

**HENDERSON COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2014**

**PREPARED BY:  
HENDERSON COUNTY AUDITOR'S OFFICE  
Ann Marie Lee, CPA – County Auditor**



**HENDERSON COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

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# HENDERSON COUNTY, TEXAS

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# **INTRODUCTORY SECTION**

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# HENDERSON COUNTY, TEXAS

## DIRECTORY OF OFFICIALS

DECEMBER 31, 2014

Office	Name
County Judge	Judge Richard Sanders
Commissioner – Precinct 1	Scotty Thomas
Commissioner – Precinct 2	Wade McKinney
Commissioner – Precinct 3	Ronald Lawrence
Commissioner – Precinct 4	Ken Geeslin
County Attorney	Clint Davis
County Auditor	Ann Marie Lee
County Clerk	Mary Margaret Wright
County Tax Assessor/Collector	Milburn Chaney
County Treasurer	Michael Bynum
Sheriff	Ray Nutt
District Clerk	Jean Godwin
District Attorney	Scott McKee
Justice of the Peace – Precinct 1	Judge Randy Daniel
Justice of the Peace – Precinct 2	Judge Dale Blaylock
Justice of the Peace – Precinct 3	Judge Sue Starnes
Justice of the Peace – Precinct 4	Judge Kelly Harris
Justice of the Peace – Precinct 5	Judge Tommy Barnett
Justice of the Peace – Precinct 6	Milton Adams
Constable – Precinct 1	Daryl Graham
Constable – Precinct 2	Norman Terry
Constable – Precinct 3	David Grubbs
Constable – Precinct 4	Rick Stewart
Constable – Precinct 5	Brad Miers
Chief Juvenile Probation & Corrections Officer	Bonny Turnage
County Court-at-Law No. 1 Judge	Steve Jeffus
County Court-at-Law No. 2 Judge	Judge Matt Livingston
173rd District Court Judge	Judge Nancy Perryman
392nd District Judge	Judge Dan Moore
3rd District Court Judge	Judge Carter Tarrance
	Judge Mark Calhoon

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# **FINANCIAL SECTION**

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PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge  
and Commissioners' Court  
Henderson County, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Henderson County, Texas, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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.

**Basis for Modified Opinion on the Governmental Activities, the Business-type Activities and Each Major Proprietary Fund**

The County has not implemented Governmental Accounting Standards Board *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. These financial statements recognize the cost of postemployment benefits, other than retirement benefits, on a pay-as-you-go basis. Accounting principles generally accepted in the United States of America require that annual required contributions related to postemployment benefits, other than retirement benefits, attributable to employee services already rendered be recorded as expenses as employees earn the benefits, which, if not funded would increase the liabilities, reduce the net position, and change the expenses of the governmental activities, the business-type activities, and each major proprietary fund. The effects on these financial statements, although not reasonably determinable, are presumed to be material.

**Modified Opinions**

In our opinion, except for the effects of the matter described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major proprietary fund of Henderson County, Texas, as of December 31, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of Henderson County, Texas, as of December 31, 2014, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Road and Bridge Fund 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 on pages 4–10 and the schedule of funding progress on page 42 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 fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements 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 fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2015, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
September 30, 2015

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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Henderson County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2014. The MD&A should be read in conjunction with the County's basic financial statements.

### FINANCIAL HIGHLIGHTS

The assets of Henderson County exceeded its liabilities at the close of fiscal year 2014 by \$48,464,725 (*net position*). Of this amount, \$12,168,695 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.

- The County's total net position increased by \$1,800,439.
- As of December 31, 2014, the County's governmental funds reported combined ending fund balances of \$12,347,680, an increase of \$1,786,042 .
- At the end of fiscal year 2014, unassigned fund balance for the General Fund was \$9,178,466.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the County's assets and liabilities with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Henderson County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, legal, health and welfare, judicial, public safety, culture and recreation, roads and bridges

and interest on long-term debt. The County's business-type activities consist of a recreational arena and corresponding concessions.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 fiscal 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*.

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 Fund and Road and Bridge Fund, both of which are considered to be major funds. Data from the other 9 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and Road and Bridge Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

*Proprietary Funds – Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Fair Park operations.

*Fiduciary Funds* are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information.** Generally accepted accounting principles also require certain information to be presented in the required supplementary information immediately following the notes to the financial statements.

**Other Information.** In addition to the basic financial statements, accompanying notes and required supplementary information, this report also presents combining fund statements that further support the information in the basic financial statements. The combining fund statements are presented immediately following the required supplementary information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the County, assets exceeded liabilities by \$48,464,725 at the close of the most recent fiscal year.

Investment in capital assets (e.g., land, buildings, machinery, infrastructure and equipment), less any debt used to acquire those assets that are still outstanding accounted for \$32,734,547 of the County’s net position. 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 capital assets themselves cannot be used to liquidate these liabilities.

**HENDERSON COUNTY’S NET POSITION**

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 31,356,804	\$ 27,900,700	\$ 180,130	\$ 100,387	\$ 31,536,934	\$ 28,001,087
Capital assets	34,340,071	35,548,926	1,107,036	1,001,792	35,447,107	36,550,718
Total assets	<u>65,696,875</u>	<u>63,449,626</u>	<u>1,287,166</u>	<u>1,102,179</u>	<u>66,984,041</u>	<u>64,551,805</u>
Long-term liabilities	1,509,418	2,808,784	13,846	-	1,523,264	2,808,784
Other liabilities	4,079,434	3,742,077	67,531	5,287	4,146,965	3,747,364
Total liabilities	<u>5,588,852</u>	<u>6,550,861</u>	<u>81,377</u>	<u>5,287</u>	<u>5,670,229</u>	<u>6,556,148</u>
Deferred inflows of resources	12,849,087	11,378,484	-	-	12,849,087	11,378,484
Net position:						
Net investment in capital assets	31,648,466	31,493,647	1,086,081	1,001,792	32,734,547	32,495,439
Restricted	3,561,483	3,497,685	-	-	3,561,483	3,497,685
Unrestricted	<u>12,048,987</u>	<u>10,528,949</u>	<u>119,708</u>	<u>95,100</u>	<u>12,168,695</u>	<u>10,624,049</u>
Total net position	<u>\$ 47,258,936</u>	<u>\$ 45,520,281</u>	<u>\$ 1,205,789</u>	<u>\$ 1,096,892</u>	<u>\$ 48,464,725</u>	<u>\$ 46,617,173</u>

Approximately 7% of the County’s net position represent *restricted net position*. These are resources that are subject to external restrictions on how they may be used. Restrictions include statutory requirements, bond covenants, and grantor conditions. The remaining balance, *unrestricted net position*, may be used to meet the County’s ongoing obligations to citizens and creditors.

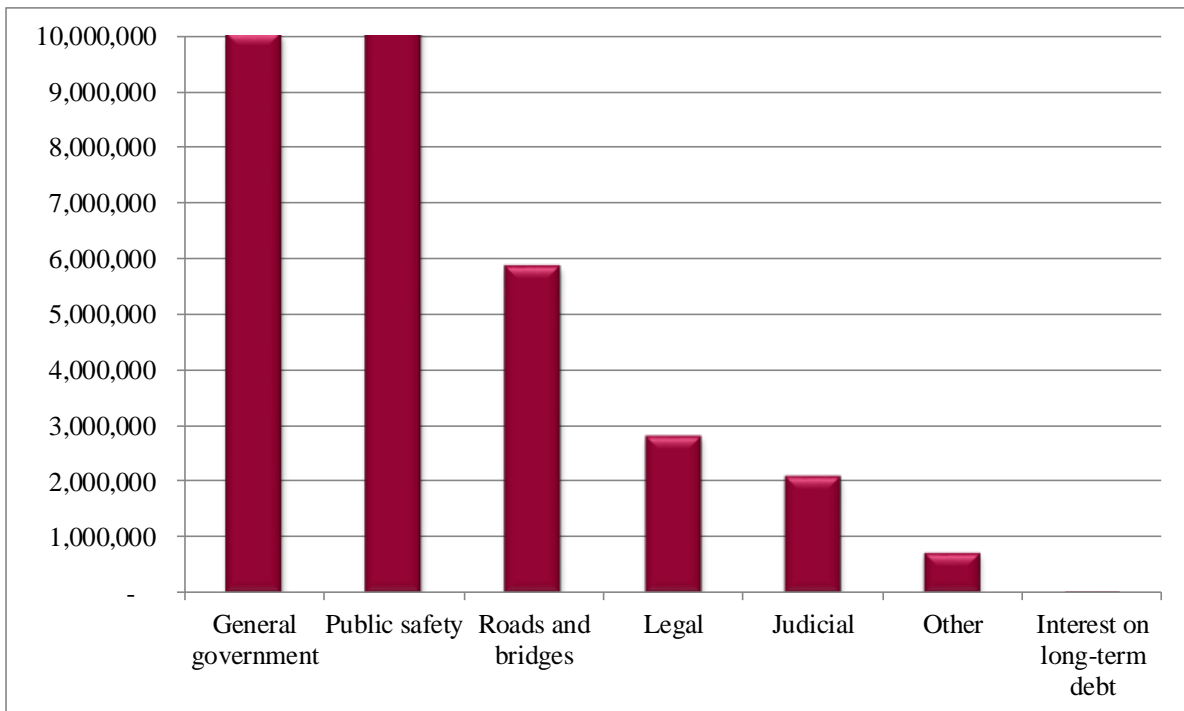
## HENDERSON COUNTY'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 6,091,982	\$ 6,110,328	\$ 350,161	\$ 297,990	\$ 6,442,143	\$ 6,408,318
Operating grants and contributions	858,093	729,974	39,595	19,489	897,688	749,463
Capital grants and contributions	4,500	-	-	-	4,500	-
General revenues:						
Property taxes	26,708,918	24,825,588	-	13,837	26,708,918	24,839,425
Other taxes	86,512	75,321	121,345	110,238	207,857	185,559
Investment earnings	31,749	69,706	-	-	31,749	69,706
Miscellaneous	522,178	136,687	-	-	522,178	136,687
Total revenues	<u>34,303,932</u>	<u>31,947,604</u>	<u>511,101</u>	<u>441,554</u>	<u>34,815,033</u>	<u>32,389,158</u>
Expenses:						
Governmental activities:						
General government	10,035,598	9,407,834	-	-	10,035,598	9,407,834
Legal	2,838,264	2,760,602	-	-	2,838,264	2,760,602
Health and welfare	368,843	336,552	-	-	368,843	336,552
Judicial	2,097,841	2,169,028	-	-	2,097,841	2,169,028
Public safety	10,989,196	10,621,882	-	-	10,989,196	10,621,882
Culture and recreation	372,632	388,546	-	-	372,632	388,546
Roads and bridges	5,872,093	5,426,221	-	-	5,872,093	5,426,221
Interest on long-term debt	30,423	238,719	-	-	30,423	238,719
Business-type activities:						
Fair Park	-	-	331,991	390,666	331,991	390,666
Fair Park Concessions	-	-	77,713	80,932	77,713	80,932
Total expenses	<u>32,604,890</u>	<u>31,349,384</u>	<u>409,704</u>	<u>471,598</u>	<u>33,014,594</u>	<u>31,820,982</u>
Change in net position before transfers	1,699,042	598,220	101,397	( 30,044)	1,800,439	568,176
Transfers	<u>( 7,500)</u>	<u>( 30,000)</u>	<u>7,500</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
Change in net position	1,691,542	568,220	108,897	( 44)	1,800,439	568,176
Net position, beginning	<u>45,520,281</u>	<u>45,067,042</u>	<u>1,096,892</u>	<u>1,096,936</u>	<u>46,617,173</u>	<u>46,163,978</u>
Prior period adjustment	<u>47,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,113</u>	<u>-</u>
Net position, ending	<u>\$ 47,258,936</u>	<u>\$ 45,635,262</u>	<u>\$ 1,205,789</u>	<u>\$ 1,096,892</u>	<u>\$ 48,464,725</u>	<u>\$ 46,732,154</u>

**Governmental Activities.** Governmental activities increased the County’s net position by \$1,691,542 . Key elements of the analysis of government-wide revenues and expenses reflect the following:

- Program revenues of \$6,950,075 equaled 21.32% of governmental expenses of \$32,604,890. General revenues of \$27,349,357 provided the additional support and coverage for expenses.
- Approximately 33.7% of governmental expenses were for public safety and 30.78% was for general government activities.
- Infrastructure (road and bridges) expenses, at \$5,872,093 accounted for 18% of expenses.
- Grant revenues totaling \$862,593 was available to offset only 2.5% of expenses.

**GOVERNMENTAL ACTIVITIES EXPENSES**



**FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS**

As noted earlier, the County uses fund accounting to ensure and demonstrate 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, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2014, the County’s *governmental funds* reported combined ending fund balances of \$12,347,680. Overall fund balance increased by \$1,786,042. The increase is approximately 17% of the total fund balance.

The General Fund is the chief operating fund of the County. At the end of fiscal year 2014, the General Fund had an ending fund balance of \$10,490,947. 87% of this total amount (\$9,178,466) constitutes

unassigned fund balance. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance and total General Fund expenditures. Unassigned fund balance represents 36% of total General Fund expenditures.

The Road and Bridge Fund had an ending fund balance of \$1,075,519, a net decrease of \$49,759. The decrease was mainly due to a shift of excess funds from fund balance in the 2014 budget to help with the rising costs of road materials.

#### *Enterprise Funds.*

The County's enterprise funds are primarily funded by rental and concession revenues, which assist the Fairgrounds in growth and development. Of the \$409,704 of expenses, \$104,259 was due to depreciation.

### **Budgetary Highlights**

The budget is prepared in accordance to historical practices that conform to State of Texas statutes and approved by the Commissioners' Court following a public hearing. Appropriated budgets are approved and employed as a management control device during the year. The County maintains strict budgetary controls and sets its appropriations as the category level for all operating expenses and at the position/line item level for all salaries and benefits. Budget amendments may be made between operating categories and benefits only with the approval of Commissioners' Court.

The following are significant variations between the final budget and actual amounts in budget for General Fund or Road and Bridge Fund, as noted:

- General Fund revenues were more than a million dollars higher than anticipated. This, along with good fiscal management, and no unforeseen disasters resulted in an increase fund balance of just over \$2 million.
- There was a decline in law enforcement type revenues. It is assumed that this is due to State Troopers being pulled from the local roads to manage border patrol.
- Though Road and Bridge experienced a decline in fund balance (due to a budget transfer from fund balance), the overall picture was positive. Revenues came in about 5% higher than anticipated, while expenditures were well managed, leaving a positive variance of 4% from the original budget.
- The Fair Grounds experienced a slight loss in operating income. Over the past few years, this has been a difficult business to manage, relying on discretionary hobby income. As the economy rebounds, the loss has been shrinking.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** Henderson County’s investment in capital assets for its governmental activities as of December 31, 2014, was \$34,340,071 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements, furniture and equipment and infrastructure.

### HENDERSON COUNTY’S CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 3,628,887	\$ 3,628,887	\$ 250,504	\$ 250,504	\$ 3,879,391	\$ 3,879,391
Buildings and improvements	28,655,517	28,463,655	2,161,706	1,973,158	30,817,223	30,436,813
Furniture and equipment	12,980,491	12,572,085	249,464	258,778	13,229,955	12,830,863
Infrastructure	32,024,869	32,024,869	-	-	32,024,869	32,024,869
Less: accumulated depreciation	( 42,949,693)	( 41,140,570)	( 1,554,638)	( 1,480,648)	( 44,504,331)	( 42,621,218)
Total capital assets	\$ <u>34,340,071</u>	\$ <u>35,548,926</u>	\$ <u>1,107,036</u>	\$ <u>1,001,792</u>	\$ <u>35,447,107</u>	\$ <u>36,550,718</u>

### Significant Capital Assets Events

- The roofs at the Judicial Complex and Courthouse Annex (partial) were replaced with an SPF system at a cost of \$152,000.
- Ten vehicles were replaced at the Sheriff’s Department as part of a rolling plan. The total investment was \$252,000.
- The lighting system at the Fair Grounds was replaced with Light Emitting Diodes (LED) at a cost of \$145,000. This was not only due to safety reasons – the old systems lights were pulling away from the ceiling, but also as an efficiency utility savings approach. Within months after installment, savings compared to the prior year were evident.

**Long-term Debt.** At the end of fiscal year 2014, the County had total bonded debt outstanding of \$2,487,000. Final payment will be May 1, 2016. It is the intention of the Commissioner’s Court to remain debt free after that time. More detailed information on the County’s long-term debt can be found in the notes to the financial statements.

### ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The 2015 tax rate was increased by .05¢ in the Road and Bridge Fund. The cost of road materials has become unmanageable. The tax rate for the 2015 budget is 0.4779840 per \$10.

The Court was also very concerned with health insurance premiums and the affect The Affordable Care Act is impacting those costs. The Court agreed that it will only supplement employee’s health insurance premiums up to the maximum allowable before ‘Cadillac Plan’ tax is assessed.

The Commissioner’s Court will continue to monitor costs to maintain services required by the citizens of Henderson County while maintaining a low tax rate.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Auditor's Office  
100 E. Tyler, St Room 300  
Athens, TX 75751



**BASIC  
FINANCIAL STATEMENTS**

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**HENDERSON COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2014**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 26,895,691	\$ 100,393	\$ 26,996,084
Receivables, net of allowance for uncollectibles:			
Taxes	2,329,249	-	2,329,249
Fines	1,772,408	-	1,772,408
Other	315,061	79,737	394,798
Due from other governments	11,395	-	11,395
Prepaid items	33,000	-	33,000
Total current assets	31,356,804	180,130	31,536,934
Noncurrent assets:			
Capital assets:			
Land	3,628,887	250,504	3,879,391
Buildings and improvements	28,655,517	2,161,706	30,817,223
Furniture and equipment	12,980,491	249,464	13,229,955
Infrastructure	32,024,869	-	32,024,869
Less: accumulated depreciation	( 42,949,693)	( 1,554,638)	( 44,504,331)
Total capital assets	34,340,071	1,107,036	35,447,107
Total noncurrent assets	34,340,071	1,107,036	35,447,107
Total assets	65,696,875	1,287,166	66,984,041
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	537,526	53,988	591,514
Accrued liabilities	807,856	6,434	814,290
Due to other governments	393,111	-	393,111
Unearned revenue	135,211	-	135,211
Cash bond deposits	290,376	-	290,376
Accrued interest payable	3,909	-	3,909
General obligation bonds	1,254,620	-	1,254,620
Capital lease obligation	73,419	7,109	80,528
Compensated absences	583,406	-	583,406
Total current liabilities	4,079,434	67,531	4,146,965
Noncurrent liabilities:			
General obligation bonds	1,232,380	-	1,232,380
Capital lease obligation	131,186	13,846	145,032
Compensated absences	145,852	-	145,852
Total noncurrent liabilities	1,509,418	13,846	1,523,264
Total liabilities	5,588,852	81,377	5,670,229
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Advance property tax collections	12,849,087	-	12,849,087
Total deferred inflows of resources	12,849,087	-	12,849,087
<b>NET POSITION</b>			
Net investment in capital assets	31,648,466	1,086,081	32,734,547
Restricted for:			
Roads and bridges	1,405,288	-	1,405,288
Debt service	194,017	-	194,017
Other purposes	1,962,178	-	1,962,178
Unrestricted	12,048,987	119,708	12,168,695
Total net position	\$ 47,258,936	\$ 1,205,789	\$ 48,464,725

**The accompanying notes are an integral part of these financial statements.**

**HENDERSON COUNTY, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 10,035,598	\$ 1,863,831	\$ 218,697	\$ -
Legal	2,838,264	46,620	129,917	-
Health and welfare	368,843	23,193	-	-
Judicial	2,097,841	1,459,516	303,990	-
Public safety	10,989,196	1,150,506	137,880	-
Culture and recreation	372,632	9,495	11,155	-
Roads and bridges	5,872,093	1,538,821	56,454	4,500
Interest on long-term debt	30,423	-	-	-
<b>Total governmental activities</b>	<u>32,604,890</u>	<u>6,091,982</u>	<u>858,093</u>	<u>4,500</u>
<b>Business-type activities:</b>				
Fair Park	331,991	251,279	39,595	-
Fair Park concessions	77,713	98,882	-	-
<b>Total business-type activities</b>	<u>409,704</u>	<u>350,161</u>	<u>39,595</u>	<u>-</u>
<b>Total</b>	<u>\$ 33,014,594</u>	<u>\$ 6,442,143</u>	<u>\$ 897,688</u>	<u>\$ 4,500</u>

General revenues:

Taxes:

Property

Other

Investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Prior period adjustment

Net position, beginning, as restated

Net position, ending

**The accompanying notes are an integral part of these financial statements.**

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$( 7,953,070) ( 2,661,727) ( 345,650) ( 334,335) ( 9,700,810) ( 351,982) ( 4,272,318) ( 30,423) <u>( 25,650,315)</u>	\$ - - - - - - - - <u>-</u>	\$( 7,953,070) ( 2,661,727) ( 345,650) ( 334,335) ( 9,700,810) ( 351,982) ( 4,272,318) ( 30,423) <u>( 25,650,315)</u>
-	( 41,117)	( 41,117)
-	21,169	21,169
<u>-</u>	<u>( 19,948)</u>	<u>( 19,948)</u>
<u>( 25,650,315)</u>	<u>( 19,948)</u>	<u>( 25,670,263)</u>
26,708,918 86,512 31,749 522,178 ( 7,500) <u>27,341,857</u>	- 121,345 - - 7,500 <u>128,845</u>	26,708,918 207,857 31,749 522,178 - <u>27,470,702</u>
1,691,542 45,520,281 47,113 <u>45,567,394</u>	108,897 1,096,892 - <u>1,096,892</u>	1,800,439 46,617,173 47,113 <u>46,664,286</u>
<u>\$ 47,258,936</u>	<u>\$ 1,205,789</u>	<u>\$ 48,464,725</u>

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# HENDERSON COUNTY, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

DECEMBER 31, 2014

	General	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 22,037,354	\$ 3,250,312	\$ 1,608,025	\$ 26,895,691
Receivables, net of allowance for uncollectibles:				
Taxes	1,891,552	337,243	100,454	2,329,249
Fines	1,772,408	-	-	1,772,408
Other	305,991	9,070	-	315,061
Due from other governments	6,895	4,500	-	11,395
Prepaid items	<u>33,000</u>	<u>-</u>	<u>-</u>	<u>33,000</u>
Total assets	<u>26,047,200</u>	<u>3,601,125</u>	<u>1,708,479</u>	<u>31,356,804</u>
<b>LIABILITIES</b>				
Accounts payable	369,250	146,571	21,705	537,526
Accrued liabilities	716,510	87,499	3,847	807,856
Due to other governments	293,512	-	99,599	393,111
Unearned revenue	135,211	-	-	135,211
Cash bonds and deposits	<u>290,376</u>	<u>-</u>	<u>-</u>	<u>290,376</u>
Total liabilities	<u>1,804,859</u>	<u>234,070</u>	<u>125,151</u>	<u>2,164,080</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Advance property tax collections	10,180,706	1,961,767	706,614	12,849,087
Unavailable revenue - property taxes	1,798,280	329,769	95,500	2,223,549
Unavailable revenue - court fines and fees	<u>1,772,408</u>	<u>-</u>	<u>-</u>	<u>1,772,408</u>
Total deferred inflows of resources	<u>13,751,394</u>	<u>2,291,536</u>	<u>802,114</u>	<u>16,845,044</u>
<b>FUND BALANCES</b>				
Nonspendable	33,000	-	-	33,000
Restricted	1,279,481	1,075,519	781,214	3,136,214
Unassigned	<u>9,178,466</u>	<u>-</u>	<u>-</u>	<u>9,178,466</u>
Total fund balances	<u>10,490,947</u>	<u>1,075,519</u>	<u>781,214</u>	<u>12,347,680</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,047,200</u>	<u>\$ 3,601,125</u>	<u>\$ 1,708,479</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and,	34,340,071
Other long-term assets are not available to pay for current period expenditures and,	3,995,957
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	( 3,424,772)
Net position of governmental activities	<u>\$ 47,258,936</u>

**The accompanying notes are an integral part of these financial statements.**

**HENDERSON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Road and Bridge	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 21,977,711	\$ 3,824,458	\$ 1,088,371	\$ 26,890,540
Fees of office	2,286,880	1,147,817	283,847	3,718,544
Intergovernmental	1,572,919	60,954	70,000	1,703,873
Fines and forfeitures	928,988	-	20,388	949,376
Licenses and permits	10,966	391,004	-	401,970
Investment earnings	31,742	-	7	31,749
Miscellaneous	409,644	311,778	14,690	736,112
Total revenues	<u>27,218,850</u>	<u>5,736,011</u>	<u>1,477,303</u>	<u>34,432,164</u>
<b>EXPENDITURES</b>				
Current:				
General government	8,964,331	-	89,775	9,054,106
Public safety	10,934,076	-	23,808	10,957,884
Roads and bridges	-	5,439,582	-	5,439,582
Legal	2,173,900	-	119,142	2,293,042
Judicial	2,817,519	-	207	2,817,726
Culture and recreation	317,884	-	49,672	367,556
Health and welfare	66,482	301,577	-	368,059
Debt service:				
Principal	57,088	98,586	1,208,000	1,363,674
Interest and other charges	5,645	402	46,649	52,696
Total expenditures	<u>25,336,925</u>	<u>5,840,147</u>	<u>1,537,253</u>	<u>32,714,325</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,881,925</u>	<u>( 104,136)</u>	<u>( 59,950)</u>	<u>1,717,839</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	21,326	54,377	-	75,703
Transfers out	( 7,500)	-	-	( 7,500)
Total other financing sources and uses	<u>13,826</u>	<u>54,377</u>	<u>-</u>	<u>68,203</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,895,751	( 49,759)	( 59,950)	1,786,042
<b>FUND BALANCES, BEGINNING</b>	8,548,083	1,125,278	841,164	10,514,525
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>47,113</u>	<u>-</u>	<u>-</u>	<u>47,113</u>
<b>FUND BALANCE, BEGINNING AS RESTATED</b>	<u>8,595,196</u>	<u>1,125,278</u>	<u>841,164</u>	<u>10,561,638</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 10,490,947</u>	<u>\$ 1,075,519</u>	<u>\$ 781,214</u>	<u>\$ 12,347,680</u>

The accompanying notes are an integral part of these financial statements.



## HENDERSON 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, 2014

Net change in fund balances - total governmental funds:	\$ 1,786,042
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. This is the amount by which depreciation exceeded capital outlays in the current period.	( 1,201,757)
Governmental funds report the entire net sales price (proceeds) from the sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.	( 7,098)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	( 128,232)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This has no effect on the statement of activities.	1,363,674
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.	<u>( 121,087)</u>
Change in net position of governmental activities	<u>\$ 1,691,542</u>

**The accompanying notes are an integral part of these financial statements.**

**HENDERSON COUNTY, TEXAS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**GENERAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 21,071,465	\$ 21,071,465	\$ 21,891,199	\$ 819,734
Mixed beverage taxes	66,900	66,900	86,512	19,612
Fees of office:				
Sheriff	181,500	181,500	150,816	( 30,684)
County clerk	631,900	631,900	765,924	134,024
Tax assessor/collector	700,200	700,200	746,194	45,994
District clerk	399,400	399,400	345,572	( 53,828)
Justice of the peace	78,100	78,100	87,259	9,159
County attorney	21,200	21,200	21,326	126
Constables	51,400	51,400	48,546	( 2,854)
Court costs	81,000	81,000	78,475	( 2,525)
Other	30,300	30,300	42,768	12,468
Total fees of office	<u>2,175,000</u>	<u>2,175,000</u>	<u>2,286,880</u>	<u>111,880</u>
Intergovernmental	1,162,400	1,253,149	1,572,919	319,770
Licenses and permits	13,100	13,100	10,966	( 2,134)
Fines and forfeitures	1,003,600	1,003,600	928,988	( 74,612)
Investment earnings	88,636	88,636	31,742	( 56,894)
Miscellaneous	277,874	286,287	409,644	123,357
Total revenues	<u>25,858,975</u>	<u>25,958,137</u>	<u>27,218,850</u>	<u>1,260,713</u>
<b>EXPENDITURES</b>				
General government:				
County Judge	237,660	240,036	218,635	21,401
General County operations	4,286,211	4,123,248	3,417,460	705,788
Juvenile	95,000	115,686	115,355	331
General information systems	641,576	641,576	565,701	75,875
County clerk	746,539	741,888	686,590	55,298

## HENDERSON COUNTY, TEXAS

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

#### GENERAL FUND

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
General government: (Continued)				
County clerk records management	\$ 106,600	\$ 108,162	\$ 77,102	\$ 31,060
Elections administration	383,687	459,392	447,471	11,921
Veterans services	20,376	20,376	20,316	60
County auditor	615,059	615,059	601,203	13,856
Information technology	280,536	280,536	215,548	64,988
County treasurer	195,826	195,826	193,476	2,350
Tax assessor/collector	817,977	817,977	811,774	6,203
Public facilities	1,486,149	1,896,856	1,579,320	317,536
Jury	13,996	14,380	14,380	-
Total general government	9,927,192	10,270,998	8,964,331	1,306,667
Public safety:				
Constables general	12,155	11,614	2,226	9,388
Constable, precinct 1	68,045	70,420	70,144	276
Constable, precinct 2	67,602	67,602	66,689	913
Constable, precinct 3	66,837	66,927	64,879	2,048
Constable, precinct 4	65,937	65,937	65,109	828
Constable, precinct 5	65,717	66,054	65,643	411
Sheriff's office field operations	4,598,873	4,779,022	4,677,317	101,705
Jail operations	6,099,347	5,593,381	5,488,402	104,979
Emergency management	78,287	78,287	71,779	6,508
Fire marshal/environmental crimes	286,111	324,525	308,013	16,512
Department of public safety	79,912	79,912	53,875	26,037
Total public safety	11,488,823	11,203,681	10,934,076	269,605

## HENDERSON COUNTY, TEXAS

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

#### GENERAL FUND

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Legal:				
County attorney prosecution	\$ 838,601	\$ 838,283	\$ 772,881	\$ 65,402
County attorney collections	257,770	257,757	205,744	52,013
District attorney	1,138,273	1,158,973	1,151,292	7,681
Total legal	2,234,644	2,320,513	2,173,900	146,613
Judicial:				
County court-at-law 1	370,737	370,877	351,977	18,900
County court-at-law 2	371,503	372,093	371,915	178
District courts general	49,000	54,764	37,976	16,788
Indigent defense	55,941	56,655	56,651	4
3rd district court	136,174	136,285	130,016	6,269
173rd district court	227,236	227,236	216,936	10,300
392nd district court	231,608	234,370	232,086	2,284
District Clerk	608,047	608,047	583,668	24,379
Justice of the peace, precinct 1	124,478	124,934	117,550	7,384
Justice of the peace, precinct 2	184,120	184,954	179,268	5,686
Justice of the peace, precinct 3	132,342	132,342	131,307	1,035
Justice of the peace, precinct 4	128,400	129,918	128,291	1,627
Justice of the peace, precinct 5	177,249	177,705	159,300	18,405
Justice of the peace, precinct 6	78,221	79,089	77,127	1,962
Arraignments	12,069	12,069	6,694	5,375
Jury	23,254	36,784	36,757	27
Total judicial	2,910,379	2,938,122	2,817,519	120,603

**HENDERSON COUNTY, TEXAS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**GENERAL FUND**

**(Continued)**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Health and welfare:				
Health care coordination	\$ 77,607	\$ 78,014	\$ 66,482	\$ 11,532
Total health and welfare	<u>77,607</u>	<u>78,014</u>	<u>66,482</u>	<u>11,532</u>
Culture and recreation:				
Public library	140,478	140,478	126,081	14,397
County extension office	184,964	184,964	174,471	10,493
Historical Commission	<u>19,855</u>	<u>19,525</u>	<u>17,332</u>	<u>2,193</u>
Total culture and recreation	<u>345,297</u>	<u>344,967</u>	<u>317,884</u>	<u>27,083</u>
Debt service:				
Principal	57,088	57,088	57,088	-
Interest and other charges	<u>5,645</u>	<u>5,645</u>	<u>5,645</u>	<u>-</u>
Total expenditures	<u>27,046,675</u>	<u>27,219,028</u>	<u>25,336,925</u>	<u>1,882,103</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 1,187,700)</u>	<u>( 1,260,891)</u>	<u>1,881,925</u>	<u>3,142,816</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	21,326	21,326	21,326	-
Transfers in	1,092,500	1,092,500	-	( 1,092,500)
Transfers out	<u>-</u>	<u>-</u>	<u>( 7,500)</u>	<u>( 7,500)</u>
Total other financing sources (uses)	<u>1,113,826</u>	<u>1,113,826</u>	<u>13,826</u>	<u>( 1,100,000)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 73,874)</u>	<u>( 147,065)</u>	<u>1,895,751</u>	<u>2,042,816</u>
<b>FUND BALANCES, BEGINNING</b>	8,548,083	8,548,083	8,548,083	-
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>47,113</u>	<u>47,113</u>
<b>FUND BALANCE, BEGINNING AS RESTATED</b>	<u>8,548,083</u>	<u>8,548,083</u>	<u>8,595,196</u>	<u>47,113</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 8,474,209</u>	<u>\$ 8,401,018</u>	<u>\$ 10,490,947</u>	<u>\$ 2,089,929</u>

**The accompanying notes are an integral part of these financial statements.**

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## HENDERSON COUNTY, TEXAS

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

#### ROAD AND BRIDGE

FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 3,668,761	\$ 3,668,761	\$ 3,824,458	\$ 155,697
Fees of office	1,041,389	1,041,389	1,147,817	106,428
Licenses and permits	400,000	400,000	391,004	( 8,996)
Intergovernmental	52,111	52,111	60,954	8,843
Miscellaneous	-	302,993	311,778	8,785
Total revenues	<u>5,162,261</u>	<u>5,465,254</u>	<u>5,736,011</u>	<u>270,757</u>
<b>EXPENDITURES</b>				
Waste management	286,610	301,580	301,577	3
Road and bridge general	51,043	42,313	42,307	6
Road and bridge precinct #1	1,278,245	1,300,728	1,254,147	46,581
Road and bridge precinct #2	1,294,901	1,570,291	1,570,276	15
Road and bridge precinct #3	1,294,901	1,347,113	1,307,288	39,825
Road and bridge precinct #4	1,212,569	1,213,614	1,213,600	14
Precinct #1 lateral road	13,000	13,378	-	13,378
Precinct #2 lateral road	13,000	72,794	39,535	33,259
Precinct #3 lateral road	13,000	13,000	-	13,000
Precinct #4 lateral road	13,000	71,873	12,429	59,444
Principal	98,586	98,586	98,586	-
Interest and other fiscal charges	402	402	402	-
Total expenditures	<u>5,569,257</u>	<u>6,045,672</u>	<u>5,840,147</u>	<u>205,525</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 406,996)	( 580,418)	( 104,136)	476,282
<b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	-	54,377	54,377	-
Total other financing sources	<u>-</u>	<u>54,377</u>	<u>54,377</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	( 406,996)	( 526,041)	( 49,759)	476,282
<b>FUND BALANCES, BEGINNING</b>	<u>1,125,278</u>	<u>1,125,278</u>	<u>1,125,278</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 718,282</u>	<u>\$ 599,237</u>	<u>\$ 1,075,519</u>	<u>\$ 476,282</u>

The accompanying notes are an integral part of these financial statements.

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# HENDERSON COUNTY, TEXAS

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

DECEMBER 31, 2014

	Enterprise Funds		
	Fair Park	Fair Park Concessions	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 82,724	\$ 17,669	\$ 100,393
Accounts receivable, net	79,737	-	79,737
Total current assets	<u>162,461</u>	<u>17,669</u>	<u>180,130</u>
Non-current assets:			
Capital assets:			
Land	250,504	-	250,504
Buildings and improvements	2,161,706	-	2,161,706
Furniture and equipment	249,464	-	249,464
Less: accumulated depreciation	( 1,554,638)	-	( 1,554,638)
Total non-current assets	<u>1,107,036</u>	<u>-</u>	<u>1,107,036</u>
Total assets	<u>1,269,497</u>	<u>17,669</u>	<u>1,287,166</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	50,529	3,459	53,988
Accrued liabilities	5,992	442	6,434
Capital lease obligation	7,109	-	7,109
Total current liabilities	<u>63,630</u>	<u>3,901</u>	<u>67,531</u>
Non-current liabilities:			
Capital lease obligation	13,846	-	13,846
Total non-current liabilities	<u>13,846</u>	<u>-</u>	<u>13,846</u>
Total liabilities	<u>77,476</u>	<u>3,901</u>	<u>81,377</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,086,081	-	1,086,081
Unrestricted	<u>105,940</u>	<u>13,768</u>	<u>119,708</u>
Total net position	<u>\$ 1,192,021</u>	<u>\$ 13,768</u>	<u>\$ 1,205,789</u>

The accompanying notes are an integral part of these financial statements.

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**HENDERSON COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Enterprise Funds		
	Fair Park	Fair Park Concessions	Total
<b>OPERATING REVENUES</b>			
Rentals	\$ 156,626	\$ -	\$ 156,626
Concessions	-	98,882	98,882
Contributions	39,595	-	39,595
Other	94,653	-	94,653
Total operating revenues	<u>290,874</u>	<u>98,882</u>	<u>389,756</u>
<b>OPERATING EXPENSES</b>			
Personnel	128,738	16,768	145,506
Supplies and materials	31,191	-	31,191
Repairs and maintenance	11,028	-	11,028
Utilities	52,741	-	52,741
Professional services	770	53,514	54,284
Depreciation	104,259	-	104,259
Other	3,264	7,431	10,695
Total operating expenses	<u>331,991</u>	<u>77,713</u>	<u>409,704</u>
<b>OPERATING INCOME (LOSS)</b>	<u>( 41,117)</u>	<u>21,169</u>	<u>( 19,948)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Taxes	121,345	-	121,345
Total non-operating revenues (expenses)	<u>121,345</u>	<u>-</u>	<u>121,345</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	80,228	21,169	101,397
Transfers in	15,101	-	15,101
Transfers out	<u>-</u>	<u>( 7,601)</u>	<u>( 7,601)</u>
<b>CHANGE IN NET POSITION</b>	95,329	13,568	108,897
<b>TOTAL NET POSITION, BEGINNING</b>	<u>1,096,692</u>	<u>200</u>	<u>1,096,892</u>
<b>TOTAL NET POSITION, ENDING</b>	<u>\$ 1,192,021</u>	<u>\$ 13,768</u>	<u>\$ 1,205,789</u>

The accompanying notes are an integral part of these financial statements.

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**HENDERSON COUNTY, TEXAS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Enterprise Funds		
	Fair Park	Fair Park Concessions	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 218,984	\$ 98,882	\$ 317,866
Cash paid to suppliers for goods and services	( 78,209)	( 13,309)	( 91,518)
Cash paid to employees for services	( 98,289)	( 60,503)	( 158,792)
Net cash provided (used) by operating activities	<u>42,486</u>	<u>25,070</u>	<u>67,556</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Cash received from taxes	121,345	-	121,345
Transfers from (to) other funds	<u>15,101</u>	<u>( 7,601)</u>	<u>7,500</u>
Net cash provided (used) by noncapital financing activities	<u>136,446</u>	<u>( 7,601)</u>	<u>128,845</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	<u>( 188,548)</u>	<u>-</u>	<u>( 188,548)</u>
Net cash used by capital and related financing activities	<u>( 188,548)</u>	<u>-</u>	<u>( 188,548)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	( 9,616)	17,469	7,853
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>92,340</u>	<u>200</u>	<u>92,540</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>82,724</u>	<u>17,669</u>	<u>100,393</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	( 41,117)	21,169	( 19,948)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	104,259	-	104,259
(Increase) decrease in assets:			
Accounts receivable	( 71,890)	-	( 71,890)
Increase (decrease) in liabilities:			
Accounts payable	50,529	3,459	53,988
Accrued liabilities	<u>705</u>	<u>442</u>	<u>1,147</u>
Net cash provided (used) by operating activities	<u>\$ 42,486</u>	<u>\$ 25,070</u>	<u>\$ 67,556</u>

**The accompanying notes are an integral part of these financial statements.**

**HENDERSON COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**DECEMBER 31, 2014**

**ASSETS**

Cash and investments \$ 4,933,935

Total assets \$ 4,933,935

**LIABILITIES**

Due to other agencies and individuals \$ 4,933,935

Total liabilities \$ 4,933,935

**The accompanying notes are an integral part of these financial statements.**

# HENDERSON COUNTY, TEXAS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

Henderson County, Texas (the County) uses a commission form of government under the laws and statutes of the constitution of the State of Texas. The County provides various services to advance the welfare, health, morals, comfort, safety, and convenience of the County and its inhabitants. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

#### **Financial Reporting Entity**

The definition of the reporting entity is based primarily on the notion of financial accountability. The elected officials governing Henderson County are accountable to their constituents for their public policy decisions, regardless of whether those decisions are carried out directly through the operations of the County or by their appointees through the operations of a separate entity. Therefore, the County is not only financially accountable for the organizations that make up its legal entity, it is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the County.

Depending upon the significance of the County's financial and operational relationships with various separate entities, the organizations are classified as blended or discrete component units, related organizations, joint ventures, or jointly governed organizations, and the financial disclosure is treated accordingly. As of December 31, 2014, the County does not report any component units.

#### B. Government-wide and Fund 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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenue* includes 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. 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 revenue 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.

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 it is 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.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.



The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Road and Bridge Fund** is used to account for the operation, repair and maintenance of roads and bridges within the County.

The County reports the following major Enterprise Funds:

The **Fair Park Fund** is used to account for the activities of the Henderson County Fairgrounds.

The **Fair Park Concessions Fund** is used to account for the concessions activities of the Henderson County Fairgrounds.

Additionally, the County reports the following fund type:

**Agency Funds** account for assets held by the County in a trustee capacity or as an agent for individuals or other governments. They are custodial in nature and do not include measurement of results of operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Deposits and Investments**

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 invests its resources in bank certificates of deposit. These investments are recorded at cost, which approximates fair value. The County is entitled to invest in obligations of the United States, the State of Texas, and certificates of deposit of state or national banks or savings and loan associations with the State.

## Receivables and Payables

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

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

## Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The County defines capital assets as physical assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Property improvements are capitalized if valued over \$10,000 with an estimated useful life in excess of 10 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings and improvements	10 - 40
Furniture and equipment	5 - 10
Infrastructure	50 - 100

## Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has no items that qualify for reporting in this category as of December 31, 2014.

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 or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

## **Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

## **Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses as incurred.

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

## **Fund Balance Classifications**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

### **Fund Equity**

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the Commissioners' Court, the County's highest level of decision making authority. These amounts cannot

be used for any other purpose unless the Commissioners' Court removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

### **Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

### **Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

## **2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

### **Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “Long-term

liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$3,424,772) difference are as follows:

General obligation bonds	\$( 2,487,000)
Capital leases	( 204,605)
Accrued interest payable	( 3,909)
Compensated absences	<u>( 729,258)</u>
 Net adjustment to decrease <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 <u>\$( 3,424,772)</u>

**Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “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.” The details of this \$(1,201,757) difference are as follows:

Capital outlay	\$ 1,007,745
Depreciation expense	<u>( 2,209,502)</u>
 Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	 <u>\$( 1,201,757)</u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$(128,232) difference are as follows:

Property taxes	\$( 95,110)
Court fines	<u>( 33,122)</u>
 Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	 <u>\$( 128,232)</u>

Another element of that reconciliation states that, “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 governmental funds.” The details of this (\$121,087) difference are as follows:

Compensated absences	\$ 143,360
Accrued interest	( <u>22,273</u> )
 Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	 \$ <u>121,087</u>

**3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

The Commissioners’ Court approves a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and the means of financing them. For each budgeted fund, budgetary control is maintained at the departmental classification level. This is the level at which expenditures may not legally exceed funds. Any expenditures which alter the total budgeted amounts must be approved by the Commissioners’ Court and the budget appropriately amended. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the Capital Projects Fund. All annual appropriations lapse at fiscal year-end.

**4. DETAILED NOTES ON ALL FUNDS**

**Deposits**

**Custodial Credit Risk**

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. State statutes require that all deposits in financial institutions be fully collateralized by U. S. Government obligations or its agencies and instrumentalities or direct obligations of the State of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of the deposits. As of December 31, 2014, the County’s \$30,501,899 deposit balance was entirely collateralized with securities pledged by the pledging financial institution or covered by FDIC insurance.

## Receivables

Receivables as of year-end for the County's individual major funds and nonmajor funds including the applicable allowances for uncollectible accounts are as follows:

	<u>Governmental Funds</u>		<u>Enterprise Funds</u>	
	<u>General</u>	<u>Road and Bridge</u>	<u>Fair Park</u>	<u>Total</u>
Receivables:				
Taxes	\$ 1,991,107	\$ 364,540	\$ 105,741	\$ 2,461,388
Fines	17,724,080	-	-	17,724,080
Other	<u>305,991</u>	<u>9,070</u>	<u>-</u>	<u>315,061</u>
Gross receivables	<u>20,021,178</u>	<u>373,610</u>	<u>105,741</u>	<u>20,500,529</u>
Less: allowance for uncollectibles	<u>( 16,051,227)</u>	<u>( 27,297)</u>	<u>( 5,287)</u>	<u>( 16,083,811)</u>
Net total receivables	<u>\$ 3,969,951</u>	<u>\$ 346,313</u>	<u>\$ 100,454</u>	<u>\$ 4,416,718</u>

## Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,628,887	\$ -	\$ -	\$ 3,628,887
Total capital assets not being depreciated	3,628,887	-	-	3,628,887
Capital assets, being depreciated:				
Buildings and improvements	28,463,655	191,862	-	28,655,517
Furniture and fixtures	12,572,085	815,882	( 407,476)	12,980,491
Infrastructure	32,024,869	-	-	32,024,869
Total capital assets being depreciated	73,060,609	1,007,744	( 407,476)	73,660,877
Less accumulated depreciation:				
Buildings and improvements	( 12,589,484)	( 845,979)	32,165	( 13,403,298)
Furniture and fixtures	( 9,537,694)	( 871,861)	368,214	( 10,041,341)
Infrastructure	( 19,013,392)	( 491,662)	-	( 19,505,054)
Total accumulated depreciation	( 41,140,570)	( 2,209,502)	400,379	( 42,949,693)
Total capital assets, being depreciated, net	31,920,039	( 1,201,758)	( 7,097)	30,711,184
Governmental activities capital assets, net	<u>\$ 35,548,926</u>	<u>\$ ( 1,201,758)</u>	<u>\$ ( 7,097)</u>	<u>\$ 34,340,071</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 250,504	\$ -	\$ -	\$ 250,504
Total capital assets not being depreciated	250,504	-	-	250,504
Capital assets, being depreciated:				
Buildings	1,556,281	-	-	1,556,281
Improvements	416,877	188,548	-	605,425
Furniture and fixtures	258,778	20,955	( 30,269)	249,464
Total capital assets being depreciated	2,231,936	209,503	( 30,269)	2,411,170
Less accumulated depreciation:				
Buildings	( 1,111,141)	( 50,861)	-	( 1,162,002)
Improvements	( 207,627)	( 27,971)	-	( 235,598)
Furniture and fixtures	( 161,880)	( 25,427)	30,269	( 157,038)
Total accumulated depreciation	( 1,480,648)	( 104,259)	30,269	( 1,554,638)
Total capital assets, being depreciated, net	751,288	105,244	-	856,532
Business-type activities capital assets, net	<u>\$ 1,001,792</u>	<u>\$ 105,244</u>	<u>\$ -</u>	<u>\$ 1,107,036</u>



Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:		
General government		\$ 922,005
Legal		16,027
Public safety		316,063
Road and bridge		<u>955,407</u>
Total depreciation expense - governmental activities		<u>2,209,502</u>
Business-type activities:		
Fair Park		<u>104,259</u>
Total depreciation expense - business-type activities		\$ <u>104,259</u>

### **Interfund Transfers**

The composition of interfund transfers as of December 31, 2014, is as follows:

#### **Interfund Transfers:**

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Fair Park	General	\$ 7,500
Fair Park	Fair Park Concessions	<u>7,601</u>
		\$ <u>15,101</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to another fund that is allowed to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### **Capital Leases**

The County has entered into certain lease agreements as lessee for the financing and acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014, were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>
2015	\$ 87,776
2016	87,776
2017	70,055
Less amount representing interest	<u>( 20,047)</u>
Present value of minimum lease payment	<u>\$ 225,560</u>

### **Long-term Debt**

The County issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental and business-type activities. These instruments include general obligation bonds, certificates of obligation, and capital leases. These debt obligations are secured by either future tax revenue or liens on property and equipment. Debt obligations that are intended to be repaid from Fair Park revenue have been recorded as business-type activities. All other long-term obligations of the County are considered to be governmental type activities.

### **Bonds Payable and Certificates of Obligation**

A summary of the terms of general obligation bonds and certificates of obligation outstanding and their corresponding allocations to the governmental and business-type activities at December 31, 2014, follows:

<u>Series and Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Governmental Activities</u>
<b><u>General Obligation Bonds</u></b>			
2013 General Obligations Refunding \$ 2,585,000	2016	0.943%	\$ <u>2,487,000</u>
Total			\$ <u>2,487,000</u>

Annual debt service requirements for bonds are as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,237,000	\$ 17,620
2016	<u>1,250,000</u>	<u>5,894</u>
Total	<u>\$ 2,487,000</u>	<u>\$ 23,514</u>

## Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
General obligation bonds	\$ 3,695,000	\$ -	\$( 1,208,000)	\$ 2,487,000	\$ 1,254,620
Capital leases	360,278	-	( 155,673)	204,605	73,419
Compensated absences	<u>585,898</u>	<u>550,294</u>	<u>( 406,934)</u>	<u>729,258</u>	<u>583,406</u>
Governmental activities long-term liabilities	<u>4,641,176</u>	<u>550,294</u>	<u>( 1,770,607)</u>	<u>3,420,863</u>	<u>1,911,445</u>
<b>Business-type activities</b>					
Capital leases	<u>-</u>	<u>20,955</u>	<u>-</u>	<u>20,955</u>	<u>7,109</u>
Business-type activities long-term liabilities	<u>\$ -</u>	<u>\$ 20,955</u>	<u>\$ -</u>	<u>\$ 20,955</u>	<u>\$ 7,109</u>

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

## Other Information

### **Risk Management**

Henderson County is exposed to various risks of loss relating to general liability, the accidental loss of real and personal property, damage to County assets, errors and omissions and personnel risks which relate to workers' compensation. The County carries commercial insurance in order to manage the above listed risks. Amounts of coverage for the above types of risk have not been subject to a significant reduction in the past year. The amounts of settlements have not exceeded insurance coverage for the past three fiscal years.

### **Health Care Coverage**

During the year ended December 31, 2014, employees of the County were covered by a health insurance plan (the "Plan"). The County contributed 100% of the premium for each employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a Health Maintenance Organization. The Plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the County and the licensed insurer is renewable, and terms of coverage and contribution costs are included in the contractual provisions.

### **Postemployment Benefits Other than Pension Benefits (OPEB)**

Currently, health insurance benefits are provided to eligible retirees of the County in accordance with the policies and procedures approved by Commissioners' Court. Health insurance premiums for eligible retirees are paid for by the County for a maximum of three years.

Eligible retired employees are regular fulltime employees who retire under the employees' established retirement program (Texas County and District Retirement System) on or after January 1, 1991, and hired on or before December 31, 2009. Retired employee's eligibility shall cease upon the occurrence of the following events, whichever occurs first: 1) the last day of the contract month in which a retiree becomes eligible for Medicare by reason of obtaining age 65; 2) the last day of the contract month in which a retiree becomes eligible for disability under the United States Social Security Act; or 3) the last day of the contract month in which the County has contributed premiums for a three-year period.

As of December 31, 2014, the County had 20 retirees that were eligible for the OPEB plan and the cost per retiree to the County was \$828 per month for the months of January through October, and \$842 for November and December. Expenses for post-retirement health care benefits are recognized on a pay-as-you-go basis. During the year, premiums paid by the County were \$196,700.

In June 2004, the Government Accounting Standards Board (GASB) issued Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which was effective for the County for the year ending December 31, 2008. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities, note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. This Statement requires systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and provides information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. The County has not obtained the required actuarial evaluation of the benefits it provides to retirees and, therefore, has not implemented this standard.

### **Litigation**

The County is involved in certain legal actions and claims arising in the ordinary course of its operations. The outcome of these lawsuits is not presently determinable, but according to the County's attorneys, a judgment, if any, would have an immaterial impact on the County as a whole.

### **Commitments and Contingencies**

The County participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the County, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

## **Pension Plans**

### **Defined Benefit Plan – Texas County and District Retirement System (TCDRS)**

#### **Plan Description**

Henderson County provides pension, disability, and death benefits for all of its fulltime employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement system (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 624 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P. O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 20 years regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years, but must leave their accumulated deposits in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the County within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated deposits and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

#### **Funding Policy**

Henderson County has elected the annually determined contribution rate (variable-rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the County based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The County contributed using the actuarially determined rate of 12.75% for the fiscal year 2014.

The deposit rate payable by the employee members of the plan for calendar year 2014 is the rate of 7% as adopted by the governing body of the County. The employee deposit rate and the employer contribution rate may be changed by the Commissioners' Court of the County within the options available in the TCDRS Act.

**Annual Pension Cost**

For Henderson County’s accounting year ended December 31, 2014, the annual pension cost for the TCDRS plan for its employees was \$1,946,319 and the actual contributions were \$1,946,319.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuation as of December 31, 2011, the basis for determining the contribution rates for calendar year 2014. The December 31, 2014, actuarial valuation is the most recent valuation.

Actuarial Valuation Date	12/31/12	12/31/13	12/31/14
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percentage of payroll, closed	level percentage of payroll, closed	level percentage of payroll, closed
Amortization period	20	20	14.6
Asset valuation method	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value	SAF: 10-yr smoothed value ESF: Fund Value
Actuarial Assumptions:			
Investment return (1)	8.00%	8.00%	8.00%
Projected salary increases (1)	5.40%	4.9%	4.9%
Inflation	3.50%	3.0%	3.0%
Cost-of-living adjustments	0.0%	0.0%	0.0%

(1) includes inflation at the stated rate

**Funded Status and Funding Progress**

As of December 31, 2014, the most recent actuarial valuation date, the plan was 82 percent funded. The actuarial accrued liability for benefits was \$47,862,549, and the actuarial value of assets was \$39,435,635, resulting in an unfunded actuarial accrued liability (UAAL) of \$8,426,914. The covered payroll (annual payroll of active employees covered by the plan) was \$14,342,815, and the ratio of the UAAL to the covered payroll was 59 percent. The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Trend Information**

<u>Accounting Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/12	\$ 1,686,881	100%	\$ -
12/31/13	1,763,565	100%	-
12/31/14	1,946,319	100%	-

**REQUIRED SUPPLEMENTARY  
INFORMATION**

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## HENDERSON COUNTY, TEXAS

### SCHEDULE OF FUNDING PROGRESS FOR PARTICIPATION IN TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
12/31/2012	\$ 36,551,072	\$ 45,258,179	81%	\$ 8,707,107	\$ 13,987,401	62%
12/31/2013	38,569,842	46,981,418	82%	8,411,576	13,831,885	61%
12/31/2014	39,435,635	47,862,549	82%	8,426,914	14,342,815	59%

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# **COMBINING STATEMENTS**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

*Special Revenue Funds* are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

***Records Management*** – This fund is used to account for fees collected by both the District and County Clerks. The use of these fees is statute driven to provide these offices with funds for records management and preservation services. Expenditures must be approved by Commissioners' Court.

***CWM Library*** – This fund is used to account for the operation of the Clint W. Murchison Memorial Library.

***Hot Check***– This fund is funded by fees from hot check collections. The Hot Check Department is a division of the County Attorney's office and is a computerized operation for the prosecution and collection of hot checks. This department assists merchants by preparing witness statements, collection and return of restitution to merchants, and filing criminal cases against check writers. Revenue derived from these collections is utilized for the benefit of the County Attorney's office.

***Law Enforcement – District Attorney*** – This fund is used to account for the seizure of property and money, which may be used by the District Attorney for law enforcement purposes. The fund is also a clearing account for seizures held pending disposition. The District Attorney may dispense funds according to court orders and pro rata shares determined by interlocal agreements with other law enforcement agencies.

***Law Enforcement – Sheriff*** – This fund is used to account for seizures awarded to the Sheriff's Department through an interlocal agreement with the District Attorney. The fund may be used by the Sheriff for law enforcement purposes.

***County Attorney State Allotment*** – The County Attorney's office receives a state supplement provided by House Bill 801 for County Attorney salary and other uses of the office. The amount is appropriated from the State General Fund to enhance prosecution.

***Law Library*** – This fund is used to account for the fees collected at the District Clerk and County Clerk for the Law Library.

***Federal Seizures Sheriff*** – This fund is used to account for funds from the forfeiture of property and money, which may be used at the Sheriff's Department.

## **DEBT SERVICE FUNDS**

*Jail Expansion Interest and Sinking* – The *Jail Expansion Interest and Sinking Fund* was established to accumulate resources and pay principal and interest on the jail expansion bonds.

**HENDERSON COUNTY, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2014**

	Special Revenue			
	Records Management	CWM Library	Hot Check	Law Enforcement District Attorney
<b>ASSETS</b>				
Cash and investments	\$ 448,289	\$ 1,963	\$ 72,102	\$ 108,285
Taxes receivable, net of allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 448,289</u>	<u>\$ 1,963</u>	<u>\$ 72,102</u>	<u>\$ 108,285</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,300	\$ 867	\$ -	\$ 862
Accrued liabilities	-	-	84	80
Due to other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,599</u>
Total liabilities	<u>6,300</u>	<u>867</u>	<u>84</u>	<u>100,541</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Advance property tax collections	-	-	-	-
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Restricted	<u>441,989</u>	<u>1,096</u>	<u>72,018</u>	<u>7,744</u>
Total fund balance	<u>441,989</u>	<u>1,096</u>	<u>72,018</u>	<u>7,744</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 448,289</u>	<u>\$ 1,963</u>	<u>\$ 72,102</u>	<u>\$ 108,285</u>

Law Enforcement Sheriff	Special Revenue			Federal Seizures Sheriff	Debt Service	Total Governmental Funds
	County Attorney State Allotment	Law Library	Jail Expansion Interest and Sinking			
\$ 62,808	\$ 37,445	\$ 66,273	\$ 10,683	\$ 800,177	\$ 1,608,025	
-	-	-	-	100,454	100,454	
<u>\$ 62,808</u>	<u>\$ 37,445</u>	<u>\$ 66,273</u>	<u>\$ 10,683</u>	<u>\$ 900,631</u>	<u>\$ 1,708,479</u>	
\$ 10,504	\$ -	\$ 3,172	\$ -	\$ -	\$ 21,705	
33	3,650	-	-	-	3,847	
-	-	-	-	-	99,599	
<u>10,537</u>	<u>3,650</u>	<u>3,172</u>	<u>-</u>	<u>-</u>	<u>125,151</u>	
-	-	-	-	706,614	706,614	
-	-	-	-	95,500	95,500	
-	-	-	-	802,114	802,114	
<u>52,271</u>	<u>33,795</u>	<u>63,101</u>	<u>10,683</u>	<u>98,517</u>	<u>781,214</u>	
<u>52,271</u>	<u>33,795</u>	<u>63,101</u>	<u>10,683</u>	<u>98,517</u>	<u>781,214</u>	
<u>\$ 62,808</u>	<u>\$ 37,445</u>	<u>\$ 66,273</u>	<u>\$ 10,683</u>	<u>\$ 900,631</u>	<u>\$ 1,708,479</u>	

**HENDERSON COUNTY, TEXAS**

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

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Special Revenue			
	Records Management	CWM Library	Hot Check	Law Enforcement District Attorney
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fees of office	227,572	9,495	18,802	-
Fines and forfeitures	-	-	-	6,492
Intergovernmental	-	-	-	-
Investment earnings	-	-	-	2
Miscellaneous	-	11,070	1,456	-
Total revenues	<u>227,572</u>	<u>20,565</u>	<u>20,258</u>	<u>6,494</u>
<b>EXPENDITURES</b>				
Current:				
General government	89,775	-	-	-
Legal	-	-	14,528	24,384
Judicial	207	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	22,522	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	<u>89,982</u>	<u>22,522</u>	<u>14,528</u>	<u>24,384</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	137,590	( 1,957)	5,730	( 17,890)
<b>FUND BALANCES, BEGINNING</b>	<u>304,399</u>	<u>3,053</u>	<u>66,288</u>	<u>25,634</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 441,989</u>	<u>\$ 1,096</u>	<u>\$ 72,018</u>	<u>\$ 7,744</u>



Law Enforcement Sheriff	Special Revenue			Debt Service	Total Governmental Funds
	County Attorney State Allotment	Law Library	Federal Seizures Sheriff	Jail Expansion Interest and Sinking	
\$ -	\$ -	\$ -	\$ -	\$ 1,088,371	\$ 1,088,371
-	-	27,978	-	-	283,847
3,721	-	-	10,175	-	20,388
-	70,000	-	-	-	70,000
2	-	-	3	-	7
-	-	-	-	2,164	14,690
<u>3,723</u>	<u>70,000</u>	<u>27,978</u>	<u>10,178</u>	<u>1,090,535</u>	<u>1,477,303</u>
-	-	-	-	-	89,775
-	80,230	-	-	-	119,142
-	-	-	-	-	207
23,624	-	-	184	-	23,808
-	-	27,150	-	-	49,672
-	-	-	-	1,208,000	1,208,000
-	-	-	-	46,649	46,649
<u>23,624</u>	<u>80,230</u>	<u>27,150</u>	<u>184</u>	<u>1,254,649</u>	<u>1,537,253</u>
( 19,901)	( 10,230)	828	9,994	( 164,114)	( 59,950)
<u>72,172</u>	<u>44,025</u>	<u>62,273</u>	<u>689</u>	<u>262,631</u>	<u>841,164</u>
<u>\$ 52,271</u>	<u>\$ 33,795</u>	<u>\$ 63,101</u>	<u>\$ 10,683</u>	<u>\$ 98,517</u>	<u>\$ 781,214</u>

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## AGENCY FUNDS

***Property Tax Fund*** – This fund is maintained by the Tax Collector for property taxes collected for other governments.

***Auto 6.25% Fund*** – This fund is maintained by the Tax Collector to account for sales tax on new vehicles due to the State.

***Auto Fund*** – This fund is maintained by the Tax Collector to account for collections from auto registrations due to the State.

***Auto Vehicle Inventory Tax Fund*** – This fund holds estimated payments by auto dealers for taxes on inventory. Taxes are based on sales and are applied against the balance owed according to the assessment later in the year.

***Seven Points Substation Fund*** – A tax account for automobile registrations maintained by the Tax Collector at a substation location.

***Chandler Substation Fund*** – A tax account for automobile registrations maintained by the Tax Collector at a substation location.

***Juvenile Probation Fund*** – This fund accounts for cash held in an agency capacity for the Henderson County Juvenile Probation Department.

***County Clerk Fee Fund*** – This fund accounts for fines and fees charged by the office held for other entities.

***County Clerk Trust Fund*** – This fund accounts for money held in non-interest bearing accounts for civil cases before the County Court or County Court-at-Law. Disbursements are made upon disposition of the cases by court order.

***County Clerk Interest Bearing Trust Fund*** – This fund accounts for money held in interest-bearing accounts for civil cases before the County Court and County Court-at-Law. Disbursements are made upon disposition of the cases by court order.

***District Clerk Fee Fund*** – This fund accounts for fines and fees charged by the office held for other entities. The account may also hold a small amount of funds for restitution or bond payments.

***District Clerk Trust Investment Fund*** – This fund maintained by the District Clerk accounts for certificates of deposit held pending disposition of civil cases before the District Courts.

***County Attorney Hot Check Fund*** – This fund accounts for collections by the County Attorney for bad checks.

***Inmate Trust Fund*** – Maintained by the Sheriff, this fund holds inmate funds during incarceration.

***Sheriff Commissary Fund*** – This fund is used to account for funds held for inmates to make commissary purchases.

***District Attorney Escrow Fund*** – This fund accounts for funds held by the District Attorney for restitution payable to victims.

## HENDERSON COUNTY, TEXAS

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b><u>PROPERTY TAX FUND</u></b>				
Assets				
Cash and investments	\$ 787,095	\$ 96,585,050	\$ 95,867,894	\$ 1,504,251
Total assets	\$ 787,095	\$ 96,585,050	\$ 95,867,894	\$ 1,504,251
Liabilities				
Due to other agencies and individuals	\$ 787,095	\$ 96,585,050	\$ 95,867,894	\$ 1,504,251
Total liabilities	\$ 787,095	\$ 96,585,050	\$ 95,867,894	\$ 1,504,251
<b><u>AUTO 6.25% FUND</u></b>				
Assets				
Cash and investments	\$ 402,778	\$ 5,404,769	\$ 5,455,863	\$ 351,684
Total assets	\$ 402,778	\$ 5,404,769	\$ 5,455,863	\$ 351,684
Liabilities				
Due to other agencies and individuals	\$ 402,778	\$ 5,404,769	\$ 5,455,863	\$ 351,684
Total liabilities	\$ 402,778	\$ 5,404,769	\$ 5,455,863	\$ 351,684
<b><u>AUTO FUND</u></b>				
Assets				
Cash and investments	\$ 400,329	\$ 10,397,378	\$ 10,384,906	\$ 412,801
Total assets	\$ 400,329	\$ 10,397,378	\$ 10,384,906	\$ 412,801
Liabilities				
Due to other agencies and individuals	\$ 400,329	\$ 10,397,378	\$ 10,384,906	\$ 412,801
Total liabilities	\$ 400,329	\$ 10,397,378	\$ 10,384,906	\$ 412,801

## HENDERSON COUNTY, TEXAS

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS (Continued) FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b><u>AUTO VEHICLE INVENTORY TAX FUND</u></b>				
Assets				
Cash and investments	\$ 237,698	\$ 244,573	\$ 224,650	\$ 257,621
Total assets	<u>\$ 237,698</u>	<u>\$ 244,573</u>	<u>\$ 224,650</u>	<u>\$ 257,621</u>
Liabilities				
Due to other agencies and individuals	\$ 237,698	\$ 244,573	\$ 224,650	\$ 257,621
Total liabilities	<u>\$ 237,698</u>	<u>\$ 244,573</u>	<u>\$ 224,650</u>	<u>\$ 257,621</u>
<b><u>SEVEN POINTS SUBSTATION FUND</u></b>				
Assets				
Cash and investments	\$ 11,716	\$ 2,218,430	\$ 2,214,153	\$ 15,993
Total assets	<u>\$ 11,716</u>	<u>\$ 2,218,430</u>	<u>\$ 2,214,153</u>	<u>\$ 15,993</u>
Liabilities				
Due to other agencies and individuals	\$ 11,716	\$ 2,218,430	\$ 2,214,153	\$ 15,993
Total liabilities	<u>\$ 11,716</u>	<u>\$ 2,218,430</u>	<u>\$ 2,214,153</u>	<u>\$ 15,993</u>
<b><u>CHANDLER SUBSTATION FUND</u></b>				
Assets				
Cash and investments	\$ 3,745	\$ 976,657	\$ 974,323	\$ 6,079
Total assets	<u>\$ 3,745</u>	<u>\$ 976,657</u>	<u>\$ 974,323</u>	<u>\$ 6,079</u>
Liabilities				
Due to other agencies and individuals	\$ 3,745	\$ 976,657	\$ 974,323	\$ 6,079
Total liabilities	<u>\$ 3,745</u>	<u>\$ 976,657</u>	<u>\$ 974,323</u>	<u>\$ 6,079</u>

## HENDERSON COUNTY, TEXAS

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>JUVENILE PROBATION FUND</u></b>				
Assets				
Cash and investments	\$ 202,049	\$ 442,396	\$ 427,631	\$ 216,814
Total assets	<u>\$ 202,049</u>	<u>\$ 442,396</u>	<u>\$ 427,631</u>	<u>\$ 216,814</u>
Liabilities				
Due to other agencies and individuals	\$ 202,049	\$ 442,396	\$ 427,631	\$ 216,814
Total liabilities	<u>\$ 202,049</u>	<u>\$ 442,396</u>	<u>\$ 427,631</u>	<u>\$ 216,814</u>
<b><u>COUNTY CLERK FEE FUND</u></b>				
Assets				
Cash and investments	\$ 47,067	\$ 1,100,171	\$ 1,147,238	\$ -
Total assets	<u>\$ 47,067</u>	<u>\$ 1,100,171</u>	<u>\$ 1,147,238</u>	<u>\$ -</u>
Liabilities				
Due to other agencies and individuals	\$ 47,067	\$ 1,100,171	\$ 1,147,238	\$ -
Total liabilities	<u>\$ 47,067</u>	<u>\$ 1,100,171</u>	<u>\$ 1,147,238</u>	<u>\$ -</u>
<b><u>COUNTY CLERK TRUST FUND</u></b>				
Assets				
Cash and investments	\$ 848,666	\$ 522,468	\$ 628,464	\$ 742,670
Total assets	<u>\$ 848,666</u>	<u>\$ 522,468</u>	<u>\$ 628,464</u>	<u>\$ 742,670</u>
Liabilities				
Due to other agencies and individuals	\$ 848,666	\$ 522,468	\$ 628,464	\$ 742,670
Total liabilities	<u>\$ 848,666</u>	<u>\$ 522,468</u>	<u>\$ 628,464</u>	<u>\$ 742,670</u>

**HENDERSON COUNTY, TEXAS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND  
LIABILITIES - AGENCY FUNDS**

**(Continued)**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>COUNTY CLERK INTEREST BEARING TRUST FUND</u></b>				
Assets				
Cash and investments	\$ 224,764	\$ 20,923	\$ 84,781	\$ 160,906
Total assets	\$ 224,764	\$ 20,923	\$ 84,781	\$ 160,906
Liabilities				
Due to other agencies and individuals	\$ 224,764	\$ 20,923	\$ 84,781	\$ 160,906
Total liabilities	\$ 224,764	\$ 20,923	\$ 84,781	\$ 160,906
<b><u>DISTRICT CLERK FEE FUND</u></b>				
Assets				
Cash and investments	\$ 832,477	\$ 1,122,327	\$ 1,274,183	\$ 680,621
Total assets	\$ 832,477	\$ 1,122,327	\$ 1,274,183	\$ 680,621
Liabilities				
Due to other agencies and individuals	\$ 832,477	\$ 1,122,327	\$ 1,274,183	\$ 680,621
Total liabilities	\$ 832,477	\$ 1,122,327	\$ 1,274,183	\$ 680,621
<b><u>DISTRICT CLERK TRUST INVESTMENT FUND</u></b>				
Assets				
Cash and investments	\$ 497,006	\$ 241,765	\$ 304,237	\$ 434,534
Total assets	\$ 497,006	\$ 241,765	\$ 304,237	\$ 434,534
Liabilities				
Due to other agencies and individuals	\$ 497,006	\$ 241,765	\$ 304,237	\$ 434,534
Total liabilities	\$ 497,006	\$ 241,765	\$ 304,237	\$ 434,534

## HENDERSON COUNTY, TEXAS

### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

(Continued)

FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b><u>COUNTY ATTORNEY HOT CHECK FUND</u></b>				
Assets				
Cash and investments	\$ 85,128	\$ 58,971	\$ 128,444	\$ 15,655
Total assets	\$ 85,128	\$ 58,971	\$ 128,444	\$ 15,655
Liabilities				
Due to other agencies and individuals	\$ 85,128	\$ 58,971	\$ 128,444	\$ 15,655
Total liabilities	\$ 85,128	\$ 58,971	\$ 128,444	\$ 15,655
<b><u>INMATE TRUST FUND</u></b>				
Assets				
Cash and investments	\$ 28,690	\$ 747,697	\$ 763,037	\$ 13,350
Total assets	\$ 28,690	\$ 747,697	\$ 763,037	\$ 13,350
Liabilities				
Due to other agencies and individuals	\$ 28,690	\$ 747,697	\$ 763,037	\$ 13,350
Total liabilities	\$ 28,690	\$ 747,697	\$ 763,037	\$ 13,350
<b><u>SHERIFF COMMISSARY FUND</u></b>				
Assets				
Cash and investments	\$ 111,048	\$ 81,107	\$ 86,365	\$ 105,790
Total assets	\$ 111,048	\$ 81,107	\$ 86,365	\$ 105,790
Liabilities				
Due to other agencies and individuals	\$ 111,048	\$ 81,107	\$ 86,365	\$ 105,790
Total liabilities	\$ 111,048	\$ 81,107	\$ 86,365	\$ 105,790
<b><u>DISTRICT ATTORNEY ESCROW FUND</u></b>				
Assets				
Cash and investments	\$ 1,584	\$ 24,534	\$ 10,952	\$ 15,166
Total assets	\$ 1,584	\$ 24,534	\$ 10,952	\$ 15,166
Liabilities				
Due to other agencies and individuals	\$ 1,584	\$ 24,534	\$ 10,952	\$ 15,166
Total liabilities	\$ 1,584	\$ 24,534	\$ 10,952	\$ 15,166



**HENDERSON COUNTY, TEXAS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND  
LIABILITIES - AGENCY FUNDS**

**(Continued)**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>ALL AGENCY FUNDS</u></b>				
Assets				
Cash and investments	\$ <u>4,721,840</u>	\$ <u>120,189,216</u>	\$ <u>119,977,121</u>	\$ <u>4,933,935</u>
Total assets	\$ <u>4,721,840</u>	\$ <u>120,189,216</u>	\$ <u>119,977,121</u>	\$ <u>4,933,935</u>
Liabilities				
Due to other agencies and individuals	\$ <u>4,721,840</u>	\$ <u>120,189,216</u>	\$ <u>119,977,121</u>	\$ <u>4,933,935</u>
Total liabilities	\$ <u>4,721,840</u>	\$ <u>120,189,216</u>	\$ <u>119,977,121</u>	\$ <u>4,933,935</u>

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