County Treasurer
Jackie Skinner	County Auditor*

*Designated appointed official. All others are elected.

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tyler County, Texas (the "County"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of December 31, 2017, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule 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 basic 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.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
July 27, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

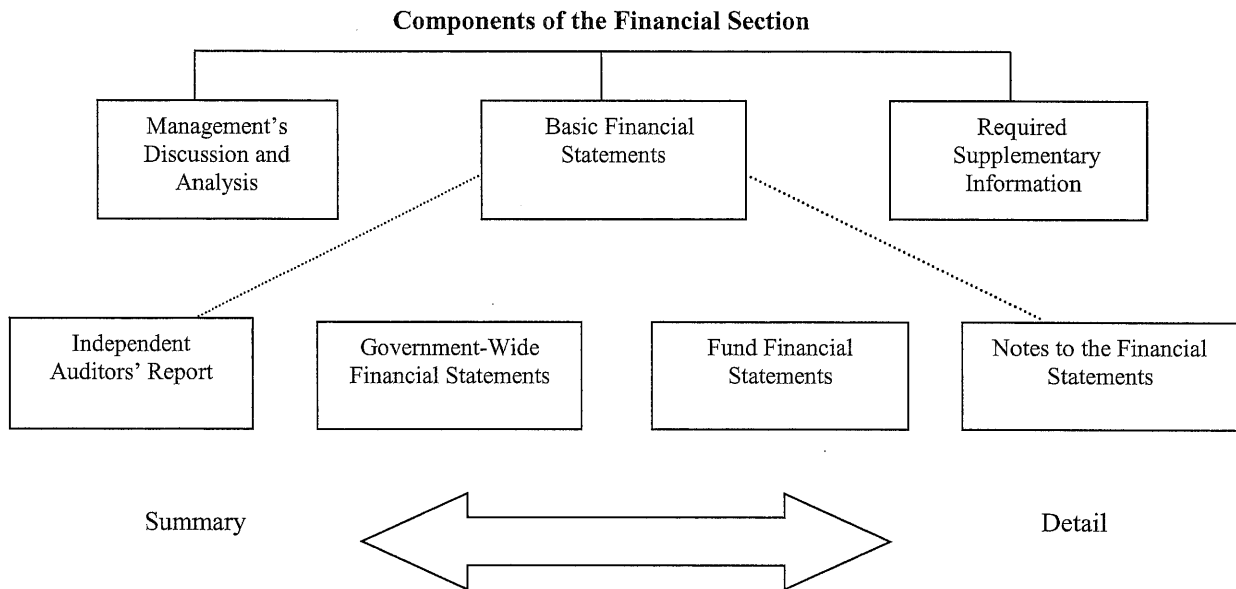
TYLER COUNTY, TEXAS

MANAGEMENT’S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2017

The purpose of the Management’s Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of Tyler County, Texas (the “County”) for the year ending December 31, 2017. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the County’s activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter and the County’s financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



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

Government-Wide Statements

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

The Statement of Net Position presents information on all of the County’s assets, liabilities, and deferred outflows/inflows 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 nonfinancial 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, 2017

The Statement of Activities presents information showing how the County's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the County's near-term financing requirements.

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

The County maintains 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, road and bridge, and emergency disaster relief funds, which are considered to be major funds for reporting purposes.

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

Fiduciary Funds

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

TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2017

funds are not available to support the County's own programs. The County maintains 32 fiduciary funds. The County's fiduciary activities are reported separately in a statement of fiduciary net position.

Notes to Financial Statements

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

Other Information

In addition to basic financial statements, this MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general, road and bridge, and emergency disaster relief funds, a schedule of changes in net pension liability and related ratios and schedule of contributions for the Texas County District Retirement System, and a schedule of funding progress for other post employment benefits. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of the County's financial position. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$29,529,349 as of December 31, 2017. This compares with \$30,341,123 from the prior fiscal year. A portion of the County's net position, 46 percent, reflects its investments in capital assets (e.g., land, construction in progress, building, equipment, and infrastructure) less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2017

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 25,396,485	\$ 27,698,255
Capital assets, net	14,430,393	14,289,049
Total Assets	<u>39,826,878</u>	<u>41,987,304</u>
Deferred outflows - pensions	4,557,863	2,039,111
Total Deferred Outflows of Resources	<u>4,557,863</u>	<u>2,039,111</u>
Long-term liabilities	3,885,919	3,610,814
Other liabilities	601,861	307,552
Total Liabilities	<u>4,487,780</u>	<u>3,918,366</u>
Deferred inflows - property tax	9,948,779	9,475,896
Deferred inflows - pensions	418,833	291,030
Total Deferred Inflows of Resources	<u>10,367,612</u>	<u>9,766,926</u>
Net Position:		
Net investment in capital assets	13,659,047	13,569,399
Restricted	10,093,830	10,570,216
Unrestricted	5,776,472	6,201,508
Total Net Position	<u>\$ 29,529,349</u>	<u>\$ 30,341,123</u>

A portion of the County's net position, \$10,093,830 or 34 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$5,776,472 or 20 percent, may be used to meet the County's ongoing obligation to citizens and creditors.

The County's total net position decreased by \$811,774 during the current fiscal year. This decrease is primarily a result of a decrease in property tax collections and an increase in pension expense.

TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2017

Statement of Activities:

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

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Revenues		
Program revenues:		
Charges for services	\$ 1,908,816	\$ 1,877,641
Operating grants and contributions	255,522	1,226,703
General revenues:		
Taxes	9,846,359	10,032,313
Investment income	79,798	45,140
Other revenues	649,846	493,512
Total Revenues	<u>12,740,341</u>	<u>13,675,309</u>
Expenses		
General government	5,962,897	5,149,475
Administration of justice	754,356	917,211
Roads and bridges	3,549,085	3,571,434
Public safety	2,225,252	2,655,194
Health and human services	391,649	101,803
Community enrichment	426,919	55,651
Tax administration	214,486	259,717
Interest on long-term debt	27,471	22,607
Total Expenses	<u>13,552,115</u>	<u>12,733,093</u>
Change in Net Position	(811,774)	942,216
Beginning net position	<u>30,341,123</u>	<u>29,398,907</u>
Ending Net Position	<u>\$ 29,529,349</u>	<u>\$ 30,341,123</u>

Overall, governmental activities revenue decreased \$934,968 primarily as a result of a decrease in operating grants and contributions received due to less funding from disaster grant award for Hurricane Ike. Total expenses increased over the prior year by \$819,022, which is primarily associated with the change in pension expense.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

The County's governmental funds reflect a combined fund balance of \$12,891,288. Of this, \$713,780 is unassigned and available for day-to-day operations of the County, \$124,015 is nonspendable, \$1,959,663 is

TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2017

assigned for various purposes, \$3,331,622 is restricted for road and bridge projects, and \$6,762,208 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 \$713,780. 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 6 percent of total general fund expenditures, while total fund balance represents 24 percent of total fund expenditures.

There was an decrease in the combined fund balance of \$3,246,887 over the prior year. The general fund experienced a decrease of \$2,770,501. This reflects a combined decrease in property tax collections and grant contributions, as well as an additional lump-sum retirement contribution through TCDRS.

The road and bridge fund experienced a decrease of \$612,377, which can be attributed to an increase in capital outlay expenditures during the year.

The emergency disaster relief fund experienced a \$58,139 increase to fund balance. The increase is primarily the result of interest earned on funds set aside by the County for future disasters.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were over final budgeted revenues by \$789,171 during the year. This net positive variance is attributable to property taxes and other revenues exceeding the anticipated amount in the final budget projections. General fund disbursements were under the final budget by \$1,489,716.

CAPITAL ASSETS

At the end of year 2017, the County had invested \$14,430,393 in a variety of capital assets and infrastructure (net of accumulated depreciation). Major capital asset events during the current year include the following:

- Senior citizen center for \$57,360
- Courthouse renovations for \$429,956
- One vehicle for the sheriff's department in the amount of \$33,520
- Road and bridge equipment in the amount of \$711,817 and land for \$29,438

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

LONG-TERM DEBT

At the end of the year, the County reported total capital leases of \$771,346. In addition, the County reported other long-term liabilities of \$3,114,573 related to net pension liability, compensated absences, and a net other post-employment benefit obligation.

More detailed information about the County's long-term liabilities can be found in note III.D. to the financial statements.

TYLER COUNTY, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended December 31, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County met challenges this year. New industries did not realize income that was predicted. Therefore, the County did not realize the anticipated increase in revenue. The revenue loss in other departments resulted in a decrease in collections. The tax collection rate has remained steady at 95 percent. The Commissioners' Court has slightly increased the tax rate to continue the same level of services to the tax payer. The 2018 budget will be met with challenges from new federal guidelines, as well as the state of the economy, but the County is committed to offer the same level of services to its citizens.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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TYLER COUNTY, TEXAS

STATEMENT OF NET POSITION

December 31, 2017

	<u>Primary Government Governmental Activities</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 12,683,965
Investments	1,096,490
Receivables, net	9,373,612
Due from other governments	2,118,403
Prepays	124,015
Total Current Assets	<u>25,396,485</u>
Capital assets:	
Nondepreciable	905,028
Net depreciable capital assets	13,525,365
Total Noncurrent Assets	<u>14,430,393</u>
Total Assets	<u>39,826,878</u>
<u>Deferred Outflows of Resources</u>	
Deferred outflows - pensions	4,557,863
Total Deferred Outflows of Resources	<u>4,557,863</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and accrued liabilities	586,451
Accrued interest payable	15,410
Total Current Liabilities	<u>601,861</u>
Noncurrent liabilities:	
Long-term liabilities due within one year	510,886
Long-term liabilities due in more than one year	3,375,033
Total Noncurrent Liabilities	<u>3,885,919</u>
Total Liabilities	<u>4,487,780</u>
<u>Deferred Inflows of Resources</u>	
Deferred inflows - property taxes	9,948,779
Deferred inflows - pensions	418,833
Total Deferred Inflows of Resources	<u>10,367,612</u>
<u>Net Position</u>	
Net investment in capital assets	13,659,047
Restricted for:	
Road and bridge	3,331,622
Other purposes	6,762,208
Unrestricted	5,776,472
Total Net Position	<u>\$ 29,529,349</u>

See Notes to Financial Statements.

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TYLER COUNTY, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General government	\$ 5,962,897	\$ 1,297,065	\$ 227,873	\$ (4,437,959)
Administration of justice	754,356	52,692	25,738	(675,926)
Roads and bridges	3,549,085	550,012	-	(2,999,073)
Public safety	2,225,252	9,047	1,911	(2,214,294)
Health and human services	391,649	-	-	(391,649)
Community enrichment	426,919	-	-	(426,919)
Tax administration	214,486	-	-	(214,486)
Interest and fiscal charges	27,471	-	-	(27,471)
Total Governmental Activities	\$ 13,552,115	\$ 1,908,816	\$ 255,522	(11,387,777)
General Revenues:				
				9,235,000
				611,359
				79,798
				649,846
			Total General Revenues	10,576,003
			Change in Net Position	(811,774)
			Beginning net position	30,341,123
			Ending Net Position	\$ 29,529,349

See Notes to Financial Statements.

TYLER COUNTY, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2017

	<u>General</u>	<u>Road and Bridge</u>	<u>Emergency Disaster Relief</u>	<u>Nonmajor Governmental</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 2,690,113	\$ 3,569,824	\$ 4,889,105	\$ 1,534,923
Investments	746,490	-	-	350,000
Receivables, net	6,838,511	2,373,290	-	-
Due from other governments	1,462,765	655,638	-	-
Prepays	124,015	-	-	-
Total Assets	\$ 11,861,894	\$ 6,598,752	\$ 4,889,105	\$ 1,884,923
<u>Liabilities</u>				
Accounts payable	\$ 369,915	\$ 204,716	\$ -	\$ 11,820
Total Liabilities	369,915	204,716	-	11,820
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	8,694,521	3,062,414	-	-
<u>Fund Balances</u>				
Nonspendable				
Prepays	124,015	-	-	-
Restricted:				
Road and bridge	-	3,331,622	-	-
Special revenue funds	-	-	4,889,105	1,873,103
Assigned:				
Airport	29,830	-	-	-
Rodeo arena/fairgrounds	30,839	-	-	-
Economic development	45,769	-	-	-
Benevolence	1,475	-	-	-
Waste collection center	517,232	-	-	-
County right of way	930,180	-	-	-
Emergency operations center	148,074	-	-	-
Nutrition center	93,541	-	-	-
Courthouse restoration	142,548	-	-	-
Legislative	20,175	-	-	-
Unassigned	713,780	-	-	-
Total Fund Balances	2,797,458	3,331,622	4,889,105	1,873,103
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,861,894	\$ 6,598,752	\$ 4,889,105	\$ 1,884,923

**Total
Governmental
Funds**

\$ 12,683,965
1,096,490
9,211,801
2,118,403
124,015
\$ 25,234,674

\$ 586,451
586,451

11,756,935

124,015

3,331,622
6,762,208

29,830
30,839
45,769
1,475
517,232
930,180
148,074
93,541
142,548
20,175
713,780

12,891,288

\$ 25,234,674

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TYLER COUNTY, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
December 31, 2017

Fund balances - total governmental funds \$ 12,891,288

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, are not reported in the governmental funds.

Nondepreciable capital assets	905,028
Depreciable capital assets, net	13,525,365

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	1,808,156
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Deferred outflows and deferred inflows related to pension activity are not current financial resources and, therefore, are not reported in the governmental funds.

Deferred outflows - pensions	4,557,863
Deferred inflows - pensions	(418,833)

Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest payable	(15,410)
Long-term liabilities due within one year	(510,886)
Long-term liabilities due in more than one year	(3,375,033)

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

161,811

Net Position of Governmental Activities

\$ 29,529,349

See Notes to Financial Statements.

TYLER COUNTY, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	<u>General</u>	<u>Road and Bridge</u>	<u>Emergency Disaster Relief</u>	<u>Nonmajor Governmental</u>
<u>Revenues</u>				
Taxes	\$ 7,392,231	\$ 2,269,029	\$ -	\$ -
Intergovernmental	144,575	-	-	110,947
Auto registration	-	520,871	-	-
Other fees	1,219,588	29,141	-	130,980
Investment income	26,545	8,180	41,645	3,428
Other revenues	585,483	6,249	-	1,946
Total Revenues	<u>9,368,422</u>	<u>2,833,470</u>	<u>41,645</u>	<u>247,301</u>
<u>Expenditures</u>				
General government	7,220,227	-	-	123,516
Administration of justice	874,715	-	-	18,432
Roads and bridges	-	3,212,911	-	-
Public safety	2,460,463	-	25	54,889
Health and human services	418,838	-	-	-
Community enrichment	505,466	-	-	-
Tax administration	253,949	-	-	-
Debt service:				
Principal	72,905	24,065	-	-
Interest	6,101	5,960	-	-
Capital outlay	69,057	607,745	-	13,295
Total Expenditures	<u>11,881,721</u>	<u>3,850,681</u>	<u>25</u>	<u>210,132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,513,299)	(1,017,211)	41,620	37,169
<u>Other Financing Sources (Uses)</u>				
Capital leases	-	448,879	-	-
Refinance leases payment	-	(300,213)	-	-
Transfers in	2,541,796	200,000	2,516,519	82,479
Transfers (out)	(2,798,998)	-	(2,500,000)	(41,796)
Sale of capital assets	-	56,168	-	-
Total Other Financing Sources (Uses)	<u>(257,202)</u>	<u>404,834</u>	<u>16,519</u>	<u>40,683</u>
Net Change in Fund Balances	(2,770,501)	(612,377)	58,139	77,852
Beginning fund balances	5,567,959	3,943,999	4,830,966	1,795,251
Ending Fund Balances	<u>\$ 2,797,458</u>	<u>\$ 3,331,622</u>	<u>4,889,105</u>	<u>\$ 1,873,103</u>

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$ 9,661,260
255,522
520,871
1,379,709
79,798
593,678
12,490,838

7,343,743
893,147
3,212,911
2,515,377
418,838
505,466
253,949

96,970
12,061
690,097
15,942,559

(3,451,721)

448,879
(300,213)
5,340,794
(5,340,794)
56,168
204,834

(3,246,887)

16,138,175

\$ 12,891,288

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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, 2017

Net changes in fund balances – total governmental funds \$ (3,246,887)

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	1,337,202
Depreciation expense	(1,185,070)
Net effect of capital disposals	(10,788)

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

Deferred revenue	185,099
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Court fines receivable, net of related allowance, are not current financial resources and, therefore, are not reported in the governmental funds.

8,236

Net pension liability and deferred outflows and deferred inflows related to the net pension liability are not reported in the governmental funds.

Net pension liability	(37,728)
Deferred outflows - pensions	2,518,752
Deferred inflows - pensions	(127,803)

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	96,970
Debt issued	(448,879)
Refinance leases payment	300,213

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, accrued interest payable, and compensated absences.

Accrued interest payable	(15,410)
Net OPEB obligation	(182,698)
Compensated absences	(2,983)

Change in Net Position of Governmental Activities \$ (811,774)

See Notes to Financial Statements.

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TYLER COUNTY, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
December 31, 2017

		<u>Total Agency Funds</u>
<u>Assets</u>		
Cash and cash equivalents		\$ 4,603,894
	Total Assets	<u>\$ 4,603,894</u>
<u>Liabilities</u>		
Due to other units		\$ 4,603,894
	Total Liabilities	<u>\$ 4,603,894</u>

See Notes to Financial Statements.

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TYLER COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

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 general government, administration of justice, road and bridges, public safety, health and human services, community enrichment, and tax administration.

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

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

B. Government-Wide Financial Statements

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

C. Basis of Presentation – Government-Wide Financial Statements

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

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

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following governmental funds:

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

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

Road and 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.

Emergency disaster relief fund – This fund is used to account for funds to be used for future disasters.

Additionally, the County reports the following fund types:

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

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

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

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

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, 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.

The County maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and cash equivalents."

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposits, are reported at cost.

The County has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the County is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method).

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

4. 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 (or \$25,000 for infrastructure) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition 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.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

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

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Equipment	5 to 10 years
Buildings and improvements	5 to 50 years
Infrastructure	5 to 50 years

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County has three items that qualify for reporting in this category. A deferred outflow of resources is recognized as a result of the change in actuarial assumptions related to the County’s defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of the pension plan members. Another deferred charge has been recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the County’s fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

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. Deferred charges are recognized as a result of differences between the actuarial expectations and the actual economic experience related to the County’s defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. 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. At the fund level, the County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

6. 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, 2017

7. 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 straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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

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

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

8. Net Position Flow Assumption

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

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

Fund 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, 2017

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

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

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Judge may also assign fund balance as 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.

11. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, 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.

12. Pensions

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

G. Revenues and Expenditures/Expenses

1. Program Revenues

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

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

2. Property Taxes

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

The property tax calendar dates are:

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

The County bills and collects its own taxes and those for certain government entities within the County. Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the tax assessor's agency fund. Tax collections deposited for the County are distributed on a periodic basis to the general and road and bridge funds 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, 2017.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of December 31, 2017, the County had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 1,096,490	0.72
TexPool	1,146,397	0.10
Texas CLASS	1,507,769	0.22
	\$ 3,750,656	
Portfolio weighted average maturity		0.33

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.

Credit risk. State law limits investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent. Furthermore, commercial paper must be rated not less than “A-1” or “P-1” or an equivalent rating by at least two nationally recognized credit rating agencies. As of December 31, 2017, the County’s investments in TexPool were rated “AAAm” and Texas CLASS were rated “AAA” by Standard & Poor’s.

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, 2017, bank balances did not exceed the market values of pledged securities and FDIC insurance with the exception of certificates of deposit at First National Bank of Wichita Falls.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s rates TexPool ‘AAAm’. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool’s authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool’s liquidity.

Texas CLASS

The Texas Cooperative Liquid Assets Securities System Trust – Texas (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the “Agreement”), among certain Texas governmental entities investing in CLASS (the “Participants”), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State of Texas. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the “Board”), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS’ website at www.texasclass.com.

B. Receivables

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

	General	Road and Bridge	Total
Property taxes	\$ 6,788,600	\$ 2,399,043	\$ 9,187,643
Other taxes	119,324	-	119,324
Allowance for uncollectible	(69,413)	(25,753)	(95,166)
	\$ 6,838,511	\$ 2,373,290	\$ 9,211,801

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

C. Capital Assets

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

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 49,096	\$ 29,438	\$ -	\$ 78,534
Construction in progress	551,204	541,723	(266,433)	826,494
Total capital assets not being depreciated	600,300	571,161	(266,433)	905,028
Other capital assets:				
Equipment	5,969,767	751,456	(254,271)	6,466,952
Buildings and improvements	4,440,832	271,933	-	4,712,765
Infrastructure	62,247,803	9,085	-	62,256,888
Total other capital assets	72,658,402	1,032,474	(254,271)	73,436,605
Less accumulated depreciation for:				
Equipment	(4,431,770)	(579,341)	243,483	(4,767,628)
Buildings and improvements	(1,459,861)	(104,718)	-	(1,564,579)
Infrastructure	(53,078,022)	(501,011)	-	(53,579,033)
Total accumulated depreciation	(58,969,653)	(1,185,070)	243,483	(59,911,240)
Other capital assets, net	13,688,749	(152,596)	(10,788)	13,525,365
Governmental Activities Capital Assets, Net	\$ 14,289,049	\$ 418,565	\$ (277,221)	14,430,393
			Less associated debt	(771,346)
			Net Investment in Capital Assets	\$ 13,659,047

Depreciation was charged to governmental functions as follows:

General government	\$ 45,650
Roads and bridges	965,889
Health and human services	37,897
Public safety	135,634
Total Governmental Activities Depreciation Expense	\$ 1,185,070

D. Long-Term Debt

The following is a summary of changes in the County's total governmental long-term liabilities for the year ended December 31, 2017. 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.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Capital leases	\$ 719,650	\$ 448,879	\$ (397,183)	\$ 771,346	* \$ 328,302
Other:					
Compensated absences	199,888	175,473	(172,490)	202,871	182,584
Net pension liability	1,858,971	37,728	-	1,896,699	-
Net OPEB obligation	832,305	182,698	-	1,015,003	-
	<u>2,891,164</u>	<u>395,899</u>	<u>(172,490)</u>	<u>3,114,573</u>	<u>182,584</u>
Total Governmental Activities	<u>\$ 3,610,814</u>	<u>\$ 844,778</u>	<u>\$ (569,673)</u>	<u>\$ 3,885,919</u>	<u>\$ 510,886</u>

Long-term debt due in more than one year \$ 3,375,033

* Debt associated with capital assets \$ 771,346

Long-term debt obligations of the County as of December 31, 2017 are as follows:

	Interest Rate	Original Amount	Balance
Capital leases			
First National Bank Southlake	2.55%	\$ 113,515	\$ 19,456
First National Bank Southlake	2.69%	\$ 172,469	172,469
First National Bank Southlake	2.69%	\$ 165,340	165,340
First National Bank Southlake	2.69%	\$ 111,070	111,070
First National Bank Southlake	3.25%	\$ 238,000	186,261
First National Bank Southlake	3.25%	\$ 28,490	5,346
First National Bank Southlake	3.25%	\$ 28,490	5,764
First National Bank Southlake	3.25%	\$ 28,490	5,920
First National Bank Southlake	3.25%	\$ 28,490	5,920
First National Bank Southlake	3.25%	\$ 28,490	5,952
First National Bank Southlake	3.25%	\$ 28,490	5,952
First National Bank Southlake	3.25%	\$ 32,545	13,500
First National Bank Southlake	3.25%	\$ 32,545	13,500
First National Bank Southlake	3.25%	\$ 33,085	13,724
First National Bank Southlake	3.25%	\$ 33,085	13,724
First National Bank Southlake	3.25%	\$ 33,085	13,724
First National Bank Southlake	3.25%	\$ 33,085	13,724
		Total Capital Leases	<u>\$ 771,346</u>

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

Future minimum payments, including interest, to retire capital leases are as follows:

Year Ending Dec. 31	Capital Leases	
	Principal	Interest
2018	\$ 328,302	\$ 25,586
2019	90,475	12,371
2020	50,212	9,633
2021	51,636	8,209
2022	250,721	6,744
Total	\$ 771,346	\$ 62,543

Machinery and equipment acquired under current capital lease obligations totaled \$1,324,471 and accumulated depreciation totaled \$616,413.

E. Interfund Transfers

Transfers between the primary governmental funds during the 2017 year were as follows:

Transfers in	Transfers out	Amounts
General fund	Emergency disaster relief fund	\$ 2,500,000
General fund	Nonmajor governmental funds	41,796
Emergency disaster relief fund	General fund	2,516,519
Road and bridge fund	General fund	200,000
Nonmajor governmental funds	General fund	82,479
	Total	\$ 5,340,794

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 that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

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

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

C. Pension Plan

Texas County and District Retirement System

Plan Description

The Texas County and District Retirement System (TCDRS) is a statewide, agent multiple-employer, public-employee retirement system. TCDRS serves 735 actively participating counties and districts throughout Texas. Each employer maintains its own customized plan of benefits. Plan provisions are adopted by the Commissioners' Court of each employer, within the options available in the TCDRS Act. Because of that, the County has the flexibility and local control to select benefits and pay for those benefits based on its needs and budgets.

Each employer has a defined benefit plan that functions similarly to a cash balance plan. The assets of the plans are pooled for investment purposes, but each employer's plan assets may be used only for the payment of benefits to the members of that employer's plan. In accordance with Texas law, it is intended that the pension plan be construed and administered in a manner that the retirement system will be considered a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TCDRS issues a publicly available comprehensive annual financial report that can be obtained at www.tcdrs.org.

All eligible employees (except temporary staff) of the County are required to participate in the TCDRS.

Benefits Provided

TCDRS provides retirement, disability, and death benefits. The benefit provisions are adopted by the Commissioners' Court within the options available in Texas state statutes governing TCDRS. Members can retire at age 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 County-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the County.

Benefit amounts are determined by the sum of the employee's contribution to the plan, with interest, and County-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 County'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 County-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

The Commissioner's Court adopted the rate of seven percent as the contributed rate payable by the employee members for calendar year 2017. The Commissioners' Court may change the employee contribution rate and the County contribution rate within the options available in the TCDRS Act.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	100
Inactive employees entitled to, but not yet receiving, benefits	84
Active employees	150
Total	334

Contributions

A combination of three elements funds each employer's plan: employee deposits, employer contributions, and investment income.

- The deposit rate for employees is four percent, five percent, six percent, or seven percent of compensation, as adopted by the employer's governing body.
- Participating employers are required, by law, to contribute at actuarially determined rates, which are determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method.
- Investment income funds a large part of the benefits employees earn.

Employers have the option of paying more than the required contribution rate each year. Extra contributions can help employers "prefund" benefit increases, such as a cost-of-living adjustment to retirees, and they can be used to help offset or mitigate future increases in the required rate due to negative plan experience. There are two approaches for making extra contributions:

- (a) paying an elected contribution rate higher than the required rate and
- (b) making an extra lump-sum contribution to the employer account.

Employees for the County were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the County were 10.74 percent and 11.02 percent in calendar years 2017 and 2016, respectively. The County's contributions to TCDRS for the fiscal year ended December 31, 2017 were \$3,358,609 and were more than the required contributions.

Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2016 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The actuarial assumptions that determined the TPL as of December 31, 2016 were based on the results of an actuarial experience study for the period January 1, 2009 through October 31, 2012, except where required to be different by GASB 68.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

Key assumptions used in the December 31, 2016 actuarial valuation are as follows:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in the which the contributions are reported.
Actuarial Cost Method	Entry age normal
Amortization Method	Level of percentage of payroll, closed
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Inflation	3.0%
Salary Increases	Varies by age and service. 4.9% average over career, including inflation
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-living adjustments for the County are not considered to be substantively automatic under GASB 68. Therefore, an assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

The long-term expected rate of return of TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The target allocation and best estimate of geometric real rate of return for each major asset class are summarized in the following table:

Asset Class	Benchmark	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	Dow Jones U.S. Total Stock Market Index	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
International Equities - Developed	MSCI World Ex USA (net)	10.00%	4.70%
International Equities - Emerging	MSCI World Ex USA (net)	7.00%	5.70%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	10.00%	8.15%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships (MLP)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%

Discount Rate

The discount rate used to measure the TPL was 8.10 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 699,629	\$ -	\$ 699,629
Interest	1,600,432	-	1,600,432
Change of benefit terms	-	-	-
Difference between expected and actual experience	(309,551)	-	(309,551)
Changes in assumptions	-	-	-
Contributions - employer	-	534,233	(534,233)
Contributions - employee	-	339,349	(339,349)
Net investment income	-	1,328,129	(1,328,129)
Benefit payments, including refunds of employee contributions	(968,610)	(968,610)	-
Administrative expense	-	(14,490)	14,490
Other changes	-	(234,439)	234,439
Net changes	<u>1,021,900</u>	<u>984,172</u>	<u>37,728</u>
Balance at December 31, 2015	19,890,292	18,031,321	1,858,971
Balance at December 31, 2016	<u><u>\$ 20,912,192</u></u>	<u><u>\$ 19,015,493</u></u>	<u><u>\$ 1,896,699</u></u>

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the County, calculated using the discount rate of 8.10 percent, as well as what the County's NPL would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or one percentage point higher (9.10%) than the current rate:

	1% Decrease in Discount Rate (7.10%)	Discount Rate (8.10%)	1% Increase in Discount Rate (9.10%)
County's Net Pension Liability (Asset)	<u><u>\$ 4,478,587</u></u>	<u><u>\$ 1,896,699</u></u>	<u><u>\$ (266,723)</u></u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.org.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended December 31, 2017, the County recognized pension expense of \$1,005,388.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 418,833
Changes in actuarial assumptions	105,927	-
Difference between projected and actual investment earnings	1,093,327	-
Contributions subsequent to the measurement date	3,358,609	-
Total	\$ 4,557,863	\$ 418,833

\$3,358,609 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending December 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense
2018	\$ 242,625
2019	264,676
2020	249,370
2021	23,750
2022	-
Thereafter	-
Total	\$ 780,421

D. Other Post Employment Benefits

Plan Description

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

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

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

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

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

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

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

Funding Policy

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

Annual OPEB Cost

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

The County's annual OPEB cost for the fiscal year ending December 31, 2017 is as follows:

Annual required contribution (ARC)	\$ 211,594
Interest on OPEB obligation	33,292
Adjustment to ARC	<u>(32,432)</u>
Annual OPEB cost (expense) end of year	212,454
Net estimated employer contributions	<u>(29,756)</u>
Increase in net OPEB obligation	182,698
Net OPEB obligation - as of beginning of the year	<u>832,305</u>
Net OPEB obligation - as of end of the year	<u><u>\$ 1,015,003</u></u>

The County's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year ending December 31, 2017 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Amount Contributed	Percentage Contributed	Net OPEB Obligation
2015	\$ 164,494	\$ 90,548	55.0%	\$ 653,498
2016	\$ 206,106	\$ 27,299	13.2%	\$ 832,305
2017	\$ 212,454	\$ 29,756	14.0%	\$ 1,015,003

Funded Status

The funded status of the Plan under GASB Statement No. 45 as of December 31, 2016 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
12/31/16	\$ -	\$1,512,751	\$1,512,751	0.0%	\$4,848,558	31.2%

Under the reporting parameters, the Plan is zero percent funded with an estimated actuarial accrued liability exceeding actuarial assets by \$1,512,751 at December 31, 2016. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 31.2 percent.

TYLER COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended December 31, 2017

Actuarial Methods and Assumptions

The Entry Age Normal Cost Method is used to calculate the GASB ARC for the Plan. Using the Plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic funding for 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 the County's 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	2.50% per annum
Investment rate of return	4.00% net of expenses
Actuarial cost method	Entry age normal cost method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Payroll growth	3.00% per annum
Healthcare cost trend rate	Initial rate of 7.50% declining to an ultimate rate of 5.50% after 9 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 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 multi-year 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.

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 7,066,999	\$ 7,066,999	\$ 7,392,231	\$ 325,232
Intergovernmental	221,000	221,000	144,575	(76,425)
Other fees	1,144,122	1,144,122	1,219,588	75,466
Interest	17,080	17,080	26,545	9,465
Other revenues	130,050	130,050	585,483	455,433
Total Revenues	<u>8,579,251</u>	<u>8,579,251</u>	<u>9,368,422</u>	<u>789,171</u>
<u>Expenditures</u>				
General Government:				
General operations	5,096,493	6,226,454	5,863,112	363,342
County judge	184,303	192,104	192,104	-
County treasurer	100,034	99,702	78,491	21,211
County auditor	147,713	173,930	173,930	-
County clerk	285,764	300,299	300,299	-
Maintenance	447,854	447,854	414,001	33,853
County court	297,650	303,926	198,290	105,636
	<u>6,559,811</u>	<u>7,744,269</u>	<u>7,220,227</u>	<u>524,042</u>
Administration of Justice:				
Justice of the peace	278,782	276,782	274,402	2,380
District attorney	353,610	347,310	339,826	7,484
Judicial	83,717	82,867	63,689	19,178
District clerk	207,552	205,788	196,798	8,990
	<u>923,661</u>	<u>912,747</u>	<u>874,715</u>	<u>38,032</u>
Public Safety:				
DPS	5,300	1,000	947	53
Sheriff's department jail	470,619	479,677	479,677	-
Sheriff's department office	1,588,720	1,625,528	1,625,528	-
Constables	179,513	188,191	172,798	15,393
Emergency operations center	235,635	247,807	181,513	66,294
	<u>2,479,787</u>	<u>2,542,203</u>	<u>2,460,463</u>	<u>81,740</u>
Health and Human Services:				
Veterans services	47,747	44,647	35,671	8,976
County extension	53,086	51,286	47,035	4,251
Waste collection center	179,932	189,932	170,744	19,188
Health and sanitation	25,000	95,647	89,647	6,000
Nutrition center	48,200	75,741	75,741	-
	<u>353,965</u>	<u>457,253</u>	<u>418,838</u>	<u>38,415</u>

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (continued)				
Community Enrichment				
Airport	\$ 11,357	\$ 11,357	\$ 4,860	\$ 6,497
Rodeo arena/fairgrounds	22,530	37,553	36,573	980
Economic development	10,600	14,829	14,829	-
Benevolence	1,000	1,000	528	472
Legislative services	-	1,750	1,750	-
County right of way	701,000	701,000	-	701,000
Courthouse restoration	75,000	446,926	446,926	-
	<u>821,487</u>	<u>1,214,415</u>	<u>505,466</u>	<u>708,949</u>
Tax Administration				
Tax assessor collector	270,118	264,318	253,949	10,369
	<u>270,118</u>	<u>264,318</u>	<u>253,949</u>	<u>10,369</u>
Debt Service				
Principal	-	72,905	72,905	-
Interest and fiscal charges	-	6,101	6,101	-
	<u>-</u>	<u>79,006</u>	<u>79,006</u>	<u>-</u>
Capital Outlay				
	<u>146,393</u>	<u>157,226</u>	<u>69,057</u>	<u>88,169</u>
Total Expenditures	<u>11,555,222</u>	<u>13,371,437</u>	<u>11,881,721</u>	<u>1,489,716</u>
Excess (Deficiency) of Revenues (Under) Expenditures	<u>(2,975,971)</u>	<u>(4,792,186)</u>	<u>(2,513,299)</u>	<u>2,278,887</u>
Other Financing Sources (Uses)				
Transfers in	2,200	2,200	2,541,796	2,539,596
Transfers (out)	(1,400,516)	(2,798,998)	(2,798,998)	-
Total Other Financing (Uses)	<u>(1,398,316)</u>	<u>(2,796,798)</u>	<u>(257,202)</u>	<u>2,539,596</u>
Net Change in Fund Balance	<u>\$ (4,374,287)</u>	<u>\$ (7,588,984)</u>	<u>(2,770,501)</u>	<u>\$ 4,818,483</u>
Beginning fund balance			<u>5,567,959</u>	
Ending Fund Balance			<u>\$ 2,797,458</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 2,177,926	\$ 2,177,926	\$ 2,269,029	\$ 91,103
Intergovernmental	23,000	54,529	-	(54,529)
Auto registration	470,000	470,000	520,871	50,871
Other fees	22,350	22,350	29,141	6,791
Investment income	4,400	4,400	8,180	3,780
Other revenue	1,250	1,250	6,249	4,999
Total Revenues	<u>2,698,926</u>	<u>2,730,455</u>	<u>2,833,470</u>	<u>103,015</u>
<u>Expenditures</u>				
Roads and bridges	3,014,149	3,460,871	3,212,911	247,960
Capital outlay	206,237	615,635	607,745	7,890
Principal	26,800	26,832	24,065	2,767
Interest charges	8,300	9,882	5,960	3,922
Total Expenditures	<u>3,255,486</u>	<u>4,113,220</u>	<u>3,850,681</u>	<u>262,539</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(556,560)</u>	<u>(1,382,765)</u>	<u>(1,017,211)</u>	<u>365,554</u>
<u>Other Financing Sources (Uses)</u>				
Capital leases	-	-	448,879	448,879
Refinance leases payment	-	(300,213)	(300,213)	-
Transfers in	2,844,645	2,844,645	3,092,803	248,158
Transfers (out)	(2,728,955)	(2,892,803)	(2,892,803)	-
Sale of capital asset	-	-	56,168	56,168
Total Other Financing Sources (Uses)	<u>115,690</u>	<u>(348,371)</u>	<u>404,834</u>	<u>753,205</u>
Net Change in Fund Balance	<u>\$ (440,870)</u>	<u>\$ (1,731,136)</u>	<u>(612,377)</u>	<u>\$ 1,118,759</u>
Beginning fund balance			<u>3,943,999</u>	
Ending Fund Balance			<u>\$ 3,331,622</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 REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMERGENCY DISASTER RELIEF FUND
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Investment income	\$ 5,000	\$ 5,000	\$ 41,645	\$ 36,645
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>41,645</u>	<u>36,645</u>
<u>Expenditures</u>				
Public safety	1,710,000	1,710,000	25	1,709,975
Capital outlay	95,000	95,000	-	95,000
Total Expenditures	<u>1,805,000</u>	<u>1,805,000</u>	<u>25</u>	<u>1,804,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,800,000)</u>	<u>(1,800,000)</u>	<u>41,620</u>	<u>1,841,620</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	2,500,000	2,516,519	16,519
Transfers (out)	-	(2,500,000)	(2,500,000)	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>16,519</u>	<u>16,519</u>
Net Change in Fund Balance	<u>\$ (1,800,000)</u>	<u>\$ (1,800,000)</u>	<u>58,139</u>	<u>\$ 1,858,139</u>
Beginning fund balance			<u>4,830,966</u>	
Ending Fund Balance			<u>\$ 4,889,105</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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TYLER COUNTY, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

For the Year Ended December 31, 2017

	Measurement Year*		
	2014	2015	2016
Total Pension Liability			
Service cost	\$ 627,951	\$ 629,956	\$ 699,629
Interest (on the total pension liability)	1,436,071	1,524,880	1,600,432
Changes in benefit terms	(788)	(101,284)	-
Difference between expected and actual experience	(88,205)	(329,236)	(309,551)
Changes in assumptions	-	211,853	-
Benefit payments, including refunds of employee contributions	(873,220)	(997,586)	(968,610)
Net Change in Total Pension Liability	<u>1,101,809</u>	<u>938,583</u>	<u>1,021,900</u>
Beginning total pension liability	<u>17,849,900</u>	<u>18,951,709</u>	<u>19,890,292</u>
Ending Total Pension Liability	<u>\$ 18,951,709</u>	<u>\$ 19,890,292</u>	<u>\$ 20,912,192</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 564,834	\$ 508,134	\$ 534,233
Contributions - employee	303,700	321,025	339,349
Net investment income	1,178,307	(31,270)	1,328,129
Benefit payments, including refunds of employee contributions	(873,219)	(997,586)	(968,610)
Administrative expense	(13,651)	(13,044)	(14,490)
Other	(109,315)	(3,960)	(234,439)
Net Change in Plan Fiduciary Net Position	<u>1,050,656</u>	<u>(216,701)</u>	<u>984,172</u>
Beginning plan fiduciary net position	<u>17,197,366</u>	<u>18,248,022</u>	<u>18,031,321</u>
Ending Plan Fiduciary Net Position	<u>\$ 18,248,022</u>	<u>\$ 18,031,321</u>	<u>\$ 19,015,493</u>
Net Pension Liability	<u>\$ 703,687</u>	<u>\$ 1,858,971</u>	<u>\$ 1,896,699</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.29%	90.65%	90.93%
Covered Employee Payroll	\$ 4,338,577	\$ 4,586,125	\$ 4,848,558
Net Pension Liability as a Percentage of Covered Employee Payroll	16.22%	40.53%	39.12%

*Only three years of information are currently available. The County will build this schedule over the next seven-year period.

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TYLER COUNTY, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM
For the Year Ended December 31, 2017

	Fiscal Year*			
	2014	2015	2016	2017
Actuarially determined contribution	\$ 479,848	\$ 508,134	534,311	497,771
Contributions in relation to the actuarially determined contribution	564,955	508,134	534,233	3,358,609
Contribution deficiency (excess)	<u>\$ (85,107)</u>	<u>\$ -</u>	<u>78</u>	<u>(2,860,838)</u>
Covered employee payroll	\$ 4,338,577	\$ 4,586,125	4,848,558	4,634,743
Contributions as a percentage of covered employee payroll	13.02%	11.08%	11.02%	72.47%

*Only four years of information are currently available. The County will build this schedule over the next six-year period.

Notes to Required Supplementary Information:

1. Valuation Date:

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

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	14.5 years
Asset valuation method	5 year smoothed market
Inflation	3.0%
Salary increases	Varies by age and service. 4.9% average over career including inflation
Investment rate of return	8.1%
Retirement age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.

3. Other Information:

There were no benefit changes during the year.

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TYLER COUNTY, TEXAS
SCHEDULE OF FUNDING PROGRESS
POST EMPLOYMENT HEALTHCARE BENEFITS¹
For the Year Ended December 31, 2017

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/11	\$ -	\$ 1,287,498	\$ 1,287,498	0.0%	\$ 3,977,658	32.4%
12/31/13	\$ -	\$ 1,218,944	\$ 1,218,944	0.0%	\$ 4,286,957	28.4%
12/31/16	\$ -	\$ 1,512,751	\$ 1,512,751	0.0%	\$ 4,848,558	31.2%

¹Valuations are performed every three 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, 2017

		Special Revenue Funds			
		District Clerk Appropriations	County Clerk RMP	County District Attorney Forfeiture	State Crime Stoppers
Assets					
Cash and cash equivalents		\$ 48,826	\$ 576,159	\$ 1,501	\$ 4
Investments		-	-	-	-
Total Assets		\$ 48,826	\$ 576,159	\$ 1,501	\$ 4
Liabilities					
Accounts payable		-	733	-	-
Total Liabilities		-	733	-	-
Fund Balances					
Restricted		48,826	575,426	1,501	4
Total Fund Balances		48,826	575,426	1,501	4
Total Liabilities and Fund Balances		\$ 48,826	\$ 576,159	\$ 1,501	\$ 4

Special Revenue Funds

District Clerk RMP	Law Library	Jail Interest and Sinking	Violence Against Women	Small Business Loan	Peace Officer Service Fee
\$ 215	\$ 26,299	\$ 541,927	\$ 7,089	\$ 558	\$ 44,546
-	-	350,000	-	-	-
<u>\$ 215</u>	<u>\$ 26,299</u>	<u>\$ 891,927</u>	<u>\$ 7,089</u>	<u>\$ 558</u>	<u>\$ 44,546</u>
\$ -	\$ 1,271	\$ 7,292	\$ -	\$ 558	\$ -
-	1,271	7,292	-	558	-
215	25,028	884,635	7,089	-	44,546
215	25,028	884,635	7,089	-	44,546
<u>\$ 215</u>	<u>\$ 26,299</u>	<u>\$ 891,927</u>	<u>\$ 7,089</u>	<u>\$ 558</u>	<u>\$ 44,546</u>

TYLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 2 of 3)
December 31, 2017

		Special Revenue Funds			
		Courthouse Security	County RMP	State Child Abuse Prevention	County District Attorney Fees
Assets					
Cash and cash equivalents		\$ 14,844	\$ 83,050	\$ 422	\$ 991
Investments		-	-	-	-
Total Assets		<u>\$ 14,844</u>	<u>\$ 83,050</u>	<u>\$ 422</u>	<u>\$ 991</u>
Liabilities					
Accounts payable		\$ 444	\$ 1,462	\$ -	\$ -
Total Liabilities		<u>444</u>	<u>1,462</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted		14,400	81,588	422	991
Total Fund Balances		<u>14,400</u>	<u>81,588</u>	<u>422</u>	<u>991</u>
Total Liabilities and Fund Balances		<u>\$ 14,844</u>	<u>\$ 83,050</u>	<u>\$ 422</u>	<u>\$ 991</u>

Special Revenue Funds

Civil Fees	Homeland Security	Child Welfare Board	Child Safety	DETCOG Social Services Block Grant	District Court Technology
\$ 50,572	\$ 9,824	\$ 3,026	\$ 87,886	\$ 278	\$ 21,641
-	-	-	-	-	-
<u>\$ 50,572</u>	<u>\$ 9,824</u>	<u>\$ 3,026</u>	<u>\$ 87,886</u>	<u>\$ 278</u>	<u>\$ 21,641</u>
\$ 60	\$ -	\$ -	\$ -	\$ -	\$ -
<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
50,512	9,824	3,026	87,886	278	21,641
<u>50,512</u>	<u>9,824</u>	<u>3,026</u>	<u>87,886</u>	<u>278</u>	<u>21,641</u>
<u>\$ 50,572</u>	<u>\$ 9,824</u>	<u>\$ 3,026</u>	<u>\$ 87,886</u>	<u>\$ 278</u>	<u>\$ 21,641</u>

TYLER COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (page 3 of 3)
December 31, 2017

		<u>Special Revenue Funds</u>			
		<u>CDBG Senior Citizen Project</u>	<u>Moving Violation Fees</u>	<u>TC Chapter 19</u>	<u>TC Special Trust</u>
<u>Assets</u>					
Cash and cash equivalents		\$ -	\$ 42	\$ 5,000	\$ 3,361
Investments		-	-	-	-
Total Assets		<u>\$ -</u>	<u>\$ 42</u>	<u>\$ 5,000</u>	<u>\$ 3,361</u>
<u>Liabilities</u>					
Accounts payable		\$ -	\$ -	\$ -	\$ -
Total Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>					
Restricted		-	42	5,000	3,361
Total Fund Balances		<u>-</u>	<u>42</u>	<u>5,000</u>	<u>3,361</u>
Total Liabilities and Fund Balances		<u>\$ -</u>	<u>\$ 42</u>	<u>\$ 5,000</u>	<u>\$ 3,361</u>

<u>Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>CVA Coordinating Team</u>	
\$ 6,862	\$ 1,534,923
-	350,000
<u>\$ 6,862</u>	<u>\$ 1,884,923</u>
<u>\$ -</u>	<u>\$ 11,820</u>
<u>-</u>	<u>11,820</u>
<u>6,862</u>	<u>1,873,103</u>
<u>6,862</u>	<u>1,873,103</u>
<u>\$ 6,862</u>	<u>\$ 1,884,923</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, 2017

	Special Revenue Funds			
	District Clerk Appropriations	County Clerk RMP	County District Attorney Forfeiture	State Crime Stoppers
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ 4
Other fees	-	71,535	1,500	-
Investment income	91	1,034	3	-
Other revenues	-	-	-	-
Total Revenues	<u>91</u>	<u>72,569</u>	<u>1,503</u>	<u>4</u>
Expenditures				
General government	-	11,545	-	-
Administration of justice	-	-	-	-
Public safety	-	-	-	4
Capital outlay	-	12,534	-	-
Total Expenditures	<u>-</u>	<u>24,079</u>	<u>-</u>	<u>4</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>91</u>	<u>48,490</u>	<u>1,503</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	(14,241)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(14,241)</u>	<u>-</u>
Net Change in Fund Balances	91	48,490	(12,738)	-
Beginning fund balances	48,735	526,936	14,239	4
Ending Fund Balances	<u>\$ 48,826</u>	<u>\$ 575,426</u>	<u>\$ 1,501</u>	<u>\$ 4</u>

Special Revenue Funds

District Clerk RMP	Law Library	Jail Interest and Sinking	Violence Against Women	Small Business Loan	Peace Officer Service Fee
\$ -	\$ -	\$ -	\$ 25,738	\$ 6,690	\$ 1,907
1,613	7,010	-	-	-	9,401
1	59	1,691	-	-	76
-	-	237	-	-	-
<u>1,614</u>	<u>7,069</u>	<u>1,928</u>	<u>25,738</u>	<u>6,690</u>	<u>11,384</u>
1,399	-	-	-	7,248	-
-	17,364	-	-	-	-
-	-	52,271	-	-	2,330
-	-	-	-	-	-
<u>1,399</u>	<u>17,364</u>	<u>52,271</u>	<u>-</u>	<u>7,248</u>	<u>2,330</u>
215	(10,295)	(50,343)	25,738	(558)	9,054
-	-	42,479	-	-	-
-	-	-	(18,649)	-	-
-	-	42,479	(18,649)	-	-
215	(10,295)	(7,864)	7,089	(558)	9,054
-	35,323	892,499	-	558	35,492
<u>\$ 215</u>	<u>\$ 25,028</u>	<u>\$ 884,635</u>	<u>\$ 7,089</u>	<u>\$ -</u>	<u>\$ 44,546</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, 2017

	Special Revenue Funds			
	Courthouse Security	County RMP	State Child Abuse Prevention	County District Attorney Fees
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other fees	9,025	4,396	22	2,226
Investment income	20	152	-	-
Other revenues	-	-	-	-
Total Revenues	<u>9,045</u>	<u>4,548</u>	<u>22</u>	<u>2,226</u>
Expenditures				
General government	34,509	5,774	-	-
Administration of justice	-	-	-	1,068
Public safety	-	-	-	-
Capital outlay	761	-	-	-
Total Expenditures	<u>35,270</u>	<u>5,774</u>	<u>-</u>	<u>1,068</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(26,225)</u>	<u>(1,226)</u>	<u>22</u>	<u>1,158</u>
Other Financing Sources (Uses)				
Transfers in	40,000	-	-	-
Transfers (out)	-	-	-	(1,837)
Total Other Financing Sources (Uses)	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>(1,837)</u>
Net Change in Fund Balances	13,775	(1,226)	22	(679)
Beginning fund balances	625	82,814	400	1,670
Ending Fund Balances	<u>\$ 14,400</u>	<u>\$ 81,588</u>	<u>\$ 422</u>	<u>\$ 991</u>

Special Revenue Funds

Civil Fees	Homeland Security	Child Welfare Board	Child Safety	DETCOG Social Services Block Grant	District Court Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,330	-	-	19,880	-	2,996
93	18	4	145	-	38
77	-	1,132	-	-	-
<u>1,500</u>	<u>18</u>	<u>1,136</u>	<u>20,025</u>	<u>-</u>	<u>3,034</u>
364	-	-	-	-	-
-	-	-	-	-	-
-	-	-	234	-	-
-	-	-	-	-	-
<u>364</u>	<u>-</u>	<u>-</u>	<u>234</u>	<u>-</u>	<u>-</u>
1,136	18	1,136	19,791	-	3,034
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,136	18	1,136	19,791	-	3,034
<u>49,376</u>	<u>9,806</u>	<u>1,890</u>	<u>68,095</u>	<u>278</u>	<u>18,607</u>
<u>\$ 50,512</u>	<u>\$ 9,824</u>	<u>\$ 3,026</u>	<u>\$ 87,886</u>	<u>\$ 278</u>	<u>\$ 21,641</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, 2017

	Special Revenue Funds			
	CDBG Senior Citizen Project	Moving Violation Fees	TC Chapter 19	TC Special Trust
Revenues				
Intergovernmental	\$ 62,677	\$ -	\$ -	\$ -
Other fees	-	46	-	-
Investment income	-	-	-	3
Other revenues	-	-	-	500
Total Revenues	<u>62,677</u>	<u>46</u>	<u>-</u>	<u>503</u>
Expenditures				
General government	62,677	-	-	-
Administration of justice	-	-	-	-
Public safety	-	50	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>62,677</u>	<u>50</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(4)</u>	<u>-</u>	<u>503</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(4)</u>	<u>-</u>	<u>503</u>
Beginning fund balances	-	46	5,000	2,858
Ending Fund Balances	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ 5,000</u>	<u>\$ 3,361</u>

<u>Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>CVA Coordinating Team</u>	
\$ 13,931	\$ 110,947
-	130,980
-	3,428
-	1,946
<u>13,931</u>	<u>247,301</u>
-	123,516
-	18,432
-	54,889
-	13,295
<u>-</u>	<u>210,132</u>
<u>13,931</u>	<u>37,169</u>
-	82,479
<u>(7,069)</u>	<u>(41,796)</u>
<u>(7,069)</u>	<u>40,683</u>
6,862	77,852
-	1,795,251
<u>\$ 6,862</u>	<u>\$ 1,873,103</u>

TYLER COUNTY, TEXAS
COMBINING BALANCE SHEET
GENERAL FUND SUB-FUNDS (Page 1 of 2)
December 31, 2017

	<u>General</u>	<u>Airport</u>	<u>Rodeo Arena Fairgrounds</u>	<u>Economic Development</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 697,177	\$ 30,170	\$ 31,021	\$ 45,769
Investments	746,490	-	-	-
Receivables, net	6,838,511	-	-	-
Due from other governments	1,462,765	-	-	-
Prepays	124,015	-	-	-
Total Assets	\$ 9,868,958	\$ 30,170	\$ 31,021	\$ 45,769
<u>Liabilities</u>				
Accounts payable	\$ 336,642	\$ 340	\$ 182	\$ -
Total Liabilities	336,642	340	182	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	8,694,521	-	-	-
<u>Fund Balances</u>				
Nonspendable	124,015	-	-	-
Assigned	-	29,830	30,839	45,769
Unassigned	713,780	-	-	-
Total Fund Balances	837,795	29,830	30,839	45,769
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,868,958	\$ 30,170	\$ 31,021	\$ 45,769

<u>Benevolence</u>	<u>Collection Center</u>	<u>County Right of Way</u>	<u>Emergency Operations</u>	<u>Nutrition Center</u>	<u>Courthouse Restoration</u>
\$ 1,475	\$ 523,789	\$ 930,180	\$ 158,642	\$ 101,069	\$ 150,646
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,475</u>	<u>\$ 523,789</u>	<u>\$ 930,180</u>	<u>\$ 158,642</u>	<u>\$ 101,069</u>	<u>\$ 150,646</u>
<u>\$ -</u>	<u>\$ 6,557</u>	<u>\$ -</u>	<u>\$ 10,568</u>	<u>\$ 7,528</u>	<u>\$ 8,098</u>
<u>-</u>	<u>6,557</u>	<u>-</u>	<u>10,568</u>	<u>7,528</u>	<u>8,098</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,475	517,232	930,180	148,074	93,541	142,548
-	-	-	-	-	-
<u>1,475</u>	<u>517,232</u>	<u>930,180</u>	<u>148,074</u>	<u>93,541</u>	<u>142,548</u>
<u>\$ 1,475</u>	<u>\$ 523,789</u>	<u>\$ 930,180</u>	<u>\$ 158,642</u>	<u>\$ 101,069</u>	<u>\$ 150,646</u>

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TYLER COUNTY, TEXAS
COMBINING BALANCE SHEET
GENERAL FUND SUB-FUNDS (Page 2 of 2)
December 31, 2017

	Legislative Services	Interfund Activity Elimination	Total General Fund Sub-Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 20,175	\$ -	\$ 2,690,113
Investments	-	-	746,490
Receivables, net	-	-	6,838,511
Due from other governments	-	-	1,462,765
Prepays	-	-	124,015
Total Assets	\$ 20,175	\$ -	\$ 11,861,894
<u>Liabilities</u>			
Accounts payable	\$ -	\$ -	\$ 369,915
Total Liabilities	-	-	369,915
<u>Deferred Inflows of Resources</u>			
Unavailable revenue - property taxes	-	-	8,694,521
<u>Fund Balances</u>			
Nonspendable	-	-	124,015
Assigned	20,175	-	1,959,663
Unassigned	-	-	713,780
Total Fund Balances	20,175	-	2,797,458
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,175	\$ -	\$ 11,861,894

TYLER COUNTY, TEXAS

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

GENERAL FUND SUB-FUNDS (Page 1 of 2)

For the Year Ended December 31, 2017

	<u>General</u>	<u>Airport</u>	<u>Rodeo Arena Fairgrounds</u>	<u>Economic Development</u>
<u>Revenues</u>				
Taxes	\$ 7,392,231	\$ -	\$ -	\$ -
Intergovernmental	143,404	1,171	-	-
Other fees	1,125,564	3,400	1,300	-
Investment income	22,824	56	90	100
Other revenues	582,758	-	-	-
Total Revenues	9,266,781	4,627	1,390	100
<u>Expenditures</u>				
General government	7,220,227	-	-	-
Administration of justice	874,715	-	-	-
Public safety	2,278,950	-	-	-
Health and human services	172,353	-	-	-
Community enrichment	-	4,860	36,573	14,829
Tax administration	253,949	-	-	-
Debt service:				
Principal	72,905	-	-	-
Interest	6,101	-	-	-
Capital outlay	46,949	500	-	-
Total Expenditures	10,926,149	5,360	36,573	14,829
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,659,368)	(733)	(35,183)	(14,729)
<u>Other Financing Sources (Uses)</u>				
Transfers in	2,541,796	-	32,200	10,500
Transfers (out)	(3,554,506)	-	-	-
Total Other Financing Sources (Uses)	(1,012,710)	-	32,200	10,500
Net Change in Fund Balances	(2,672,078)	(733)	(2,983)	(4,229)
Beginning fund balances	3,509,873	30,563	33,822	49,998
Ending Fund Balances	\$ 837,795	\$ 29,830	\$ 30,839	\$ 45,769

<u>Benevolence</u>	<u>Collection Center</u>	<u>County Right of Way</u>	<u>Emergency Operations</u>	<u>Nutrition Center</u>	<u>Courthouse Restoration</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	89,324	-	-	-	-
-	1,038	1,721	445	271	-
-	-	-	-	2,725	-
-	<u>90,362</u>	<u>1,721</u>	<u>445</u>	<u>2,996</u>	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	181,513	-	-
-	170,744	-	-	75,741	-
528	-	-	-	-	446,926
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	21,608	-
<u>528</u>	<u>170,744</u>	<u>-</u>	<u>181,513</u>	<u>97,349</u>	<u>446,926</u>
<u>(528)</u>	<u>(80,382)</u>	<u>1,721</u>	<u>(181,068)</u>	<u>(94,353)</u>	<u>(446,926)</u>
1,000	175,000	200,000	192,808	58,500	75,000
-	-	-	-	-	-
<u>1,000</u>	<u>175,000</u>	<u>200,000</u>	<u>192,808</u>	<u>58,500</u>	<u>75,000</u>
472	94,618	201,721	11,740	(35,853)	(371,926)
<u>1,003</u>	<u>422,614</u>	<u>728,459</u>	<u>136,334</u>	<u>129,394</u>	<u>514,474</u>
<u>\$ 1,475</u>	<u>\$ 517,232</u>	<u>\$ 930,180</u>	<u>\$ 148,074</u>	<u>\$ 93,541</u>	<u>\$ 142,548</u>

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GENERAL FUND SUB-FUNDS (Page 2 of 2)
For the Year Ended December 31, 2017

	<u>Legislative Services</u>	<u>Interfund Activity Elimination</u>	<u>Total General Fund Sub-Funds</u>
<u>Revenues</u>			
Taxes	\$ -	\$ -	\$ 7,392,231
Intergovernmental	-	-	144,575
Other fees	-	-	1,219,588
Investment income	-	-	26,545
Other revenues	-	-	585,483
Total Revenues	-	-	9,368,422
<u>Expenditures</u>			
General government	-	-	7,220,227
Administration of justice	-	-	874,715
Public safety	-	-	2,460,463
Health and human services	-	-	418,838
Community enrichment	1,750	-	505,466
Tax administration	-	-	253,949
Debt service:			
Principal	-	-	72,905
Interest	-	-	6,101
Capital outlay			
	-	-	69,057
Total Expenditures	1,750	-	11,881,721
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,750)	-	(2,513,299)
<u>Other Financing Sources (Uses)</u>			
Transfers in	10,500	(755,508)	2,541,796
Transfers (out)	-	755,508	(2,798,998)
Total Other Financing Sources (Uses)	10,500	-	(257,202)
Net Change in Fund Balances	8,750	-	(2,770,501)
Beginning fund balances	11,425	-	5,567,959
Ending Fund Balances	\$ 20,175	\$ -	\$ 2,797,458

TYLER COUNTY, TEXAS

COMBINING BALANCE SHEET

ROAD AND BRIDGE FUNDS

December 31, 2017

	Road and Bridge General	Road and Bridge Precinct No. 1	Road and Bridge Precinct No. 2	Road and Bridge Precinct No. 3
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 911,424	\$ 551,187	\$ 769,431
Receivables, net	2,373,290	-	-	-
Due from other governments	510,196	-	-	145,442
Total Assets	\$ 2,883,486	\$ 911,424	\$ 551,187	\$ 914,873
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 119,460	\$ 36,975	\$ 27,988
Total Liabilities	-	119,460	36,975	27,988
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	3,062,414	-	-	-
<u>Fund Balances</u>				
Restricted	-	791,964	514,212	886,885
Unassigned	(178,928)	-	-	-
Total Fund Balances	(178,928)	791,964	514,212	886,885
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,883,486	\$ 911,424	\$ 551,187	\$ 914,873

Road and Bridge Precinct No. 4	Interfund Activity Elimination	Total Road and Bridge Funds
\$ 1,337,782	\$ -	\$ 3,569,824
-	-	2,373,290
-	-	655,638
\$ 1,337,782	\$ -	\$ 6,598,752
\$ 20,293	\$ -	\$ 204,716
20,293	-	204,716
-	-	3,062,414
1,317,489	(178,928)	3,331,622
-	178,928	-
1,317,489	-	3,331,622
\$ 1,337,782	\$ -	\$ 6,598,752

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ROAD AND BRIDGE FUNDS
For the Year Ended December 31, 2017

	<u>Road and Bridge General</u>	<u>Road and Bridge Precinct No. 1</u>	<u>Road and Bridge Precinct No. 2</u>	<u>Road and Bridge Precinct No. 3</u>
Revenues				
Property taxes	\$ 2,269,029	\$ -	\$ -	\$ -
Auto registration	520,871	-	-	-
Other fees	29,141	-	-	-
Investment income	-	1,835	1,386	1,997
Other revenue	-	-	1,056	4,116
Total Revenues	<u>2,819,041</u>	<u>1,835</u>	<u>2,442</u>	<u>6,113</u>
Expenditures				
Roads and bridges	-	643,222	678,553	1,092,047
Capital outlay	-	237,333	131,873	107,553
Principal	-	18,947	5,118	-
Interest charges	-	1,078	4,882	-
Total Expenditures	<u>-</u>	<u>900,580</u>	<u>820,426</u>	<u>1,199,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,819,041</u>	<u>(898,745)</u>	<u>(817,984)</u>	<u>(1,193,487)</u>
Other Financing Sources (Uses)				
Capital leases	-	448,879	-	-
Refinance leases payment	-	(300,213)	-	-
Transfers in	-	697,235	700,155	896,348
Transfers (out)	(2,849,450)	-	(19,039)	(5,000)
Sale of capital asset	-	12,858	-	25,000
Total Other Financing Sources (Uses)	<u>(2,849,450)</u>	<u>858,759</u>	<u>681,116</u>	<u>916,348</u>
Net Change in Fund Balances	(30,409)	(39,986)	(136,868)	(277,139)
Beginning fund balances	<u>(148,519)</u>	<u>831,950</u>	<u>651,080</u>	<u>1,164,024</u>
Ending Fund Balances	<u>\$ (178,928)</u>	<u>\$ 791,964</u>	<u>\$ 514,212</u>	<u>\$ 886,885</u>

Road and Bridge Precinct No. 4	Interfund Activity Elimination	Total Road and Bridge Funds
\$ -	\$ -	\$ 2,269,029
-	-	520,871
-	-	29,141
2,962	-	8,180
1,077	-	6,249
<u>4,039</u>	<u>-</u>	<u>2,833,470</u>
799,089	-	3,212,911
130,986	-	607,745
-	-	24,065
-	-	5,960
<u>930,075</u>	<u>-</u>	<u>3,850,681</u>
<u>(926,036)</u>	<u>-</u>	<u>(1,017,211)</u>
-	-	448,879
-	-	(300,213)
799,065	(2,892,803)	200,000
(19,314)	2,892,803	-
18,310	-	56,168
<u>798,061</u>	<u>-</u>	<u>404,834</u>
(127,975)	-	(612,377)
<u>1,445,464</u>	<u>-</u>	<u>3,943,999</u>
<u>\$ 1,317,489</u>	<u>\$ -</u>	<u>\$ 3,331,622</u>

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TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE GENERAL FUND
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property taxes	\$ 2,177,926	\$ 2,177,926	\$ 2,269,029	\$ 91,103
Intergovernmental	22,000	22,000	-	(22,000)
Auto registration	470,000	470,000	520,871	50,871
Other fees	22,350	22,350	29,141	6,791
Total Revenues	<u>2,692,276</u>	<u>2,692,276</u>	<u>2,819,041</u>	<u>126,765</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	<u>(2,692,276)</u>	<u>(2,849,450)</u>	<u>(2,849,450)</u>	<u>-</u>
Total Other Financing (Uses)	<u>(2,692,276)</u>	<u>(2,849,450)</u>	<u>(2,849,450)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (157,174)</u>	<u>(30,409)</u>	<u>\$ 126,765</u>
Beginning fund balance			<u>(148,519)</u>	
Ending Fund Balance			<u>\$ (178,928)</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Investment income	850	850	1,835	985
Other revenue	1,100	1,100	-	(1,100)
Total Revenues	<u>2,950</u>	<u>2,950</u>	<u>1,835</u>	<u>(1,115)</u>
<u>Expenditures</u>				
Roads and bridges	643,097	643,222	643,222	-
Capital outlay	25,000	237,333	237,333	-
Principal	20,000	20,032	18,947	1,085
Interest charges	5,000	5,000	1,078	3,922
Total Expenditures	<u>693,097</u>	<u>905,587</u>	<u>900,580</u>	<u>5,007</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(690,147)</u>	<u>(902,637)</u>	<u>(898,745)</u>	<u>3,892</u>
<u>Other Financing Sources (Uses)</u>				
Capital leases	-	-	448,879	448,879
Refinance leases payment	-	(300,213)	(300,213)	-
Transfers in	642,848	642,848	697,235	54,387
Sale of capital asset	-	-	12,858	12,858
Total Other Financing Sources	<u>642,848</u>	<u>342,635</u>	<u>858,759</u>	<u>516,124</u>
Net Change in Fund Balance	<u>\$ (47,299)</u>	<u>\$ (560,002)</u>	<u>(39,986)</u>	<u>\$ 520,016</u>
Beginning fund balance			<u>831,950</u>	
Ending Fund Balance			<u>\$ 791,964</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 31,529	\$ -	\$ (31,529)
Investment income	850	850	1,386	536
Other revenue	150	150	1,056	906
Total Revenues	<u>1,000</u>	<u>32,529</u>	<u>2,442</u>	<u>(30,087)</u>
Expenditures				
Roads and bridges	617,849	755,673	678,553	77,120
Capital outlay	51,237	133,365	131,873	1,492
Debt service	6,800	6,800	5,118	1,682
Interest charges	3,300	4,882	4,882	-
Total Expenditures	<u>679,186</u>	<u>900,720</u>	<u>820,426</u>	<u>80,294</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(678,186)</u>	<u>(868,191)</u>	<u>(817,984)</u>	<u>50,207</u>
Other Financing Sources (Uses)				
Transfers in	639,516	639,516	700,155	60,639
Transfers (out)	(18,829)	(19,039)	(19,039)	-
Total Other Financing Sources	<u>620,687</u>	<u>620,477</u>	<u>681,116</u>	<u>60,639</u>
Net Change in Fund Balance	<u>\$ (57,499)</u>	<u>\$ (247,714)</u>	(136,868)	<u>\$ 110,846</u>
Beginning fund balance			<u>651,080</u>	
Ending Fund Balance			<u>\$ 514,212</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment income	\$ 1,500	\$ 1,500	\$ 1,997	\$ 497
Other revenue	-	-	4,116	4,116
Total Revenues	1,500	1,500	6,113	4,613
Expenditures				
Roads and bridges	875,410	1,092,047	1,092,047	-
Capital outlay	80,000	107,553	107,553	-
Total Expenditures	955,410	1,199,600	1,199,600	-
(Deficiency) of Revenues (Under) Expenditures	(953,910)	(1,198,100)	(1,193,487)	4,613
Other Financing Sources (Uses)				
Transfers in	827,816	827,816	896,348	68,532
Transfers (out)	-	(5,000)	(5,000)	-
Sale of capital asset	-	-	25,000	25,000
Total Other Financing Sources	827,816	822,816	916,348	93,532
Net Change in Fund Balance	\$ (126,094)	\$ (375,284)	(277,139)	\$ 98,145
Beginning fund balance			1,164,024	
Ending Fund Balance			\$ 886,885	

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Investment income	\$ 1,200	\$ 1,200	\$ 2,962	\$ 1,762
Other revenue	-	-	1,077	1,077
Total Revenues	1,200	1,200	4,039	2,839
<u>Expenditures</u>				
Roads and bridges	877,793	969,929	799,089	170,840
Capital outlay	50,000	137,384	130,986	6,398
Total Expenditures	927,793	1,107,313	930,075	177,238
(Deficiency) of Revenues (Under) Expenditures	(926,593)	(1,106,113)	(926,036)	180,077
<u>Other Financing Sources (Uses)</u>				
Transfers in	734,465	734,465	799,065	64,600
Transfers (out)	(17,850)	(19,314)	(19,314)	-
Sale of capital assets	-	-	18,310	18,310
Total Other Financing Sources	716,615	715,151	798,061	82,910
Net Change in Fund Balance	\$ (209,978)	\$ (390,962)	(127,975)	\$ 262,987
Beginning fund balance			1,445,464	
Ending Fund Balance			\$ 1,317,489	

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TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK STATE APPROPRIATIONS
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Investment income	\$ 100	\$ 100	\$ 91	\$ (9)
Total Revenues	<u>100</u>	<u>100</u>	<u>91</u>	<u>(9)</u>
<u>Expenditures</u>				
Administration of justice	48,592	48,592	-	48,592
Total Expenditures	<u>48,592</u>	<u>48,592</u>	<u>-</u>	<u>48,592</u>
Net Change in Fund Balance	<u>\$ (48,492)</u>	<u>\$ (48,492)</u>	91	<u>\$ 48,583</u>
Beginning fund balance			<u>48,735</u>	
Ending Fund Balance			<u>\$ 48,826</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RMP
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other fees	\$ 100,000	\$ 100,000	\$ 71,535	\$ (28,465)
Investment income	600	600	1,034	434
Total Revenues	<u>100,600</u>	<u>100,600</u>	<u>72,569</u>	<u>(28,031)</u>
<u>Expenditures</u>				
General government	272,035	272,035	11,545	260,490
Capital outlay	55,000	55,000	12,534	42,466
Total Expenditures	<u>327,035</u>	<u>327,035</u>	<u>24,079</u>	<u>302,956</u>
Net Change in Fund Balance	<u>\$ (226,435)</u>	<u>\$ (226,435)</u>	48,490	<u>\$ 274,925</u>
Beginning fund balance			<u>526,936</u>	
Ending Fund Balance			<u>\$ 575,426</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT CLERK RMP
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other fees	\$ 2,970	\$ 2,970	\$ 1,613	\$ (1,357)
Investment income	-	-	1	1
Total Revenues	<u>2,970</u>	<u>2,970</u>	<u>1,614</u>	<u>(1,356)</u>
<u>Expenditures</u>				
General government	5,000	5,000	1,399	3,601
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>1,399</u>	<u>3,601</u>
Net Change in Fund Balance	<u>\$ (2,030)</u>	<u>\$ (2,030)</u>	215	<u>\$ 2,245</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ 215</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY

For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other fees	\$ 7,500	\$ 7,500	\$ 7,010	\$ (490)
Investment income	100	100	59	(41)
Total Revenues	<u>7,600</u>	<u>7,600</u>	<u>7,069</u>	<u>(531)</u>
<u>Expenditures</u>				
Administration of justice	32,600	32,600	17,364	15,236
Total Expenditures	<u>32,600</u>	<u>32,600</u>	<u>17,364</u>	<u>15,236</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>(10,295)</u>	<u>14,705</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	25,000	25,000	-	(25,000)
Total Other Financing Sources	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(10,295)</u>	<u>\$ (10,295)</u>
Beginning fund balance			<u>35,323</u>	
Ending Fund Balance			<u>\$ 25,028</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JAIL INTEREST AND SINKING
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Investment income	\$ 1,500	\$ 1,500	\$ 1,691	\$ 191
Other revenue	1,000	1,000	237	(763)
Total Revenues	<u>2,500</u>	<u>2,500</u>	<u>1,928</u>	<u>(572)</u>
<u>Expenditures</u>				
Public safety	100,000	100,000	52,271	47,729
Capital outlay	2,500	2,500	-	2,500
Total Expenditures	<u>102,500</u>	<u>102,500</u>	<u>52,271</u>	<u>50,229</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>(50,343)</u>	<u>49,657</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	42,479	42,479
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>42,479</u>	<u>42,479</u>
Net Change in Fund Balance	<u>\$ (100,000)</u>	<u>\$ (100,000)</u>	<u>(7,864)</u>	<u>\$ 92,136</u>
Beginning fund balance			<u>892,499</u>	
Ending Fund Balance			<u>\$ 884,635</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURTHOUSE SECURITY

For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other fees	\$ 18,000	\$ 18,000	\$ 9,025	\$ (8,975)
Investment income	200	200	20	(180)
Total Revenues	<u>18,200</u>	<u>18,200</u>	<u>9,045</u>	<u>(9,155)</u>
<u>Expenditures</u>				
General government	43,870	43,870	34,509	9,361
Capital outlay	18,000	18,000	761	17,239
Total Expenditures	<u>61,870</u>	<u>61,870</u>	<u>35,270</u>	<u>26,600</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(43,670)</u>	<u>(43,670)</u>	<u>(26,225)</u>	<u>17,445</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	40,000	40,000	-
Total Other Financing Sources	<u>-</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (43,670)</u>	<u>\$ (3,670)</u>	13,775	<u>\$ 17,445</u>
Beginning fund balance			<u>625</u>	
Ending Fund Balance			<u>\$ 14,400</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY RMP

For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Other fees	\$ 4,000	\$ 4,000	\$ 4,396	\$ 396
Investment income	350	350	152	(198)
Total Revenues	<u>4,350</u>	<u>4,350</u>	<u>4,548</u>	<u>198</u>
<u>Expenditures</u>				
General government	44,850	44,850	5,774	39,076
Capital outlay	14,500	14,500	-	14,500
Total Expenditures	<u>59,350</u>	<u>59,350</u>	<u>5,774</u>	<u>53,576</u>
Net Change in Fund Balance	<u>\$ (55,000)</u>	<u>\$ (55,000)</u>	(1,226)	<u>\$ 53,774</u>
Beginning fund balance			<u>82,814</u>	
Ending Fund Balance			<u>\$ 81,588</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY DISTRICT ATTORNEY FEES
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other fees	\$ 12,000	\$ 12,000	\$ 2,226	\$ (9,774)
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>2,226</u>	<u>(9,774)</u>
Expenditures				
Administration of justice	15,963	15,963	1,068	14,895
Total Expenditures	<u>15,963</u>	<u>15,963</u>	<u>1,068</u>	<u>14,895</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,963)</u>	<u>(3,963)</u>	<u>1,158</u>	<u>5,121</u>
Other Financing Sources (Uses)				
Transfers (out)	-	(1,837)	(1,837)	-
Total Other Financing (Uses)	<u>-</u>	<u>(1,837)</u>	<u>(1,837)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (3,963)</u>	<u>\$ (5,800)</u>	<u>(679)</u>	<u>\$ 5,121</u>
Beginning fund balance			<u>1,670</u>	
Ending Fund Balance			<u>\$ 991</u>	

TYLER COUNTY, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CDBG SENIOR CITIZEN PROJECT
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 62,677	\$ 62,677
Total Revenues	<u>-</u>	<u>-</u>	<u>62,677</u>	<u>62,677</u>
Expenditures				
General government	275,000	281,688	62,677	219,011
Total Expenditures	<u>275,000</u>	<u>281,688</u>	<u>62,677</u>	<u>219,011</u>
Net Change in Fund Balance	<u>\$ (275,000)</u>	<u>\$ (281,688)</u>	-	<u>\$ 281,688</u>
Beginning fund balance			<u>-</u>	
Ending Fund Balance			<u>\$ -</u>	

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (page 1 of 4)
December 31, 2017

	<u>Elected Officials</u>	<u>CDA Trust</u>	<u>Alternate Dispute Resolution</u>	<u>State DPS Arrest Fees</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 4,233,269	\$ 15,435	\$ 409	\$ 32,469
Total Assets	<u>\$ 4,233,269</u>	<u>\$ 15,435</u>	<u>\$ 409</u>	<u>\$ 32,469</u>
<u>Liabilities</u>				
Due to other units	\$ 4,233,269	\$ 15,435	\$ 409	\$ 32,469
Total Liabilities	<u>\$ 4,233,269</u>	<u>\$ 15,435</u>	<u>\$ 409</u>	<u>\$ 32,469</u>

<u>State General Revenue</u>	<u>Supplement Court Guardianship</u>	<u>State TLFTA</u>	<u>State Time Payment</u>	<u>State Fugitive Apprehension</u>	<u>State CCC</u>
\$ 44	\$ 18,072	\$ 8,957	\$ 14,831	\$ 208	\$ 34,842
<u>\$ 44</u>	<u>\$ 18,072</u>	<u>\$ 8,957</u>	<u>\$ 14,831</u>	<u>\$ 208</u>	<u>\$ 34,842</u>
\$ 44	\$ 18,072	\$ 8,957	\$ 14,831	\$ 208	\$ 34,842
<u>\$ 44</u>	<u>\$ 18,072</u>	<u>\$ 8,957</u>	<u>\$ 14,831</u>	<u>\$ 208</u>	<u>\$ 34,842</u>

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (page 2 of 4)
December 31, 2017

	<u>State Appellate Judicial</u>	<u>State DNA Testing Fee</u>	<u>State Drug Court Programs</u>	<u>State Indigent Defense</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 5,268	\$ 1,253	\$ 4,449	\$ 2,697
Total Assets	\$ 5,268	\$ 1,253	\$ 4,449	\$ 2,697
<u>Liabilities</u>				
Due to other units	\$ 5,268	\$ 1,253	\$ 4,449	\$ 2,697
Total Liabilities	\$ 5,268	\$ 1,253	\$ 4,449	\$ 2,697

<u>State Juvenile Crime and Detention</u>	<u>Tyler County Search and Rescue</u>	<u>Justice Court Technology</u>	<u>Corrective Management Inst. TX</u>	<u>State Tertiary Care</u>	<u>State Traffic Fee</u>
\$ 21	\$ 198	\$ 48,141	\$ 97	\$ 37,401	\$ 5,246
<u>\$ 21</u>	<u>\$ 198</u>	<u>\$ 48,141</u>	<u>\$ 97</u>	<u>\$ 37,401</u>	<u>\$ 5,246</u>
\$ 21	\$ 198	\$ 47,981	\$ 97	\$ 37,401	\$ 5,246
<u>\$ 21</u>	<u>\$ 198</u>	<u>\$ 47,981</u>	<u>\$ 97</u>	<u>\$ 37,401</u>	<u>\$ 5,246</u>

TYLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (page 3 of 4)
 December 31, 2017

	<u>State Bail Bond</u>	<u>State EMS Trauma</u>	<u>State Judicial Support Fees</u>	<u>Jury Reimbursement Fee</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 3,287	\$ 1,085	\$ 65,448	\$ 4,598
Total Assets	<u>\$ 3,287</u>	<u>\$ 1,085</u>	<u>\$ 65,448</u>	<u>\$ 4,598</u>
<u>Liabilities</u>				
Due to other units	\$ 3,287	\$ 1,085	\$ 65,448	\$ 4,598
Total Liabilities	<u>\$ 3,287</u>	<u>\$ 1,085</u>	<u>\$ 65,448</u>	<u>\$ 4,598</u>

<u>State CVC</u>	<u>State Judicial Education</u>	<u>State LEOSE</u>	<u>State Criminal Justice Planning</u>	<u>State Law Enforcement Management</u>	<u>State LEOA</u>
\$ 2,524	\$ 503	\$ 1	\$ 1	\$ 1	\$ 1
<u>\$ 2,524</u>	<u>\$ 503</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>
\$ 2,524	\$ 503	\$ 1	\$ 1	\$ 1	\$ 1
<u>\$ 2,524</u>	<u>\$ 503</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1</u>

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TYLER COUNTY, TEXAS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS (page 4 of 4)
December 31, 2017

	Texas Juvenile Justice Department Title IV E	CDA State	Total Agency Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 35,621	\$ 27,517	\$ 4,603,894
Total Assets	\$ 35,621	\$ 27,517	\$ 4,603,894
<u>Liabilities</u>			
Due to other units	\$ 35,621	\$ 27,517	\$ 4,603,734
Total Liabilities	\$ 35,621	\$ 27,517	\$ 4,603,734

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