



GREGG COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
SEPTEMBER 30, 2012**

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**FOR THE YEAR ENDED
SEPTEMBER 30, 2012**

Prepared By:
Gregg County Auditor's Office
Laurie Woloszyn, County Auditor

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GREGG COUNTY, TEXAS

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INTRODUCTORY SECTION

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March 28, 2013

The Honorable District Judges of Gregg County and
The Honorable Members of the Gregg County Commissioners Court:

In compliance with the statutory duties of the County Auditor as prescribed by Section 114.025 of the Local Government Code of the State of Texas, the Financial Statements of Gregg County, Texas are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to the requirement, we hereby issue the comprehensive annual financial report of Gregg County for the fiscal year ended September 30, 2012. The report is prepared by the Gregg County Auditor's office.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the data presented is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of Gregg County. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

Gregg County's financial statements have been audited by Pattillo, Brown and Hill, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of Gregg County for the year ended September 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Gregg County's financial statements are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The Financial Statements are presented in three sections: introductory, financial and compliance. The introductory section includes this transmittal letter, the County's organizational chart and a list of officials. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Gregg County's MD&A can be found in the financial section. The financial section also includes government-wide financial statements, fund financial statements, notes, required supplementary information and the combining and individual fund financial statements and schedules in addition to the report of the independent auditors.

PROFILE OF GREGG COUNTY

Located in northeast Texas, Gregg County was inhabited by Caddo Tribes until the early 1800s and partly by Cherokee immigrants until 1839. Gregg County was settled by farmers from the southern United States after Texas achieved statehood in 1845 and land area is 273 square miles. The construction of the railroad in the 1870's established the early towns that were to form Gregg County. The 2010 person per square mile was 445.

In 1873, State Representative B. W. Brown introduced a bill to create Gregg County from parts of Upshur and Rusk Counties. The County seat is Longview. The name for Gregg County commemorated a leader named John Gregg who was killed in action as a Confederate General.

Cotton was the early foundation of the economy, occupying about half of the County's cultivated acreage, and the use of the uncultivated acreage was timber for the sawmills. Late in the 1930's, Gregg County was rescued from the Great Depression by the largest pool of petroleum ever discovered in the United States. The new wealth resulted in a multitude of civic improvements being initiated before drilling slackened off.

Beginning in 1964, the construction of Interstate Highway 20 confirmed Gregg County's fortunate location on a natural east-west transportation artery. The economy that was based almost entirely on oil production and manufacturing has successfully diversified to sustain slow growth.

The County is a political subdivision of the State of Texas. The general governing body of the County is the elected five-member Commissioners' Court in accordance with Article 5, Paragraph 18 of the Texas Constitution. Commissioners serve four-year staggered terms, two members elected every two years. The County Judge is elected at large to serve a four-year term.

The annual budget serves as the foundation of Gregg County's financial planning and control. All departments of the County are required to submit budget requests to the budget officer during May of each year. The budget officer uses these requests as the starting point for developing a proposed budget along with revenue estimates provided by the County Auditor. The proposed budget is then presented to the Commissioners' Court for review. The Commissioners' Court is required to hold public hearings of the proposed budget. The County is required to adopt a final budget by the first day of the new fiscal year. The appropriated budget is prepared by fund, department and function.

The Commissioners' Court also sets the tax rates, establishes policies for County operations, and approves contracts for the County. The Commissioners' Court is responsible for approving financial commitments and appointment of various department heads. The management and leadership provided by members of the Commissioners' Court and the elected and appointed officials of other key County offices is crucial to the success of the County in financial management and growth.

The County Auditor has the responsibilities for prescribing the systems and procedures for handling the finances of the County and "examining, auditing and approving" all disbursements from County funds prior to their submission to the Commissioners' Court for approval.

The County provides many services not ordinarily provided by any other entity of government and provides additional services in cooperation with other local governmental units. A primary service is the administration of justice, which includes the civil and criminal county and district courts, justices of the peace, constables, district attorney, investigators, clerks of the courts, sheriff, jail, security and emergency management. Other functions performed by the County include 1) the construction and maintenance of roads and bridges, either independently or in cooperation with other entities; 2) administration of public health services; 3) assistance to indigents; 4) the provision of juvenile, health, education and welfare services involving the care and correction of dependent or delinquent children; 5) property tax collections for multiple agencies; 6) administration of elections; and 7) depository of public records. The County also operates an airport for the benefit of its citizens.

FINANCIAL INFORMATION

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal

control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit As a recipient of federal and state financial assistance, the County is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the County.

The County is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U. S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information related to this single audit, including a schedule of expenditures of federal awards, findings and questioned costs, and independent auditors' reports on the internal control structure and compliance with applicable laws and regulations, is included in the compliance section of this report.

As a part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the government has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended September 30, 2012, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Factors Affecting Financial Condition

Local Economy The County has diversified its economy from oil and gas and now includes manufacturing, medical and retail facilities. This diversification has lessened the effects of the recent economic downturn. Over the past decade, mineral values associated with the oil and gas industry have declined significantly and had an adverse effect on the County's tax base. The rise in property values over this time period, the addition of national retail stores within the County and expansions of existing companies have helped stabilize the overall tax base by substantially offsetting the mineral value decreases. Tax base valuations for the FY12 budget increased slightly from \$8.0 billion to \$8.2 billion.

Estimated 2011 population is 123,081, a 1 percent increase from the prior year, and a 9 percent increase since 2003. Per capita income is \$43,222. Housing units for 2011 were 49,698 and homeownership for 2007-2011 is 63.2%. The median value of owner-occupied housing units for the same time period is \$114,600. The September 2012 unemployment rate of 5.6% compared favorably with the 6.8% statewide rate, and with the 7.8% national rate.

Budgetary Controls The annual budget serves as the foundation for the County's planning and control. Budget hearings are posted annually in August with the final budget and setting of the tax rate approved by the Commissioners' Court following the hearings. Activities of the General Fund, certain Special Revenue Funds and Debt Service Funds, if any, are included in the annual budget. Project length financial plans are adopted for Capital Projects Funds. The budget is also approved at the position level to maintain control of salaries at the position level instead of the department level. The County maintains an encumbrance accounting system as one method of accomplishing budgetary control. Encumbered amounts lapse at year-end and are not appropriated as part of the following year's budget. Budget to actual comparisons are provide in this report for each major governmental fund.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit The audit was designed to meet the requirements of the federal Single Audit Act of 1984 and OMB Circular A-133. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the compliance section.

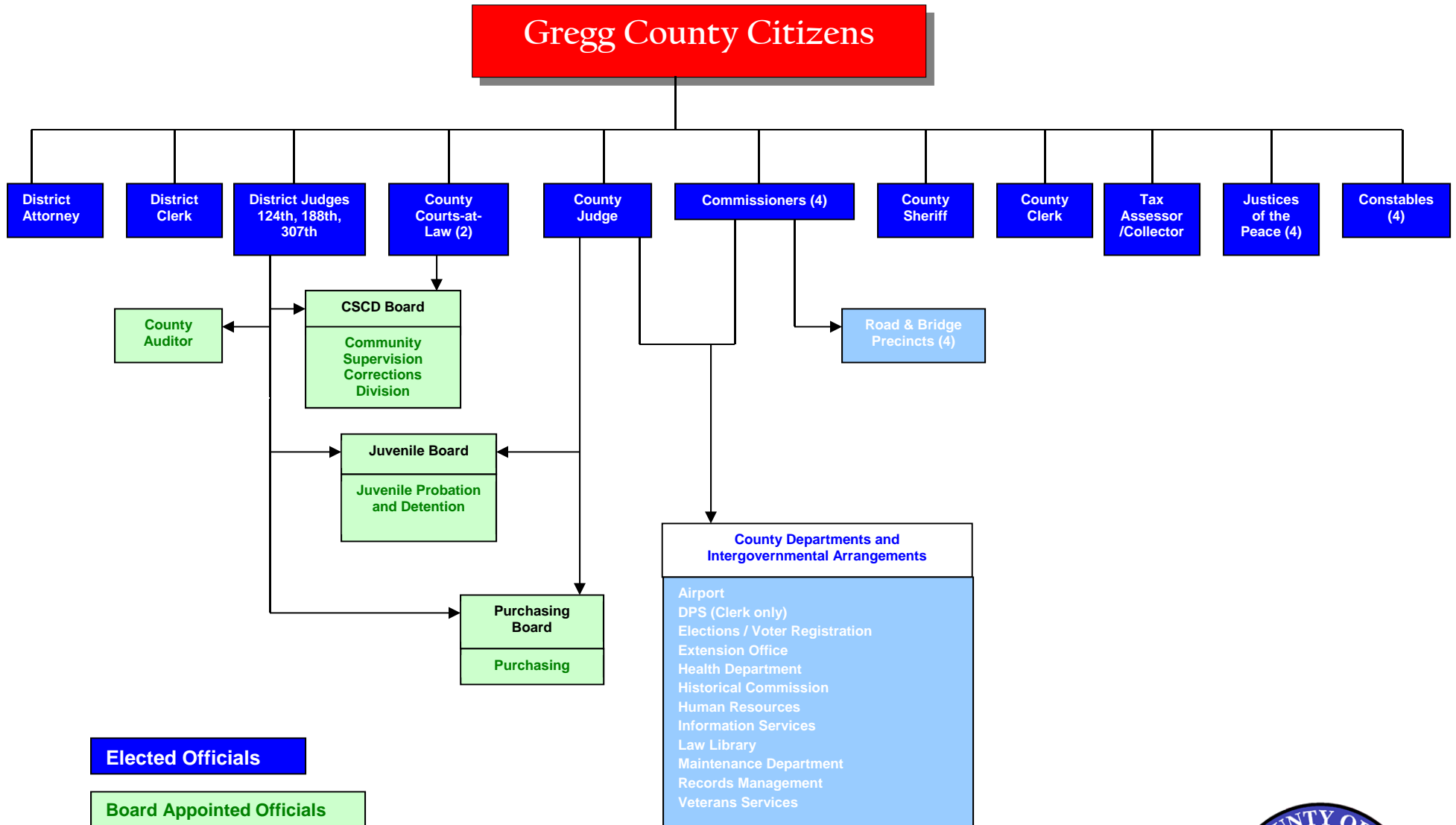
Acknowledgements The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the County Auditor's office. We would also like to express our appreciation to all the officials and members of County offices who assisted in and contributed to the preparation of this annual report.

In addition, I express my appreciation to the District Judges, the County Judge and Commissioners' Court members, and all other County officials and employees who have given their support in planning and conducting the financial operation and management of Gregg County in a responsible manner.

Respectfully submitted,


Laurie Woloszyn
Gregg County Auditor

Gregg County Organization Chart



Elected Officials

Board Appointed Officials

Comm. Court Oversight

Direction of Authority →





**Gregg County, Texas
Directory of Officials
September 30, 2012**

Elected:

**Bill Stoudt
Charles Davis
Darryl Primo
Gary Boyd
John Mathis
Carl Dorrrough
Barbara Duncan
Connie Wade
Kirk Shields
Maxey Cerliano
James Plumlee
Billy Fort
Bill Echart
Robby Cox**

**County Judge
Commissioner, Precinct 1
Commissioner, Precinct 2
Commissioner, Precinct 3
Commissioner, Precinct 4
District Attorney
District Clerk
County Clerk
Tax Assessor Collector
Sheriff
Constable, Precinct #1
Constable, Precinct #2
Constable, Precinct #3
Constable, Precinct #4**

Judicial

**David Brabham
Alfonso Charles
Tim Womack
Rebecca Simpson
Vincent Dulwebber
B. H. Jameson
Arthur Fort
Talya Carlson
Sam Lawson**

**Judge, 188th District Court
Judge, 124th District Court
Judge, 307th District Court
Judge, County Court At Law #1
Judge, County Court At Law #2
Justice of the Peace, Precinct #1
Justice of the Peace, Precinct #2
Justice of the Peace, Precinct #3
Justice of the Peace, Precinct #4**

Appointed:

**Laurie Woloszyn
Quin Tillery
Bing Canion
Shelia Embrey**

**County Auditor
Community Supervision Director
Juvenile Probation Director
Purchasing Director**

Other County Officials

**Randy Smith
DeeLee Smith
Linda Bailey
Kathryn Nealy
Roy Miller
Lewis Browne
Rita Fyffe
Derold Miller**

**Veterans Service Officer
County Extension Agent
Budget Director
Elections Administrator
Airport Manager
Administrator/Health Authority
Human Resources Director
Information Services Director**

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

The Honorable County Judge
and Members of the Commissioners' Court
Gregg County
Longview, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gregg County, Texas (the "County") as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2013, on our consideration of Gregg County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the General Fund and Road and Bridge Special Revenue Fund Budget and Actual Schedules, and Schedule of Funding Progress for Participation in the Texas County and District Retirement System on pages 3 through 13, pages 43 through 63, and page 42, respectively, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

March 28, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Gregg County, we offer readers of Gregg County's financial statements this narrative overview and analysis of the financial activities of Gregg County for the fiscal year ended September 30, 2012. Gregg County is presenting financial information in the reporting format required by Governmental Accounting Standards Board (GASB) Statement 34. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the notes to financial statements and our letter of transmittal, which can be found on pages i-iv of this report.

The Gregg County Child Welfare component unit is not included in this discussion and analysis due to the immaterial nature of the program in relation to Gregg County finances.

FINANCIAL HIGHLIGHTS

The assets of Gregg County exceeded its liabilities at the close of fiscal year 2012 by \$134,363,766 (*net assets*). Of this amount, \$62,597,897 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net assets increased by \$3,976,673 or 3% primarily due to net change in fund balances.
- As of September 30, 2012, Gregg County's governmental funds reported combined ending fund balances of \$68,987,949, an increase of \$7,263,772 or 12% in comparison with the prior year. \$32,671,321 (47%) is *available for spending* at the government's discretion (*unassigned fund balance*). \$20,290,108 (29%) is assigned fund balance designated for capital projects.
- At the end of fiscal year 2012, total unassigned fund balance for the General Fund was \$32,672,039 or 95% of total General Fund expenditures, compared to \$27,494,970 or 75.2% in 2011 and \$21,576,334 or 68.83% in 2010.
- Total revenue for the governmental activities decreased 3.7% mostly due to a decrease in charges for services revenue, operating grants and contribution revenue and capital grants and contribution revenue.
- Total expenses for the government decreased by \$3,220,380 or 6%. The program to have the largest decrease in expenditures was Transportation and Roads at \$3,568,074 or 35%. This was mostly due to the completion of a large infrastructure assistance project with TxDOT for safety improvement for SH149. The next largest decrease can be found in Health and Human Services at \$627,882 or 18%.
- A small decrease of \$9,836 or 0.2% can be found in sales tax revenue. Last year's sales tax (FY11) revenue increased 11.8% when compared to FY10.
- Investment earnings decreased \$83,036 or 32% when compared to FY11. Investment interest continues to remain low.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to Gregg County's basic financial statements. Gregg 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 Gregg County's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 Gregg 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 Gregg County include general government, public safety, judicial, health and human services, public buildings and transportation and roads. Gregg County reports no business-type activities.

The government-wide financial statements can be found on pages 14 – 16 of this report.

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. Gregg 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 Gregg County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government wide financial statements. However unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Gregg County maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Road and Bridge, Capital Improvement and Airport Improvement Funds, all of which are considered to be major funds. Data from the other 12 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 14 – 16 of this report.

Proprietary Funds: Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Gregg County uses Internal Service Funds to account for self-funding for medical and dental insurance and print shop activities. Because both of these services exclusively benefit government rather than business-type functions, they have been included within governmental activities in the government-wide statements.

The basic proprietary fund financial statements can be found on pages 23 – 25 of this report.

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

The basic fiduciary fund financial statement can be found on page 26 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 – 41 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Gregg County's progress in funding its obligation to provide pension benefits to its employees. Additionally, Gregg County adopts an annual appropriated budget for its general fund and for the Road and Bridge Fund. Budgetary comparison statements have been provided for the General Fund and the Road and Bridge Fund to demonstrate compliance with these budgets.

Required supplementary information can be found on pages 42 – 63 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining fund statements can be found on pages 64 – 83 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Gregg County, assets exceeded liabilities by \$134,363,766 at the close of the most recent fiscal year.

Gregg County's investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding, is 45% of net assets compared with 48.6% the last fiscal year. Gregg County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Gregg 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.

Gregg County's Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 78,213,576	\$ 71,112,444	\$ 66,689	\$ -	\$ 78,280,265	\$ 71,112,444
Capital assets	59,676,664	63,368,816	313,158	-	59,989,822	63,368,816
Total assets	<u>137,890,240</u>	<u>134,481,260</u>	<u>379,847</u>	<u>-</u>	<u>138,270,087</u>	<u>134,481,260</u>
Long-term liabilities	732,264	660,677	-	-	732,264	660,677
Other liabilities	3,156,921	3,433,490	17,136	-	3,174,057	3,433,490
Total liabilities	<u>3,889,185</u>	<u>4,094,167</u>	<u>17,136</u>	<u>-</u>	<u>3,906,321</u>	<u>4,094,167</u>
Net assets:						
Invested in capital assets, net of related debt	59,664,989	63,355,158	313,158	-	59,978,147	63,355,158
Restricted	11,787,722	743,251	-	-	11,787,722	743,251
Unrestricted	<u>62,548,344</u>	<u>66,288,684</u>	<u>49,553</u>	<u>-</u>	<u>62,597,897</u>	<u>66,288,684</u>
Total net assets	<u>\$ 134,001,055</u>	<u>\$ 130,387,093</u>	<u>\$ 362,711</u>	<u>\$ -</u>	<u>\$ 134,363,766</u>	<u>\$ 130,387,093</u>

An additional portion of Gregg County's net assets (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$62,548,344 (47%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Gregg County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental activities.

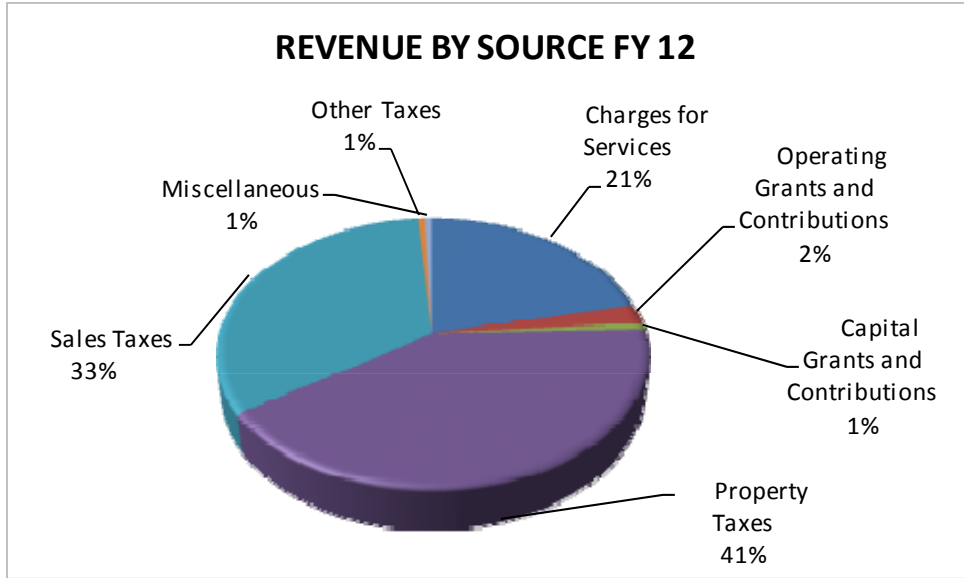
Governmental Activities: Governmental activities increased Gregg County's net assets by \$3,613,962 for a 2.8% increase of the total net assets of Gregg County. As a comparison to the prior year, net assets increased by 2.1% in FY11.

Gregg County's Changes in Net Assets

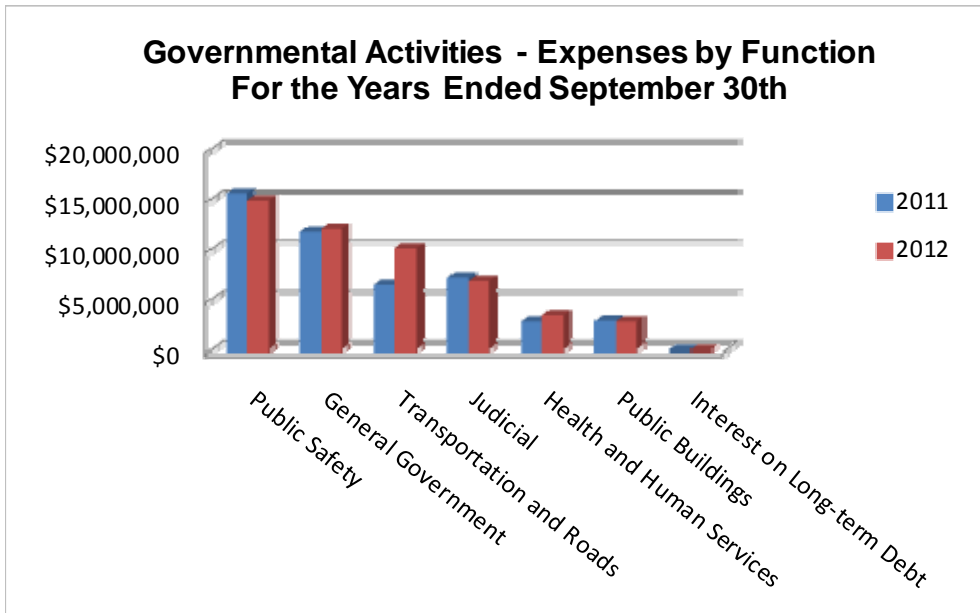
	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 10,936,155	\$ 11,181,061	\$ 54,936	\$ -	\$ 10,991,091	\$ 11,181,061
Operating grants and contributions	1,245,358	1,981,326	-	-	1,245,358	1,981,326
Capital grants and contributions	380,331	1,263,850	-	-	380,331	1,263,850
General revenues:						
Property taxes	21,177,159	21,302,750	-	-	21,177,159	21,302,750
Sales taxes	16,902,274	16,912,110	-	-	16,902,274	16,912,110
Other taxes	302,200	280,914	-	-	302,200	280,914
Investment earnings	177,938	260,974	-	-	177,938	260,974
Miscellaneous	133,755	25,612	-	-	133,755	25,612
Total revenues	51,255,170	53,208,597	54,936	-	51,310,106	53,208,597
Expenses:						
General government	11,829,723	12,151,388	-	-	11,829,723	12,151,388
Judicial	7,263,692	6,926,043	-	-	7,263,692	6,926,043
Public safety	15,617,020	14,857,301	-	-	15,617,020	14,857,301
Health and human services	2,938,243	3,566,125	-	-	2,938,243	3,566,125
Public buildings	3,021,237	2,921,703	-	-	3,021,237	2,921,703
Transportation and roads	6,551,074	10,119,148	-	-	6,551,074	10,119,148
Interest on long-term debt	1,250	12,105	-	-	1,250	12,105
Longview						
Community Center	-	-	111,194	-	111,194	-
Total expenses	47,222,239	50,553,813	111,194	-	47,333,433	50,553,813
Increases in net assets before transfers						
	4,032,931	2,654,784	(56,258)	-	3,976,673	2,654,784
Transfers						
	(418,969)	-	418,969	-	-	-
Change in net assets						
	3,613,962	2,654,784	362,711	-	3,976,673	2,654,784
Net assets, beginning						
	130,387,093	127,732,309	-	-	130,387,093	127,732,309
Net assets, ending						
	\$ 134,001,055	\$ 130,387,093	\$ 362,711	\$ -	\$ 134,363,766	\$ 130,387,093

**Net Cost of Governmental Activities for Gregg County
By Function for the Fiscal Years Ended September 30**

Function/Program	Net Cost of Services	
	2012	2011
General Government	\$ (8,621,416)	\$ (7,641,222)
Judicial	(5,173,921)	(4,751,900)
Public Safety	(13,839,237)	(13,405,482)
Health and Human Services	(2,367,820)	(2,334,762)
Public Buildings	(226,725)	431,170
Transportation and Roads	(4,430,026)	(8,192,129)
Interest on long -term debt	(1,250)	(12,105)
Total	\$ (34,660,395)	\$ (35,906,430)



Comparison of government-wide expenditures by function. Total expenditures increased 6%.



Key elements of the analysis of government-wide revenues and expenses reflect the following:

- Program revenues of \$12,561,844 equaled 27% of total government expenses of \$47,222,239. As expected, general revenues of \$38,693,326 provided the additional support and coverage for expenses. Program revenues consist of charges for services, operating and capital grants. General revenues consist mainly of sales and property tax which are not attributable to a specific program.
- Over 33% of the expenses are for Public Safety (\$15,617,020) reflecting the continuing demands on law enforcement. This program provided 3% (\$1,777,783) of the total government revenues for the year.
- The next largest category of expenses is General Government which equals \$11,829,723 or 25% of total expenditures. General Government provided 6% or \$3,208,307 of the government total revenue.
- Transportation and Roads accounted for \$6,551,074 or 14% of the government expenses while this category provided 4% or \$2,121,048 of total government revenue.
- Judicial expenses for the government for the year accounted for 15% or \$7,263,692 of the expenditures while this category provided for 4% or \$2,089,771 of the government revenue.
- Capital Grant Revenues and Contributions comprised 1% of total government revenue, all in the General Government program. Operating Grants and Contributions accounts for 2% of total government revenue distributed throughout all programs.

Business-type Activities:

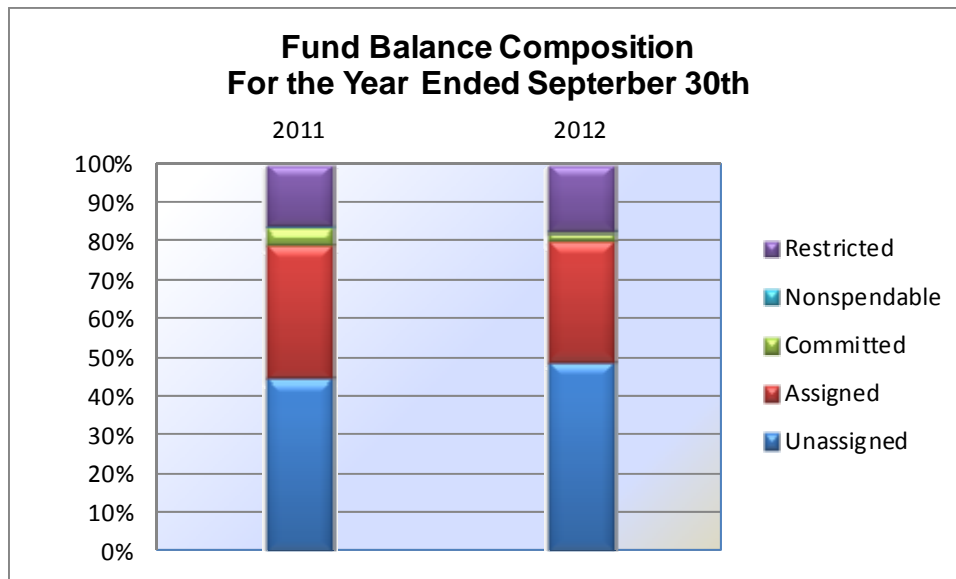
Operations of the historic Longview Community Center reverted back to Gregg County in 2012 from the Federated Women Clubs and are accounted for as business-type activity.

Business-type activities resulted in a 9% increase or \$362,711 of the County total net assets and accounts for 0.3% of the total primary government's net assets. Comparative data relating to these changes is unavailable since this is the first year of operation by the County.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Gregg County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of Gregg County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Gregg County's financing requirements. In particular, *unreserved 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 2012, Gregg County's *governmental funds* reported combined ending fund balances of \$68,987,949, an increase of \$7,263,772 (12%) in comparison with the prior year. "Unassigned" fund balance accounts for 47% or \$32,671,321 of the total. An additional \$20,290,108 (29%) is "Assigned" fund balance and is constituted mostly of CIP funds. "Committed" fund balance total is \$1,399,986 or 2% of total fund balance and would require a Commissioner's Court order to use for any other purpose. \$11,642,136 or 17% of the total ending fund balance is reporting as "Restricted" fund balance and accounts for special revenue or dedicated funds. The remainder of fund balance is "Nonspendable" to indicate it is not available for new spending because it has already been committed: 1) to reflect inventories (\$112,030); and 2) for prepaid expenditures (\$27,517).

General Fund

The General Fund is the chief operating fund of Gregg County. At the end of fiscal year 2012, the General Fund had an ending fund balance of \$33,873,963 with 2% restricted for other uses.

As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance of \$32,672,039 represents 95% of total General Fund expenditures.

The General Fund balance increased by \$5,518,485 (19%) during the 2012 fiscal year. All of the increase can be account for by excess revenue over expenditures.

General Fund Highlights:

- Property tax revenue increased by 2% or \$360,704 from the prior year due to the increase in the appraised values. Values rose 2% from \$8.0 billion to \$8.2 billion.
- Sales Tax revenues decreased \$206,790 (1.3%) compared to FY11 collections.
- Actual total expenditures were \$3,609,356 (9%) under final budget appropriations.
- Total General Fund Revenues decreased by \$102,242 or 0.3% compared to a 3.7% increase last year.
- Other financing sources included \$30,706 received from the sale of capital assets.
- Total General Fund Expenditures decreased \$2,193,546 or 6% compared to a 16.7% increase last year. The largest expenditure decrease (\$3,924,698) was due to the completion of partnerships with TxDOT for HWY 149 safety improvements.

- Differences between the original budget and the final amended budget can be briefly summarized as follows:
 - A decrease of \$187,122 in expenditure appropriations although final expenditures were \$3,796,478 under the original budget appropriations.

Road and Bridge Fund

- The Road and Bridge Fund had an ending fund balance of \$4,844,016, a increase of \$360,830 (8%) of which \$106,365 or 2% is nonspendable for inventories and \$113,583 or 2% is assigned for road and bridge projects. The remaining balance \$4,624,068 or 95% is restricted for use on road and bridge projects.
- Total FY12 Road and Bridge Expenditures decreased by \$1,288,177 or 20%.
- Other financing sources included \$3,894 received from the sale of capital assets.
- Revenues were \$383,489 above the final budgeted amount.
- Final expenditures were \$498,229 under the final budget appropriations.
- Differences between the original budget and the final amended budget can be briefly summarized as follows:
 - An increase of \$23,792 in expenditure appropriations.

Airport and Airport Improvement Funds

- Major Infrastructure Project completions for the year include the following:
 - Airport Parking Lot Reconstruction/Expansion-\$1,898,968
- Major Construction in Progress at the Airport include the following:
 - Terminal Improvements Design and Construction
 - Apron Construction Design
- Other financing sources included \$10,058 received from the sale of capital assets.

Capital Improvement Fund

The government adopts a five year Capital Improvement Plan (CIP) annually designating funds for major facility and infrastructure improvements. Only individual projects adopted by Commissioners' Court as part of each budget are considered "approved" projects. During each subsequent year estimates are used for planning purposes and are reevaluated for approval during each annual budget process. The Court identifies capital projects, updates the five year plan and sets aside available funds with the desire to minimize future debt impact. The CIP develops a clearer path for future capital improvements.

Construction in Progress at County buildings at year-end include the following:

Countywide ADA Compliance Upgrades
 Continued improvements at the Longview Community Center
 R&B Precinct 1 Office Reconstruction
 Juvenile Building Renovation

Future Projects included in the CIP are:

- County Facility: Multi Level Courthouse Parking Facilities; Continued upgrades of Boiler and Chillers;

- Airport Infrastructure: County's Grant Match for East Texas Regional Airport Improvements; North and South Perimeter Road Construction, design and construct Runway 13/31 and design and construct ARFF station.
- Transportation: continue widening and extension of George Richey Road in partnership with the City of Longview and partnerships with TXDOT on other improvements in Kilgore, White Oak, and Gladewater.

CAPITAL ASSET AND DEBT ADMINISTRATION

Gregg County adopted its' new Capital Asset Policy beginning in 2003. Depreciation policies were adopted to include useful life and classification by function. Standard capitalization thresholds were established for each major class of asset and are as follows:

Building/improvements	\$ 25,000
Improvements other than building	25,000
Infrastructure	25,000
Machinery, equipment and other assets	5,000
Construction in progress	25,000

Gregg County is reporting retroactive infrastructure assets since 2007 in conjunction with GASB 34 requirements. The method used to value the infrastructure is the estimated historical cost based on the average age of the infrastructure system.

Capital Assets: As of September 30, 2012, Gregg County's investment in capital assets amounts to \$59,989,822 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements, machinery and equipment, construction in progress and airport infrastructure.

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,296,670	\$ 1,315,910	\$ 19,240	\$ -	\$ 1,315,910	\$ 1,315,910
Construction in progress	592,508	2,088,706	10,679	-	603,187	2,088,706
Buildings and improvements	20,201,275	19,117,309	283,239	-	20,484,514	19,117,309
Machinery and equipment	5,927,023	6,576,840	-	-	5,927,023	6,576,840
Infrastructure	<u>31,659,188</u>	<u>34,270,051</u>	<u>-</u>	<u>-</u>	<u>31,659,188</u>	<u>34,270,051</u>
Total	<u>\$ 59,676,664</u>	<u>\$ 63,368,816</u>	<u>\$ 313,158</u>	<u>\$ -</u>	<u>\$ 59,989,822</u>	<u>\$ 63,368,816</u>

Capital Assets purchased during FY12 include the following:

- General Fund major equipment purchases during the year include one van for Community Building Maintenance and 11 vehicles for the Public Safety program for a total cost of \$255,268.
- Road & Bridge Fund capital equipment purchased during the year include the following: Diesel Broom - \$41,884, Wheeled Excavator-\$201,236, a Water Tanker truck-\$36,950 and two pickup trucks - \$49,998.
- Airport capital equipment purchase of a Towable Man Lift at a cost of \$37,566.

Major Capital Building Renovations completed include the following:

- Complete roof replacement for the Gladewater Senior Citizens Building at \$42,570
- Health and Service Center Parking Lot Renovation at a cost of \$40,757.
- Courthouse Cooling Tower \$209,300
- Renovation upgrades at the Longview Community Building \$174,030
- A complete roof replacement for the Airport Firehouse Building at a cost of \$41,400

Capital Assets disposed of during the year are as follows:

- 9 Sheriff Vehicles, a Maintenance van, Airport's International Truck with man lift, a Mauldin roller and a Cub Cadet with stripper attachment.

Additional information on Gregg County's capital assets can be found in Note 4 on pages 35 – 36 of this report.

Long-term Debt: Gregg County has no bonded indebtedness at this time. Long-term liabilities at the end of the fiscal year total \$732,264 almost all of which are an accrual for compensated absences of \$725,084 (99%).

Additional information on Gregg County's long-term debt can be found in Note 4 on page 37 – 38 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The annual budget is developed to provide efficient and economic uses of the County's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the County Judge and the Commissioners set the direction of the County, allocate its resources and establish its priorities.

In considering the County budget for FY13 the Court considered the following:

- The County economy has not been affected as much as the rest of the nation by the economic downturn but the Court continues to budget conservatively as the future still holds much uncertainty. For FY13 there was an increase in the tax base valuation from \$8.27 billion to \$8.53 billion in the prior year. Additionally, Gregg County continues to maintain a lower unemployment rate when compared with the state and national averages.
- Sales tax revenue growth is expected to remain relatively flat for FY 2013.
- There is no plan to issue debt in the FY13 budget year or in the near future. The County's debt position continues to remain favorable. The commissioner's court also continues to fund major capital projects on a pay-as-you-go basis.
- The tax rate approved to fund the FY13 budget decreased to .2625 from .2650 per \$100 valuation. This rate will adequately fund the FY13 budget.
- Budgeted revenue government wide for FY13 is \$53,663,677 and the budgeted expenditures are \$60,632,367. Additionally, other financing sources are budgeted at \$8,667,900 and other financing uses are budgeted at \$8,772,150. This consists mainly of transfers for large capital projects.
- Major capital improvements budgeted for FY13 include continued renovations at the Longview Community Building, airport infrastructure improvements in the completion of the construction of the Terminal Expansion and Remodel, initiation of the South Perimeter Road Project and purchase of a Jet Bridge. Additional capital expenditures approved in the budget are the completion of the upgrades to the courthouse boilers and chillers, continued ADA improvements as well as the continued partnerships with the City of Longview and TXDOT for the completion of the expansion on George Richey Road; TXDOT, the City of Kilgore and KEDCO for the widening of SH42, south in I20; and the Senergy Park road project.
- Revenue from interest is expected to remain low.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Gregg County's finances for all those with an interest in the government's finances and show the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Laurie Woloszyn, Auditor's Office, 101 E. Methvin, Ste. 306, Longview, TX 75601 or visit the County's website at www.co.gregg.tx.us.

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**BASIC
FINANCIAL STATEMENTS**

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GREGG COUNTY, TEXAS

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Child Welfare Board
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 10,159,880	\$ 62,727	\$ 10,222,607	\$ 145,072
Investments	60,123,731	-	60,123,731	105,049
Receivables (net of allowances for uncollectibles)				
Taxes	444,428	-	444,428	-
Accounts	3,733,123	3,962	3,737,085	-
Interest	53,216	-	53,216	69
Due from other governments	3,534,199	-	3,534,199	-
Inventory	137,482	-	137,482	-
Prepaid expenses	27,517	-	27,517	-
Capital assets (net of accumulated depreciation)				
Land	1,296,670	19,240	1,315,910	-
Construction in progress	592,508	10,679	603,187	-
Buildings and improvements	41,072,989	475,559	41,548,548	-
Equipment	18,688,265	-	18,688,265	-
Infrastructure	73,915,629	-	73,915,629	-
Less: accumulated depreciation	<u>(75,889,397)</u>	<u>(192,320)</u>	<u>(76,081,717)</u>	<u>-</u>
Total capital assets	<u>59,676,664</u>	<u>313,158</u>	<u>59,989,822</u>	<u>-</u>
 Total assets	 <u>137,890,240</u>	 <u>379,847</u>	 <u>138,270,087</u>	 <u>250,190</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,439,749	12,653	1,452,402	9,215
Due to other governments	38,130	-	38,130	-
Accrued liabilities	1,679,042	4,483	1,683,525	570
Noncurrent liabilities:				
Due within one year	555,485	-	555,485	-
Due within more than one year	<u>176,779</u>	<u>-</u>	<u>176,779</u>	<u>-</u>
Total liabilities	<u>3,889,185</u>	<u>17,136</u>	<u>3,906,321</u>	<u>9,785</u>
NET ASSETS				
Invested in capital assets, net of related debt	59,664,989	313,158	59,978,147	-
Restricted for:				
Transportation and roads	4,789,161	-	4,789,161	-
Public safety operations	606,516	-	606,516	-
Judicial operations	131,596	-	131,596	-
Airport operations	170,363	-	170,363	-
Court technology and security	210,598	-	210,598	-
Records management and preservation	702,052	-	702,052	-
Voting and elections	35,366	-	35,366	-
Health and human services operations	56,341	-	56,341	-
Archive restoration	813,419	-	813,419	-
Permanent improvements	4,272,310	-	4,272,310	-
Unrestricted	<u>62,548,344</u>	<u>49,553</u>	<u>62,597,897</u>	<u>240,405</u>
 Total net assets	 <u>\$ 134,001,055</u>	 <u>\$ 362,711</u>	 <u>\$ 134,363,766</u>	 <u>\$ 240,405</u>

The notes to the financial statements are an integral part of this statement.

GREGG COUNTY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 11,829,723	\$ 2,787,306	\$ 40,670	\$ 380,331
Judicial	7,263,692	1,706,448	383,323	-
Public safety	15,617,020	1,393,005	384,778	-
Health and human services	2,938,243	196,892	373,531	-
Public buildings	3,021,237	2,773,416	21,096	-
Transportation and roads	6,551,074	2,079,088	41,960	-
Interest on long-term debt	1,250	-	-	-
Total governmental activities	<u>47,222,239</u>	<u>10,936,155</u>	<u>1,245,358</u>	<u>380,331</u>
Business-type activities:				
Longview community center	<u>111,194</u>	<u>54,936</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>111,194</u>	<u>54,936</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 47,333,433</u>	<u>\$ 10,991,091</u>	<u>\$ 1,245,358</u>	<u>\$ 380,331</u>
Component unit:				
Child Welfare Board	<u>\$ 151,939</u>	<u>\$ -</u>	<u>\$ 181,183</u>	<u>\$ -</u>
Total component unit	<u>\$ 151,939</u>	<u>\$ -</u>	<u>\$ 181,183</u>	<u>\$ -</u>
General revenues:				
Taxes:				
Property taxes				
Sales taxes				
Alcoholic beverage taxes				
Other taxes				
Unrestricted investment earnings				
Miscellaneous				
Gain on disposal of capital assets				
Transfers				
Total general revenues and transfers				
Change in net assets				
Net assets, beginning				
Net assets, ending				

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue
and Changes
in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Governmental Activities
\$(8,621,416)	\$ -	\$(8,621,416)	\$ -
(5,173,921)	-	(5,173,921)	-
(13,839,237)	-	(13,839,237)	-
(2,367,820)	-	(2,367,820)	-
(226,725)	-	(226,725)	-
(4,430,026)	-	(4,430,026)	-
(1,250)	-	(1,250)	-
<u>(34,660,395)</u>	<u>-</u>	<u>(34,660,395)</u>	<u>-</u>
<u>-</u>	(56,258)	(56,258)	<u>-</u>
<u>-</u>	(56,258)	(56,258)	<u>-</u>
<u>\$(34,660,395)</u>	<u>\$(56,258)</u>	<u>\$(34,716,653)</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>29,244</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>29,244</u>
21,177,159	-	21,177,159	-
16,902,274	-	16,902,274	-
189,867	-	189,867	-
112,333	-	112,333	-
177,938	-	177,938	284
95,890	-	95,890	-
37,865	-	37,865	-
(418,969)	418,969	-	-
<u>38,274,357</u>	<u>418,969</u>	<u>38,693,326</u>	<u>284</u>
3,613,962	362,711	3,976,673	29,528
<u>130,387,093</u>	<u>-</u>	<u>130,387,093</u>	<u>210,877</u>
<u>\$ 134,001,055</u>	<u>\$ 362,711</u>	<u>\$ 134,363,766</u>	<u>\$ 240,405</u>

GREGG COUNTY, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	<u>General</u>	<u>Road and Bridge</u>	<u>Capital Improvement</u>
ASSETS			
Cash and cash equivalents	\$ 3,095,002	\$ 299,123	\$ 4,350,933
Investments	29,330,614	4,671,250	19,895,852
Receivables (net of allowance for uncollectibles)			
Accounts	1,898,246	1,323,486	41,475
Taxes	321,816	44,526	54,826
Interest	28,489	1,567	18,020
Due from other funds	61,445	-	-
Due from other governments	3,246,407	10,659	981
Inventories	-	106,365	-
Prepaid expenditures	<u>27,517</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 38,009,536</u>	<u>\$ 6,456,976</u>	<u>\$ 24,362,087</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	923,596	217,949	6,177
Due to other governments	32,258	696	-
Accrued liabilities	1,206,262	104,307	-
Deferred revenues	1,973,457	1,290,008	49,934
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,135,573</u>	<u>1,612,960</u>	<u>56,111</u>
Fund balances:			
Nonspendable:			
Prepaid expenditures	27,517	-	-
Inventories	-	106,365	-
Restricted for:			
Archive restoration	813,419	-	-
Transportation and road improvements	19,507	4,624,068	-
Public Safety operations	-	-	-
Bail bond board operations	29,369	-	-
Judicial operations	-	-	-
Airport operations	-	-	-
Court technology and security	-	-	-
Records management and preservation	-	-	-
Voting and elections	-	-	-
Health and human services operations	55,670	-	-
Permanent improvements	-	-	4,272,310
Committed for:			
Airport operations	-	-	-
Donations to healthcare organizations	-	-	-
Assigned for:			
Capital projects	176,962	-	20,033,666
Transportation and road improvements	79,480	-	-
Other projects	-	113,583	-
Unassigned	<u>32,672,039</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>33,873,963</u>	<u>4,844,016</u>	<u>24,305,976</u>
Total liabilities and fund balances	<u>\$ 38,009,536</u>	<u>\$ 6,456,976</u>	<u>\$ 24,362,087</u>

The notes to the financial statements are an integral part of this statement.

<u>Airport Improvement</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 103,088	\$ 2,149,761	\$ 9,997,907
-	3,826,964	57,724,680
26	216,311	3,479,544
-	23,260	444,428
-	2,153	50,229
-	-	61,445
184,412	91,740	3,534,199
-	5,665	112,030
-	-	27,517
<u>\$ 287,526</u>	<u>\$ 6,315,854</u>	<u>\$ 75,431,979</u>
117,163	\$ 170,339	\$ 1,435,224
-	5,176	38,130
-	78,178	1,388,747
-	207,085	3,520,484
-	61,445	61,445
<u>117,163</u>	<u>522,223</u>	<u>6,444,030</u>
-	-	27,517
-	5,665	112,030
-	-	813,419
-	-	4,643,575
-	577,147	577,147
-	-	29,369
-	131,596	131,596
170,363	-	170,363
-	210,598	210,598
-	702,052	702,052
-	35,366	35,366
-	671	56,341
-	-	4,272,310
-	1,399,986	1,399,986
-	2,731,268	2,731,268
-	-	20,210,628
-	-	79,480
-	-	113,583
-	(718)	32,671,321
<u>170,363</u>	<u>5,793,631</u>	<u>68,987,949</u>
<u>\$ 287,526</u>	<u>\$ 6,315,854</u>	<u>\$ 75,431,979</u>

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GREGG COUNTY, TEXAS

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS**

AS OF SEPTEMBER 30, 2012

Total fund balances - governmental funds balance sheet	\$ 68,987,949
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	59,672,169
Certain receivables will not be collected soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.	
Property taxes	351,741
Court fines and fees	3,168,743
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(725,084)
Capital leases	(7,180)
An Internal Service Fund is used by management to charges the costs of certain capital assets to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the statement of net assets.	<u>2,552,717</u>
Net assets of governmental activities	\$ <u>134,001,055</u>

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

GREGG COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General	Road and Bridge	Capital Improvement
REVENUES			
Taxes:			
Current property taxes	\$ 15,246,354	\$ 2,816,977	\$ 1,101,938
Delinquent property taxes	387,387	74,398	27,998
Alcoholic beverage tax	189,867	-	-
Bingo tax	112,333	-	-
Sales tax	15,152,603	-	-
Motor vehicle sales tax	1,032,305	717,366	-
Licenses and permits	137,526	1,260,513	-
Intergovernmental	856,731	40,860	-
Charges for services	3,197,972	-	-
Fines and forfeitures	649,012	557,570	-
Investment earnings	93,851	9,748	52,994
Rents and commissions	2,959,793	-	-
Miscellaneous	207,805	27,689	-
Total revenues	40,223,539	5,505,121	1,182,930
EXPENDITURES			
Current:			
General government	8,245,299	-	-
Judicial	7,028,010	-	-
Public safety	13,940,746	-	-
Health and human services	2,487,535	-	-
Public buildings	2,130,553	-	-
Transportation and roads	-	4,923,812	-
Debt service:			
Principal	5,169	144	-
Interest and fiscal charges	1,186	2	-
Capital outlay	554,383	344,646	353,167
Total expenditures	34,392,881	5,268,604	353,167
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,830,658	236,517	829,763
OTHER FINANCING SOURCES (USES)			
Transfers in	121,300	100,000	235,000
Transfers out	(494,335)	-	(175,175)
Sale of capital assets	30,706	3,894	-
Insurance recoveries	30,156	20,419	41,475
Total other financing sources (uses)	(312,173)	124,313	101,300
NET CHANGE IN FUND BALANCES	5,518,485	360,830	931,063
FUND BALANCES, BEGINNING	28,355,478	4,483,186	23,374,913
FUND BALANCES, ENDING	\$ 33,873,963	\$ 4,844,016	\$ 24,305,976

The notes to the financial statements are an integral part of this statement.

<u>Airport Capital Improvement</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,692,221	\$ 20,857,490
-	42,996	532,779
-	-	189,867
-	-	112,333
-	-	15,152,603
-	-	1,749,671
-	-	1,398,039
380,331	783,363	2,061,285
48,531	466,640	3,713,143
-	238,020	1,444,602
-	14,761	171,354
-	393,159	3,352,952
-	123,744	359,238
<u>428,862</u>	<u>3,754,904</u>	<u>51,095,356</u>
39,126	1,041,353	9,325,778
-	257,869	7,285,879
-	1,488,308	15,429,054
-	457,292	2,944,827
-	-	2,130,553
-	1,100	4,924,912
-	1,165	6,478
-	62	1,250
<u>443,611</u>	<u>127,594</u>	<u>1,823,401</u>
<u>482,737</u>	<u>3,374,743</u>	<u>43,872,132</u>
<u>(53,875)</u>	<u>380,161</u>	<u>7,223,224</u>
53,875	59,335	569,510
-	-	(669,510)
-	10,058	44,658
-	3,840	95,890
<u>53,875</u>	<u>73,233</u>	<u>40,548</u>
-	453,394	7,263,772
<u>170,363</u>	<u>5,340,237</u>	<u>61,724,177</u>
<u>\$ 170,363</u>	<u>\$ 5,793,631</u>	<u>\$ 68,987,949</u>

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GREGG COUNTY, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net change in fund balances - total governmental funds (pages 18 - 19)	\$ 7,263,772
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. This is the amount of capital assets recorded in the current period.	2,652,801
Depreciation on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds.	(6,016,943)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(325,762)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	53,590
resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Principal payment on capital leases	6,478
Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences liability	(72,241)
Internal Service Funds are used by management to charge the costs of certain capital assets to individual funds. The net revenue of certain activities of Internal Service Funds is reported with governmental activities.	<u>52,267</u>
Change in net assets of governmental activities (page 15)	<u>\$ 3,613,962</u>

The notes to the financial statements are an integral part of this statement.

GREGG COUNTY, TEXAS

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

SEPTEMBER 30, 2012

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Longview Community Center</u>	<u>Internal Service Funds</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 62,727	\$ 161,973
Investments	-	2,399,051
Interest receivable	-	2,987
Accounts receivable, net of allowances	3,962	253,579
Inventory	-	25,452
Total current assets	<u>66,689</u>	<u>2,843,042</u>
Noncurrent assets:		
Capital assets:		
Land	19,240	-
Construction in process	10,679	-
Buildings and improvements	475,559	-
Equipment	-	18,794
Less: accumulated depreciation	<u>(192,320)</u>	<u>(14,299)</u>
Total capital assets	<u>313,158</u>	<u>4,495</u>
Total noncurrent assets	<u>313,158</u>	<u>4,495</u>
Total assets	<u>379,847</u>	<u>2,847,537</u>
LIABILITIES		
Current liabilities:		
Accounts payable	12,653	4,525
Accrued liabilities	4,483	290,295
Total current liabilities	<u>17,136</u>	<u>294,820</u>
Total liabilities	<u>17,136</u>	<u>294,820</u>
NET ASSETS		
Invested in capital assets, net of related debt	313,158	4,495
Unrestricted	<u>49,553</u>	<u>2,548,222</u>
Total net assets	<u>\$ 362,711</u>	<u>\$ 2,552,717</u>

The notes to the financial statements are an integral part of this statement.

GREGG COUNTY, TEXAS

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS**

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	Longview Community Center	Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 54,936	\$ 5,428,797
Total operating revenues	<u>54,936</u>	<u>5,428,797</u>
OPERATING EXPENSES		
Salaries	48,442	24,954
Fringe benefits	14,897	12,643
Operating expenses	42,044	46,206
Insurance consultant	-	22,000
Claim expenses	-	4,732,202
Administrative	-	542,861
Depreciation	<u>5,811</u>	<u>2,248</u>
Total operating expenses	<u>111,194</u>	<u>5,383,114</u>
OPERATING INCOME (LOSS)	(56,258)	45,683
NONOPERATING REVENUES (EXPENSES):		
Interest and investment revenue	<u>-</u>	<u>6,584</u>
Total nonoperating revenues (expenses)	<u>-</u>	<u>6,584</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(56,258)	52,267
Capital contributions	318,969	-
Transfers in	<u>100,000</u>	<u>-</u>
CHANGES IN NET ASSETS	362,711	52,267
TOTAL NET ASSETS, BEGINNING	<u>-</u>	<u>2,500,450</u>
TOTAL NET ASSETS, ENDING	<u>\$ 362,711</u>	<u>\$ 2,552,717</u>

The notes to the financial statements are an integral part of this statement.

GREGG COUNTY, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2012

	Business-type Activities	Governmental Activities
	Longview Community Center	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 50,974	\$ -
Cash receipts from interfund charges for print shop services	-	100,349
Cash receipts from interfund charges for self-insurance services	-	5,103,185
Payments to suppliers for goods and services	(29,391)	(5,359,179)
Payments to employees for salaries and benefits	(58,856)	(37,113)
Net cash used by operating activities	(37,273)	(192,758)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	100,000	-
Net cash provided by noncapital financing activities	100,000	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturities of investments	-	1,275,000
Purchase of investments	-	(1,375,000)
Earnings on investments	-	8,589
Net cash used by investing activities	-	(91,411)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	62,727	(284,169)
CASH AND CASH EQUIVALENTS, BEGINNING	-	446,142
CASH AND CASH EQUIVALENTS, ENDING	\$ 62,727	\$ 161,973
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$(56,258)	\$ 45,683
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	5,811	2,248
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Inventory	-	(8,580)
Accounts receivable	(3,962)	(225,263)
Increase (decrease) in liabilities:		
Accounts payable	12,653	1,434
Accrued liabilities	4,483	(8,280)
Net cash used by operations	\$(37,273)	\$(192,758)
Noncash investing, capital and financing activities:		
Contributions of capital assets	\$ 318,969	\$ -

The notes to the financial statements are an integral part of this statement.

GREGG COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

SEPTEMBER 30, 2012

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 8,391,292
Accounts receivable	<u>1,814</u>
Total assets	<u>\$ 8,393,106</u>
LIABILITIES	
Due to others	<u>\$ 8,393,106</u>
Total liabilities	<u>\$ 8,393,106</u>

The notes to the financial statements are an integral part of this statement.

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GREGG COUNTY, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of Gregg County, Texas (the "County") have been prepared in conformity with generally accepted accounting principles (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These notes to the financial statements are an integral part of the basic financial statements of the County. The following is a discussion of the more significant accounting policies utilized by the County.

A. Reporting Entity

GASB Statement No. 14 "*The Financial Reporting Entity*," establishes criteria which should be considered and evaluated along with other judgmental factors before a decision is made to include one governmental unit with another governmental unit for the purpose of issuing basic financial statements. The five criteria considered were (1) financial accountability, (2) appointment of a voting majority, (3) imposition of will, (4) financial benefit to or a burden on a primary government, and (5) financial accountability as a result of fiscal dependency.

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision on whether or not to include a potential component unit in the reporting entity was made by applying the criteria set forth in the preceding paragraph.

Discretely presented component unit – For reporting purposes, the Gregg County Child Welfare Board has been presented as a discretely presented component unit. The Gregg County Child Welfare Board is responsible for providing additional assistance to foster children in the care of the State. The Board is appointed by the Commissioners' Court and serves at their pleasure. Separately issued financial statements are available for the Gregg County Child Welfare Board and can be obtained by contacting the Gregg County, Texas County Auditor's office, 101 E. Methvin, Suite 306, Longview, TX 75601.

B. Basis of Presentation – Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's Enterprise Funds. 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.

As discussed earlier, the government has one discretely presented component unit. While the Child Welfare Board is not considered to be a major component unit, it is nevertheless shown in separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

C. Basis of Presentation – Fund Financial Statements

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

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** accounts for the operation, construction and maintenance of roads and bridges.

The **Capital Improvement Fund** accounts for activities associated with the County's Capital Improvement Plan. This plan encompasses future capital asset acquisition and construction.

The **Airport Improvement Fund** accounts for federal grant funding used for capital improvements for the East Texas Regional Airport.

The County reports the following major Enterprise Fund:

The **Longview Community Center Fund** is used to account for the activities of the community center.

Additionally, the County reports the following fund types:

Internal Service Funds account for insurance/risk management services and print services provided to other departments on a cost reimbursement basis.

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations and other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

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

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

E. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and government securities.

State statutes authorize the County to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments for the government are reported at fair value.

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." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance for court fines and fees receivable is currently 35-90% of the uncollected balance. The property tax allowance is calculated by year as a percentage of the outstanding levy. The allowance for property taxes for the current year, with this calculation, is approximately 58% of the uncollected balance at September 30, 2012.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Inventories and Prepaid Items

All inventories are stated at cost using the first-in/first-out (FIFO) method. The costs of inventory items are recognized as expenditures in governmental funds when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 for equipment and \$25,000 for buildings and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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 are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements	20
Equipment	3 - 15
Infrastructure (streets and drainage)	16

Compensated Absences

Vacation and sick leave benefits are accumulated by County employees according to formulas adopted by the Commissioners' Court. The County's policy requires vacation time to be used within 14 months of being earned. Upon termination or retirement, employees are paid for any unused vacation time. The County's policy allows for accumulation of sick leave up to 60 days and provides for payment of sick leave accruals only upon retirement. At September 30, 2012, a liability has been recorded in the government-wide financial statements for accrued vacation time as well as the portion of accumulated sick leave expected to be paid.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

Fund Balance Classification

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:

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

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 ordinance 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 intent can be expressed by the Commissioners' Court.

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of accumulated depreciation, are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their 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.

E. Revenues and Expenditures/Expenses

Program revenues

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

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Property Taxes

Property taxes are levied on October 1 of each year 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.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Longview Community Center and Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds and Internal Service 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.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equity

The VIT Operating Fund (nonmajor special revenue) had a deficit fund balance of \$718 as of September 30, 2012. The fund incurred expenditures in excess of available resources for the fiscal year and this deficit is expected to be paid with revenues in the subsequent period or with a transfer from the General Fund.

4. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The County's investment pool is a 2a7-like pool. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

The County is required by state statute to seek formal bids for depository services. The Investment Policy includes collateral requirements in compliance with state statute and is made part of the Depository Contract.

Chapter 2256 of the Texas Government Code (The Public Funds Investment Act) authorizes and requires Gregg County to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal and liquidity. It also addresses investment diversification, yield, and maturity along with quality and capability of investment personnel. The investment policy defines what constitutes the legal list of investments allowed under the policy and the Court further limits certain investment instruments allowed under Texas law. Investments are held by the County's agent in the County's name. The County records all interest revenue earned from investment activities in the respective funds.

The County's deposits and investments are invested pursuant to the investment policy, which is approved annually by Commissioners' Court. The Court appoints an investment committee to review the investment policy and submit changes for approval. The appointment of the County's investment office is also done annually by resolution. The investment officer is authorized to invest in investment instruments provided they meet the guidelines of the investment policy. The investment policy includes a list of authorized investment instruments, and a maximum allowable stated maturity of any individual investment by source of funds. In addition, the investment policy includes an "investment strategy" that specifically addresses investment options and describes the priorities of preservation and safety of principal (suitability), liquidity, maturity, marketability, diversification and yield.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

The investment officer submits an investment report quarterly to Commissioners' Court as specified by Chapter 2256 of the Government Code. The report details the investment position of the County and the compliance of the investment portfolio as it relates to both the adopted investment policy and Texas State Statute.

The County's demand deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by an independent third party bank as the County's agent, in the name of Gregg County at September 30, 2012. Collateral other than the FDIC insurance is comprised of various governmental agencies' issues with a rating of AAA by Standard & Poor's. The County's collateral agreements require the market value of securities held by its agents exceed the total amount of cash and investments held by our depository less FDIC. All of the County's deposits are insured or collateralized at September 30, 2012.

Investment types on September 30, 2012, were direct obligations of the U. S. Government and agency securities, and investment pools. Investments are stated at fair market value as obtained from a reputable and independent source.

As of September 30, 2012, the County had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Days)
TexPool	\$ 18,014,126	44
Municipal securities	963,607	517
U. S. Agency Securities:		
Federal Home Loan Bank	30,521,790	292
Federal Farm Credit Bank	5,001,775	522
Federal Home Loan Mortgage Corp.	5,727,481	321
Total U. S. Agency Securities	41,251,046	
Total portfolio	\$ 60,228,779	
Portfolio weighted average maturity (days)		328

Interest Rate Risk. As a means of minimizing risk of loss due to interest rate fluctuations, the investment policy limits investment maturities. General, Capital Improvement, and Road and Bridge Funds are limited to 60% of available fund balance which must remain within one year expected maturity; 40% may be invested past one year within a limit of two years. All other funds with the exception of the Health Care Fund must stay within a one-year maturity. The Health Care Fund may be entirely invested to the two-year limit.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of 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 Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. On September 30, 2012, the total carrying amount of the County's deposits was fully collateralized with securities held by the pledging financial institution in the County's name, in money market instruments, or was covered by FDIC insurance.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Credit Risk. Credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The County has limited credit risk, in conformance to state statutes and County policy, by investing in only the safest types of securities as permitted by the Public Funds Investment Act, using approved brokers and investing with different issuers. In addition, the County limits its exposure to credit risk by fully insured or collateralized deposits, regulated mutual funds and individually approved investment pools. The investment portfolio of the County is diversified to avoid incurring undue concentration in securities of one type on September 30, 2012, but the policy does not restrict the concentration of investments with one specific issuer by an explicit amount.

The County's investments as of September 30, 2012, were rated as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>
TexPool	AAAm	Standard & Poor's
Municipal securities	AA	Standard & Poor's
U. S. Agency Securities:		
Federal Home Loan Bank	AAA	Moody
Federal Farm Credit Bank	AAA	Moody
Federal Home Loan Mortgage Corp.	AAA	Moody

The County did not have any derivative investment products during the current year. All significant legal and contractual provisions for investments were complied with during the year. Investments at year-end are representative of the types of investments maintained by the County during the year.

Receivables

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

	<u>General</u>	<u>Road and Bridge</u>	<u>Capital Improvement</u>	<u>Airport Improvement</u>	<u>Nonmajor Funds</u>	<u>Longview Community Center</u>	<u>Internal Service</u>	<u>Total</u>
Receivables:								
Taxes	\$ 779,598	\$ 129,134	\$ 87,913	\$ -	\$ 74,072	\$ -	\$ -	\$ 1,070,717
Accounts	5,344,285	1,895,163	41,475	26	428,427	3,962	253,579	7,966,917
Interest	28,489	1,567	18,020	-	2,153	-	2,987	53,216
Due from other governments	<u>3,246,407</u>	<u>10,659</u>	<u>981</u>	<u>184,412</u>	<u>91,740</u>	<u>-</u>	<u>-</u>	<u>3,534,199</u>
Gross receivables	9,398,779	2,036,523	148,389	184,438	596,392	3,962	256,566	12,625,049
Less: allowance for uncollectibles	<u>(3,903,821)</u>	<u>(656,285)</u>	<u>(33,087)</u>	<u>-</u>	<u>(262,226)</u>	<u>-</u>	<u>-</u>	<u>(4,855,419)</u>
Net total receivables	<u>\$ 5,494,958</u>	<u>\$ 1,380,238</u>	<u>\$ 115,302</u>	<u>\$ 184,438</u>	<u>\$ 334,166</u>	<u>\$ 3,962</u>	<u>\$ 256,566</u>	<u>\$ 7,769,630</u>

Governmental funds report *deferred revenue* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

	<u>Unavailable</u>
General fund	
Delinquent property taxes receivable	\$ 254,056
Fines	1,719,401
Road and bridge:	
Delinquent property taxes receivable	32,003
Fines	1,258,005
Capital improvement:	
Delinquent property taxes receivable	49,934
Nonmajor funds:	
Delinquent property taxes receivable	15,750
Fines	<u>191,335</u>
Total governmental funds	<u>\$ 3,520,484</u>

Capital Assets

Capital asset activity for the year ended September 30, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers / Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,315,910	\$ -	\$ -	\$(19,240)	\$ 1,296,670
Construction in progress	<u>2,088,706</u>	<u>628,236</u>	<u>-</u>	<u>(2,124,434)</u>	<u>592,508</u>
Total assets not being depreciated	<u>3,404,616</u>	<u>628,236</u>	<u>-</u>	<u>(2,143,674)</u>	<u>1,889,178</u>
Capital assets, being depreciated:					
Buildings and improvements	39,141,223	293,570	-	1,638,196	41,072,989
Equipment	17,942,210	968,468	(222,413)	-	18,688,265
Infrastructure	<u>73,153,102</u>	<u>762,527</u>	<u>-</u>	<u>-</u>	<u>73,915,629</u>
Total capital assets being depreciated	<u>130,236,535</u>	<u>2,024,565</u>	<u>(222,413)</u>	<u>1,638,196</u>	<u>133,676,883</u>
Accumulated depreciation:					
Buildings and improvements	(20,023,914)	(1,034,309)	-	186,509	(20,871,714)
Equipment	(11,365,370)	(1,611,492)	215,620	-	(12,761,242)
Infrastructure	<u>(38,883,051)</u>	<u>(3,373,390)</u>	<u>-</u>	<u>-</u>	<u>(42,256,441)</u>
Total accumulated depreciation	<u>(70,272,335)</u>	<u>(6,019,191)</u>	<u>215,620</u>	<u>186,509</u>	<u>(75,889,397)</u>
Total capital assets being depreciated, net	<u>59,964,200</u>	<u>(3,994,626)</u>	<u>(6,793)</u>	<u>1,824,705</u>	<u>57,787,486</u>
Governmental activities capital assets, net	<u>\$ 63,368,816</u>	<u>\$(3,366,390)</u>	<u>\$(6,793)</u>	<u>\$(318,969)</u>	<u>\$ 59,676,664</u>

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Depreciation expense was charged to functions/programs of the governmental activities of the primary government as follows:

Governmental activities:	
General government	\$ 2,605,566
Judicial	7,658
Public safety	425,454
Health and human services	9,600
Public buildings	1,000,630
Transportation and roads	<u>1,970,283</u>

Total depreciation expense - governmental activities \$ 6,019,191

	Beginning Balance	Increases	Decreases	Transfers / Reclassifications	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ -	\$ -	\$ -	\$ 19,240	\$ 19,240
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,679</u>	<u>10,679</u>
Total assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,919</u>	<u>29,919</u>
Capital assets, being depreciated:					
Buildings and improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,559</u>	<u>475,559</u>
Total capital assets being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,559</u>	<u>475,559</u>
Accumulated depreciation:					
Buildings and improvements	<u>-</u>	<u>(5,811)</u>	<u>-</u>	<u>(186,509)</u>	<u>(192,320)</u>
Total accumulated depreciation	<u>-</u>	<u>(5,811)</u>	<u>-</u>	<u>(186,509)</u>	<u>(192,320)</u>
Total capital assets being depreciated, net	<u>-</u>	<u>(5,811)</u>	<u>-</u>	<u>289,050</u>	<u>283,239</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$(5,811)</u>	<u>\$ -</u>	<u>\$ 318,969</u>	<u>\$ 313,158</u>

Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2012, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental:	
	Grant	\$ 57,929
	VIT Operating	1,982
	District Attorney	<u>1,534</u>
		<u>\$ 61,445</u>

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Interfund transfers:

	Transfer In						Total
	General	Road and Bridge	Capital Improvement	Airport Improvement	Nonmajor Governmental	Longview Community Center	
Transfer out:							
General	\$ -	\$ 100,000	\$ 235,000	\$ -	\$ 59,335	\$ 100,000	\$ 494,335
Capital improvement	<u>121,300</u>	-	-	<u>53,875</u>	-	-	<u>175,175</u>
Total transfers out	<u>\$ 121,300</u>	<u>\$ 100,000</u>	<u>\$ 235,000</u>	<u>\$ 53,875</u>	<u>\$ 59,335</u>	<u>\$ 100,000</u>	<u>\$ 669,510</u>

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

Additionally, capital assets totaling \$318,969 were transferred from the governmental activities to the business-type activities. This transfer is reflected in the government-wide financial statements.

Debt

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The County currently has no outstanding bonds payable.

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases payable	\$ 13,658	\$ -	\$ 5,825	\$ 7,833	\$ 5,619
Compensated absences	<u>652,843</u>	<u>573,480</u>	<u>501,239</u>	<u>725,084</u>	<u>549,866</u>
Governmental activity long-term liabilities	<u>\$ 666,501</u>	<u>\$ 573,480</u>	<u>\$ 507,064</u>	<u>\$ 732,917</u>	<u>\$ 555,485</u>

For compensated absences, the General Fund normally liquidates approximately 80 percent of this liability. The Road and Bridge Special Revenue Fund liquidates approximately 15% of the liability with the remaining liability being liquidated by nonmajor governmental funds.

Lease Obligations

The County entered into various lease agreements for copiers to be used in multiple departments of the County valued at \$24,331. This equipment has a 5-year estimated useful life. This year, \$4,866 was included in depreciation expense for this equipment. These 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.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2012, were as follows:

Year ending September 30,	Governmental Activities
2013	\$ 6,208
2014	2,431
Total minimum lease payments	8,639
Less: amount representing interest	806
Present value of minimum lease payments	\$ 7,833

Other Information

Risk Management

The County and/or employees of the County are defendants in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Gregg County provides for the management of risks through a combination of self-insurance and traditional insurance. The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During fiscal year 2012, the County was covered under a general liability insurance plan. Additionally, the County has commercial insurance for other risks of loss, including workers' compensation, unemployment compensation, public official liability, law enforcement liability, property and employee life and accident insurance. There were no significant reductions in insurance coverage from the prior year, nor did any settlement exceed coverage.

Contingent Liabilities

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

There are currently several claims and lawsuits pending against the County. It is the opinion of the County Attorney and County Staff that there is no pending litigation against the County that, if decided against the County, would have a material adverse effect upon the operations of the County or that would exceed the contingency amounts set aside for such purpose.

Retirement Plan

Plan Description

Gregg County, Texas provides retirement, 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.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

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

Funding Policy

The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 10.10% for the months of the accounting year in 2011 and 2012.

The deposit rate payable by the employee members for calendar year 2012 is the rate of 7.0%, as adopted by the governing body of the employer.

Annual Pension Cost

For the employer's accounting year ended September 30, 2012, the annual pension cost for the TCDRS plan for its employees was \$2,308,954 and the actual contributions were \$2,308,954. 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 valuations as of December 31, 2009 and December 31, 2010, the basis for determining the contribution rates for calendar years 2011 and 2012. The December 31, 2011, actuarial valuation is the most recent valuation.

The required contribution was determined as a part of the December 31, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 8.0 percent investment rate of return (net of administrative expenses), and (b) projected salary increases of 5.4 percent. Both (a) and (b) included an inflation component of 3.5 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a ten-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 2011, was 20.0 years.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

Actuarial Valuation Information

Actuarial Valuation Date	12/31/09	12/31/10	12/31/11
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 in years	14.4	17.9	20.0
Asset valuation method			
Subdivision Accumulation Fund	10-yr smoothed value	10-yr smoothed value	10-yr smoothed value
Employees Savings Fund	Fund value	Fund value	Fund value
Actuarial Assumptions:			
Investment return ¹	8.00%	8.00%	8.00%
Projected salary increases ¹	5.4%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

¹Includes inflation at the stated rate

**Trend Information for the
Retirement Plan for the Employees of Gregg County**

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/10	\$ 2,059,489	100%	-
09/30/11	2,088,079	100%	-
09/30/12	2,308,954	100%	-

**Schedule of Funding Progress for the Retirement Plan
For the Employees of Gregg County**

Year	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (1) (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	\$ 63,433,688	\$ 73,267,028	\$ 9,833,340	86.58%	\$ 22,363,811	43.97%

- (1) The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.
- (2) Revised economic and demographic assumptions due to an experience review were reflected in this valuation.

GREGG COUNTY, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)

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.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

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GREGG COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS FOR PARTICIPATION IN TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2012

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)
12/31/2009	\$ 57,256,667	\$ 65,104,488	87.95%	\$ 7,847,821	\$ 22,935,596	34.22%
12/31/2010	61,261,693	69,839,488	87.72%	8,577,795	22,056,031	38.89%
12/31/2011	63,433,688	73,267,028	86.58%	9,833,340	22,363,811	43.97%

GREGG COUNTY, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Current property taxes	\$ 15,252,201	\$ 15,252,201	\$ 15,169,075	\$(83,126)
Current penalty and interest	78,000	78,000	77,279	(721)
Delinquent property taxes	370,202	370,202	302,135	(68,067)
Delinquent penalty and interest	96,000	96,000	85,252	(10,748)
Alcoholic beverage tax	190,000	190,000	189,867	(133)
Bingo tax	65,000	65,000	112,333	47,333
Sales tax	13,900,000	13,900,000	15,152,603	1,252,603
Motor vehicle sales tax	775,000	775,000	1,032,305	257,305
Total taxes	<u>30,726,403</u>	<u>30,726,403</u>	<u>32,120,849</u>	<u>1,394,446</u>
Licenses and permits:				
Alcoholic beverage licenses	40,000	40,000	66,626	26,626
Sexually oriented businesses	30,000	30,000	44,000	14,000
Bail bond applications	2,000	2,000	2,000	-
Sewage disposal systems	23,500	23,500	24,900	1,400
Total licenses and permits	<u>95,500</u>	<u>95,500</u>	<u>137,526</u>	<u>42,026</u>
Intergovernmental:				
Juvenile salary supplement	5,000	5,000	5,000	-
State supplement - court at law	150,000	150,000	150,000	-
State supplement - assistant prosecutors	10,000	10,000	12,120	2,120
State - indigent defense	75,000	75,000	82,192	7,192
State - juror reimbursement	50,000	50,000	46,904	(3,096)
State - commercial waste management fees	200	200	364	164
City of Lakeport - sewer fees	1,000	1,000	800	(200)
Fiscal service fee	12,500	12,500	14,215	1,715
Social security incentive payment	-	-	79,480	79,480
Drug enforcement task force	15,000	15,000	10,538	(4,462)
CSCD security deputy	-	-	-	-
Sabine Valley deputy	103,374	103,374	103,374	-
Sabine ISD resource officer	39,452	39,452	39,452	-
City of Longview - prisoner care	251,459	251,459	251,459	-
State - Title IV-E Legal Reimbursement	22,000	22,000	23,974	1,974
Child welfare board reimbursement	12,500	12,500	15,763	3,263
Federal grant	-	-	21,096	21,096
Total intergovernmental	<u>747,485</u>	<u>747,485</u>	<u>856,731</u>	<u>109,246</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES (Continued)				
Charges for services:				
Sheriff	\$ 290,000	\$ 290,000	\$ 313,957	\$ 23,957
Constable # 1	28,500	28,500	29,455	955
Constable # 2	26,500	26,500	29,700	3,200
Constable # 3	22,000	22,000	18,210	(3,790)
Constable # 4	28,500	28,500	34,055	5,555
County clerk	925,000	925,000	884,131	(40,869)
County clerk - bond administrative fee	9,200	9,200	9,591	391
County clerk - archival fee	108,000	108,000	112,450	4,450
Sheriff - bond administrative fee	3,500	3,500	2,119	(1,381)
District clerk - bond administrative fee	100	100	10	(90)
District clerk-archival fee	12,000	12,000	11,952	(48)
Tax assessor - collector	575,000	575,000	646,455	71,455
Tax collection contract fees	260,000	260,000	257,246	(2,754)
District attorney	45,000	45,000	41,513	(3,487)
District clerk	380,000	380,000	322,255	(57,745)
Justice of the Peace # 1	17,500	17,500	19,741	2,241
Justice of the Peace # 2	12,000	12,000	14,173	2,173
Justice of the Peace # 3	9,000	9,000	8,352	(648)
Justice of the Peace # 4	11,250	11,250	13,245	1,995
Trial fees	25	25	15	(10)
Jury	20,000	20,000	7,582	(12,418)
Probate judge education fees	2,200	2,200	2,990	790
Other arrest fees	60,000	60,000	91,642	31,642
Judges fee - probate	3,000	3,000	3,107	107
State fees	83,000	83,000	106,195	23,195
State fees - TP - judicial efficiency	3,000	3,000	6,284	3,284
State fee - drug court program	12,000	12,000	18,146	6,146
Court reporter service fees	44,000	44,000	41,318	(2,682)
DRO fees	10,000	10,000	1,152	(8,848)
Guardianship fee	7,000	7,000	7,580	580
Parking lot fees	5,600	5,600	5,720	120
Computer services	5,500	5,500	6,500	1,000
Family protection fees	-	-	55,670	55,670
Defensive driving fees	42,000	42,000	41,589	(411)
Child safety fees	2,200	2,200	1,631	(569)
Traffic fees	10,000	10,000	9,918	(82)
Video fees	6,200	6,200	6,600	400
Inmate reimbursement	500	500	15,723	15,223
Total charges for services	<u>3,079,275</u>	<u>3,079,275</u>	<u>3,197,972</u>	<u>118,697</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES (Continued)				
Fines and forfeitures:				
Justice court fines - JP 1	\$ 190,000	\$ 190,000	\$ 185,431	\$(4,569)
Justice court fines - JP 2	55,000	55,000	98,295	43,295
Justice court fines - JP 3	220,000	220,000	268,293	48,293
Justice court fines - JP 4	80,000	80,000	96,993	16,993
Total fines and forfeitures	<u>545,000</u>	<u>545,000</u>	<u>649,012</u>	<u>104,012</u>
Investment earnings:				
Interest	175,000	175,000	92,727	(82,273)
Unrealized gains (losses)	<u>-</u>	<u>-</u>	<u>1,124</u>	<u>1,124</u>
Total investment earnings	<u>175,000</u>	<u>175,000</u>	<u>93,851</u>	<u>(81,149)</u>
Rent and commissions:				
BorgWarner Automotive	34,098	34,098	34,098	-
A & M Tower, Inc.	10,000	10,000	3,592	(6,408)
Community buildings	40,000	40,000	31,640	(8,360)
Other rent	9,200	9,200	24,718	15,518
Royalties	125,000	125,000	64,095	(60,905)
Telephone coin stations	285,000	285,000	240,654	(44,346)
Federal - jail lease	1,500,000	1,500,000	1,884,122	384,122
Contract jail revenue	1,400,000	1,400,000	611,280	(788,720)
Concession sales	-	-	57,746	57,746
Vending machine sales	<u>-</u>	<u>-</u>	<u>7,848</u>	<u>7,848</u>
Total rent and commissions	<u>3,403,298</u>	<u>3,403,298</u>	<u>2,959,793</u>	<u>(443,505)</u>
Miscellaneous:				
Miscellaneous	<u>25,000</u>	<u>27,848</u>	<u>207,805</u>	<u>179,957</u>
Total miscellaneous	<u>25,000</u>	<u>27,848</u>	<u>207,805</u>	<u>179,957</u>
Total revenues	<u>38,796,961</u>	<u>38,799,809</u>	<u>40,223,539</u>	<u>1,423,730</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
General government:				
County clerk - administration:				
Salaries	\$ 660,526	\$ 660,526	\$ 634,973	\$ 25,553
Fringe benefits	292,670	293,127	281,607	11,520
Operating expenditures	81,920	81,920	69,027	12,893
Total county clerk - administration	1,035,116	1,035,573	985,607	49,966
County clerk - archive restoration:				
Salaries	26,044	26,044	26,043	1
Fringe benefits	13,025	13,025	12,823	202
Operating expenditures	582,452	582,452	15,370	567,082
Total county clerk - archive restoration	621,521	621,521	54,236	567,285
Telecommunications:				
Salaries	47,500	47,500	44,022	3,478
Fringe benefits	8,670	8,711	8,073	638
Operating expenditures	500	500	-	500
Total telecommunications	56,670	56,711	52,095	4,616
Purchasing:				
Salaries	172,684	172,684	161,504	11,180
Fringe benefits	56,290	56,494	53,789	2,705
Operating expenditures	11,770	11,770	8,832	2,938
Total purchasing	240,744	240,948	224,125	16,823
Human resources:				
Salaries	133,565	133,565	133,023	542
Fringe benefits	49,180	49,275	47,652	1,623
Operating expenditures	11,940	11,940	11,677	263
Total human resources	194,685	194,780	192,352	2,428

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
EXPENDITURES (Continued)				
General government: (Continued)				
Nondepartmental - general government:				
Fringe benefits	\$ 400,000	\$ 313,892	\$ 78,812	\$ 235,080
Operating expenditures	<u>3,332,525</u>	<u>2,686,873</u>	<u>2,526,568</u>	<u>160,305</u>
Total nondepartmental - general government	<u>3,877,525</u>	<u>3,028,692</u>	<u>2,605,380</u>	<u>395,385</u>
County judge:				
Salaries	189,491	189,491	179,571	9,920
Fringe benefits	67,040	67,232	63,437	3,795
Operating expenditures	16,020	18,140	6,442	11,698
Capital outlay	-	45,815	44,589	1,226
Total county judge	<u>272,551</u>	<u>320,678</u>	<u>294,039</u>	<u>26,639</u>
Postal services:				
Operating expenditures	<u>43,610</u>	<u>21,610</u>	<u>-</u>	<u>21,610</u>
Total postal services	<u>43,610</u>	<u>21,610</u>	<u>-</u>	<u>21,610</u>
Concession operations:				
Salaries	-	-	31,736	(31,736)
Fringe benefits	-	-	12,875	(12,875)
Operating expenditures	<u>-</u>	<u>-</u>	<u>30,612</u>	<u>(30,612)</u>
Total concession operations	<u>-</u>	<u>-</u>	<u>75,223</u>	<u>(75,223)</u>
Elections:				
Salaries	176,067	177,563	174,255	3,308
Fringe benefits	64,925	65,015	58,874	6,141
Operating expenditures	<u>114,280</u>	<u>116,480</u>	<u>115,463</u>	<u>1,017</u>
Total elections	<u>355,272</u>	<u>359,058</u>	<u>348,592</u>	<u>10,466</u>
County auditor:				
Salaries	488,202	488,202	480,236	7,966
Fringe benefits	171,735	172,206	166,805	5,401
Operating expenditures	<u>22,300</u>	<u>26,905</u>	<u>26,844</u>	<u>61</u>
Total county auditor	<u>682,237</u>	<u>687,313</u>	<u>673,885</u>	<u>13,428</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
EXPENDITURES (Continued)				
General government: (Continued)				
Tax assessor-collector:				
Salaries	\$ 989,958	\$ 997,077	\$ 989,275	\$ 7,802
Fringe benefits	418,920	419,569	409,930	9,639
Operating expenditures	231,850	229,303	143,467	85,836
Capital outlay	-	886	886	-
Total tax assessor-collector	<u>1,640,728</u>	<u>1,646,835</u>	<u>1,543,558</u>	<u>103,277</u>
Information services:				
Salaries	283,969	283,969	282,946	1,023
Fringe benefits	101,550	101,696	100,907	789
Operating expenditures	687,780	730,613	730,236	377
Capital outlay	50,000	105,214	105,059	155
Total information services	<u>1,123,299</u>	<u>1,221,492</u>	<u>1,219,148</u>	<u>2,344</u>
Agricultural extension service:				
Salaries	98,229	98,229	79,560	18,669
Fringe benefits	50,625	50,655	30,542	20,113
Operating expenditures	14,469	18,069	17,491	578
Capital outlay	-	1,450	1,450	-
Total agricultural extension service	<u>163,323</u>	<u>168,403</u>	<u>129,043</u>	<u>39,360</u>
Total general government	<u>10,307,281</u>	<u>9,603,614</u>	<u>8,397,283</u>	<u>1,178,404</u>
Judicial:				
Court of civil appeals:				
Salaries	13,008	13,008	13,008	-
Fringe benefits	2,315	2,315	995	1,320
Total court of civil appeals	<u>15,323</u>	<u>15,323</u>	<u>14,003</u>	<u>1,320</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Judicial: (Continued)				
County court-at-law no. 1:				
Salaries	\$ 247,893	\$ 247,893	\$ 246,892	\$ 1,001
Fringe benefits	74,235	74,446	71,215	3,231
Operating expenditures	<u>14,110</u>	<u>14,110</u>	<u>13,878</u>	<u>232</u>
Total county court-at-law no. 1	<u>336,238</u>	<u>336,449</u>	<u>331,985</u>	<u>4,464</u>
County court-at-law no. 2:				
Salaries	235,383	235,383	233,882	1,501
Fringe benefits	71,905	72,044	68,016	4,028
Operating expenditures	<u>14,750</u>	<u>14,750</u>	<u>13,137</u>	<u>1,613</u>
Total county court-at-law no. 2	<u>322,038</u>	<u>322,177</u>	<u>315,035</u>	<u>7,142</u>
Attorney general master:				
Operating expenditures	<u>12,200</u>	<u>12,200</u>	<u>9,438</u>	<u>2,762</u>
Total attorney general master	<u>12,200</u>	<u>12,200</u>	<u>9,438</u>	<u>2,762</u>
124th district court:				
Salaries	98,882	98,882	97,282	1,600
Fringe benefits	34,605	34,686	34,220	466
Operating expenditures	<u>40,590</u>	<u>40,590</u>	<u>12,626</u>	<u>27,964</u>
Total 124th district court	<u>174,077</u>	<u>174,158</u>	<u>144,128</u>	<u>30,030</u>
188th district court:				
Salaries	93,245	93,245	93,245	-
Fringe benefits	33,580	33,644	33,413	231
Operating expenditures	36,700	49,896	26,930	22,966
Capital outlay	<u>20,000</u>	<u>6,804</u>	<u>-</u>	<u>6,804</u>
Total 188th district court	<u>183,525</u>	<u>183,589</u>	<u>153,588</u>	<u>30,001</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXPENDITURES (Continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Judicial: (Continued)				
307th district court:				
Salaries	\$ 95,605	\$ 95,605	\$ 92,856	\$ 2,749
Fringe benefits	34,010	34,068	32,304	1,764
Operating expenditures	<u>17,150</u>	<u>17,150</u>	<u>11,813</u>	<u>5,337</u>
Total 307th district court	<u>146,765</u>	<u>146,823</u>	<u>136,973</u>	<u>9,850</u>
Judicial expenditures:				
Salaries	28,000	-	-	-
Fringe benefits	13,350	-	-	-
Operating expenditures	1,402,070	1,750,638	1,498,054	252,584
Capital outlay	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>1,600</u>
Total judicial expenses	<u>1,445,020</u>	<u>1,752,238</u>	<u>1,498,054</u>	<u>254,184</u>
307th Drug Court Program:				
Operating expenditures	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total judicial expenses	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
District clerk:				
Salaries	667,324	667,324	648,374	18,950
Fringe benefits	293,995	294,484	276,033	18,451
Operating expenditures	71,400	76,556	70,071	6,485
Capital outlay	<u>-</u>	<u>1,408</u>	<u>886</u>	<u>522</u>
Total district clerk	<u>1,032,719</u>	<u>1,039,772</u>	<u>995,364</u>	<u>44,408</u>
District clerk archive restoration:				
Operating expenditures	<u>8,250</u>	<u>8,250</u>	<u>-</u>	<u>8,250</u>
Total district clerk archive restoration	<u>8,250</u>	<u>8,250</u>	<u>-</u>	<u>8,250</u>
Justice of the peace no. 1:				
Salaries	192,374	192,374	192,371	3
Fringe benefits	84,350	84,401	82,301	2,100
Operating expenditures	74,777	75,271	54,573	20,698
Capital outlay	<u>14,000</u>	<u>13,506</u>	<u>10,075</u>	<u>3,431</u>
Total justice of the peace no. 1	<u>365,501</u>	<u>365,552</u>	<u>339,320</u>	<u>26,232</u>
Justice of the peace no. 2:				
Salaries	108,854	108,854	108,716	138
Fringe benefits	44,470	44,507	44,291	216
Operating expenditures	<u>40,200</u>	<u>40,200</u>	<u>18,300</u>	<u>21,900</u>
Total justice of the peace no. 2	<u>193,524</u>	<u>193,561</u>	<u>171,307</u>	<u>22,254</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Judicial: (Continued)				
Justice of the peace no. 3:				
Salaries	\$ 146,683	\$ 146,683	\$ 140,453	\$ 6,230
Fringe benefits	59,520	59,619	55,989	3,630
Operating expenditures	55,210	55,210	42,843	12,367
Total justice of the peace no. 3	261,413	261,512	239,285	22,227
Justice of the peace no. 4:				
Salaries	107,016	107,016	107,015	1
Fringe benefits	44,090	44,161	43,101	1,060
Operating expenditures	40,855	40,855	30,576	10,279
Total justice of the peace no. 4	191,961	192,032	180,692	11,340
District attorney:				
Salaries	1,687,510	1,707,625	1,685,604	22,021
Fringe benefits	567,770	567,770	546,473	21,297
Operating expenditures	98,900	97,513	86,486	11,027
Total district attorney	2,354,180	2,372,908	2,318,563	54,345
Bail bond board:				
Salaries	3,500	3,500	-	3,500
Fringe benefits	635	635	-	635
Operating expenditures	2,750	2,750	-	2,750
Total bail bond board	6,885	6,885	-	6,885
Collections office:				
Salaries	128,167	128,167	127,221	946
Fringe benefits	56,185	56,342	53,777	2,565
Operating expenditures	15,300	15,300	10,238	5,062
Total collections office	199,652	199,809	191,236	8,573
Total judicial	7,264,271	7,598,238	7,038,971	559,267

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXPENDITURES (Continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Constable no. 1:				
Salaries	\$ 42,476	\$ 42,476	\$ 42,476	\$ -
Fringe benefits	17,330	17,330	16,243	1,087
Operating expenditures	7,935	6,360	4,281	2,079
Total constable no. 1	67,741	66,166	63,000	3,166
Constable no. 2:				
Salaries	42,476	42,476	42,476	-
Fringe benefits	17,160	17,160	16,374	786
Operating expenditures	13,400	11,736	3,186	8,550
Total constable no. 2	73,036	71,372	62,036	9,336
Constable no. 3:				
Salaries	61,512	61,512	61,090	422
Fringe benefits	20,645	20,651	19,526	1,125
Operating expenditures	16,419	15,256	11,142	4,114
Capital outlay	4,500	4,500	4,135	365
Total constable no. 3	103,076	101,919	95,893	6,026
Constable no. 4:				
Salaries	42,476	42,476	42,476	-
Fringe benefits	17,160	17,160	15,962	1,198
Operating expenditures	13,850	12,267	7,822	4,445
Total constable no. 4	73,486	71,903	66,260	5,643
Sheriff - corrections:				
Salaries	6,916,856	6,917,241	6,637,541	279,700
Fringe benefits	2,981,055	2,981,055	2,680,830	300,225
Operating expenditures	1,418,556	1,441,649	1,340,416	101,233
Capital outlay	225,000	288,210	287,205	1,005
Total sheriff - corrections	11,541,467	11,628,155	10,945,992	682,163
Contract jail operations:				
Salaries	1,622,379	1,622,379	1,463,032	159,347
Fringe benefits	748,385	748,385	625,031	123,354
Operating expenditures	423,733	347,997	335,909	12,088
Total contract jail operations	2,794,497	2,718,761	2,423,972	294,789

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Public safety: (Continued)				
Criminal justice center operations:				
Salaries	\$ 241,048	\$ 241,048	\$ 196,046	\$ 45,002
Fringe benefits	115,765	115,765	91,007	24,758
Operating expenditures	75,500	71,734	36,331	35,403
Total criminal justice center operations	<u>432,313</u>	<u>428,547</u>	<u>323,384</u>	<u>105,163</u>
Department of public safety:				
Salaries	44,400	44,400	43,002	1,398
Fringe benefits	16,815	16,815	16,040	775
Operating expenditures	7,900	6,312	6,161	151
Capital outlay	6,530	8,118	8,118	-
Total department of public safety	<u>75,645</u>	<u>75,645</u>	<u>73,321</u>	<u>2,324</u>
DPS Hangar:				
Operating expenditures	11,500	11,500	7,314	4,186
Capital outlay	2,500	2,500	-	2,500
Total DPS hangar	<u>14,000</u>	<u>14,000</u>	<u>7,314</u>	<u>6,686</u>
Parks and wildlife:				
Operating expenditures	1,100	1,100	1,081	19
Total parks and wildlife	<u>1,100</u>	<u>1,100</u>	<u>1,081</u>	<u>19</u>
Texas alcoholic beverage commission:				
Operating expenditures	250	250	-	250
Total alcoholic beverage commission	<u>250</u>	<u>250</u>	<u>-</u>	<u>250</u>
Pre-Trial services:				
Salaries	-	28,000	24,849	3,151
Fringe benefits	-	13,250	11,063	2,187
Operating expenditures	-	-	926	(926)
Total pre-trial services	<u>-</u>	<u>41,250</u>	<u>36,838</u>	<u>4,412</u>
Basic supervision:				
Capital outlay	-	3,627	3,627	-
Total basic supervision	<u>-</u>	<u>3,627</u>	<u>3,627</u>	<u>-</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Juvenile board:				
Salaries	\$ 98,613	\$ 98,613	\$ 98,613	\$ -
Fringe benefits	42,815	43,723	42,500	1,223
Operating expenditures	-	2,000	-	2,000
Total juvenile board	<u>141,428</u>	<u>144,336</u>	<u>141,113</u>	<u>3,223</u>
Total public safety	<u>15,318,039</u>	<u>15,367,031</u>	<u>14,243,831</u>	<u>1,123,200</u>
Health and human services:				
Veterans services:				
Salaries	72,723	72,723	72,720	3
Fringe benefits	13,590	13,640	13,506	134
Operating expenditures	14,128	14,128	12,580	1,548
Total veterans services	<u>100,441</u>	<u>100,491</u>	<u>98,806</u>	<u>1,685</u>
Civil defense:				
Operating expenditures	22,500	22,500	10,396	12,104
Total civil defense	<u>22,500</u>	<u>22,500</u>	<u>10,396</u>	<u>12,104</u>
Environmental protection:				
Operating expenditures	28,000	-	-	-
Total environmental protection	<u>28,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
911 Addressing:				
Salaries	87,884	87,884	60,647	27,237
Fringe benefits	33,875	33,875	14,208	19,667
Operating expenditures	22,895	10,495	5,966	4,529
Total 911 addressing	<u>144,654</u>	<u>132,254</u>	<u>80,821</u>	<u>51,433</u>
Health:				
Salaries	350,888	353,185	304,463	48,722
Fringe benefits	147,020	147,020	126,608	20,412
Operating expenditures	1,064,170	1,058,237	996,870	61,367
Capital outlay	-	-	-	-
Total health	<u>1,562,078</u>	<u>1,558,442</u>	<u>1,427,941</u>	<u>130,501</u>
Historical commission:				
Operating expenditures	9,000	9,000	1,611	7,389
Total historical commission	<u>9,000</u>	<u>9,000</u>	<u>1,611</u>	<u>7,389</u>
Contributions:				
Operating expenditures	897,858	897,858	867,960	29,898
Total contributions	<u>897,858</u>	<u>897,858</u>	<u>867,960</u>	<u>29,898</u>
Total health and human services	<u>2,764,531</u>	<u>2,720,545</u>	<u>2,487,535</u>	<u>233,010</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXPENDITURES (Continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public buildings:				
CSCD annex:				
Operating expenditures	\$ -	\$ 3,774	\$ 2,500	\$ 1,274
Total service center building	<u>-</u>	<u>3,774</u>	<u>2,500</u>	<u>1,274</u>
Courthouse building:				
Salaries	491,304	491,304	452,947	38,357
Fringe benefits	238,910	238,910	213,767	25,143
Operating expenditures	808,650	847,258	768,060	79,198
Capital outlay	<u>-</u>	<u>6,298</u>	<u>6,299</u>	<u>(1)</u>
Total courthouse building	<u>1,538,864</u>	<u>1,583,770</u>	<u>1,441,073</u>	<u>142,697</u>
Service center building:				
Operating expenditures	49,250	45,905	52,129	(6,224)
Capital outlay	<u>-</u>	<u>28,300</u>	<u>20,598</u>	<u>7,702</u>
Total service center building	<u>49,250</u>	<u>74,205</u>	<u>72,727</u>	<u>1,478</u>
Greggton building:				
Salaries	6,209	6,209	2,902	3,307
Fringe benefits	4,625	4,625	648	3,977
Operating expenditures	27,300	27,300	16,662	10,638
Capital outlay	<u>3,200</u>	<u>3,200</u>	<u>-</u>	<u>3,200</u>
Total Greggton building	<u>41,334</u>	<u>41,334</u>	<u>20,212</u>	<u>21,122</u>
Gladewater Commerce Street building:				
Operating expenditures	<u>14,100</u>	<u>14,100</u>	<u>11,053</u>	<u>3,047</u>
Total Gladewater Commerce Street building	<u>14,100</u>	<u>14,100</u>	<u>11,053</u>	<u>3,047</u>
Longview Eastman Road building:				
Operating expenditures	<u>10,600</u>	<u>34,667</u>	<u>27,558</u>	<u>7,109</u>
Total Longview Easton Road building	<u>10,600</u>	<u>34,667</u>	<u>27,558</u>	<u>7,109</u>
Jail building:				
Operating expenditures	<u>354,000</u>	<u>361,539</u>	<u>317,694</u>	<u>43,845</u>
Total jail building	<u>354,000</u>	<u>361,539</u>	<u>317,694</u>	<u>43,845</u>
M. A. Smith Criminal Justice Center:				
Operating expenditures	<u>51,500</u>	<u>51,500</u>	<u>29,896</u>	<u>21,604</u>
Total M. A. Smith Criminal Justice Center	<u>51,500</u>	<u>51,500</u>	<u>29,896</u>	<u>21,604</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Public buildings: (Continued)				
Youth detention center:				
Operating expenditures	\$ 87,750	\$ 87,750	\$ 29,875	\$ 57,875
Total youth detention center	87,750	87,750	29,875	57,875
Community building maintenance:				
Salaries	34,500	34,500	34,098	402
Fringe benefits	15,825	15,825	15,034	791
Operating expenditures	10,900	10,900	6,346	4,554
Capital outlay	27,000	18,886	18,886	-
Total community building maintenance	88,225	80,111	74,364	5,747
Longview Whaley Street community building:				
Salaries	65,017	71,517	14,372	57,145
Fringe benefits	12,500	12,500	1,159	11,341
Operating expenditures	40,000	37,820	7,421	30,399
Total Longview Whaley Street community building	117,517	121,837	22,952	98,885
Judson community building:				
Operating expenditures	12,300	12,300	5,283	7,017
Total Judson community building	12,300	12,300	5,283	7,017
Garfield Hill community building:				
Operating expenditures	7,975	7,975	3,095	4,880
Total Garfield Hill community building	7,975	7,975	3,095	4,880
Gladewater senior citizens building:				
Operating expenditures	-	5,000	-	5,000
Capital outlay	-	55,000	42,570	12,430
Total Gladewater senior citizens building	-	60,000	42,570	17,430

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Public buildings: (Continued)				
Liberty City office/community building:				
Operating expenditures	\$ 19,100	\$ 34,825	\$ 25,907	\$ 8,918
Total Liberty City office/ community building	<u>19,100</u>	<u>34,825</u>	<u>25,907</u>	<u>8,918</u>
Hugh Camp Memorial Park:				
Operating expenditures	<u>14,100</u>	<u>14,100</u>	<u>10,530</u>	<u>3,570</u>
Total Hugh Camp Memorial Park	<u>14,100</u>	<u>14,100</u>	<u>10,530</u>	<u>3,570</u>
Olivia R. Hilburn community building:				
Operating expenditures	<u>16,325</u>	<u>16,325</u>	<u>9,470</u>	<u>6,855</u>
Total Olivia R. Hilburn community building	<u>16,325</u>	<u>16,325</u>	<u>9,470</u>	<u>6,855</u>
Kilgore office and community building:				
Salaries	30,374	30,374	30,373	1
Fringe benefits	14,925	14,925	14,231	694
Operating expenditures	<u>31,950</u>	<u>31,950</u>	<u>15,898</u>	<u>16,052</u>
Total Kilgore office and community building	<u>77,249</u>	<u>77,249</u>	<u>60,502</u>	<u>16,747</u>
Kilgore South Street building:				
Operating expenditures	<u>-</u>	<u>200</u>	<u>176</u>	<u>24</u>
Total Kilgore South Street building	<u>-</u>	<u>200</u>	<u>176</u>	<u>24</u>
Elderville community building:				
Operating expenditures	<u>24,917</u>	<u>24,917</u>	<u>10,160</u>	<u>14,757</u>
Total Elderville community building	<u>24,917</u>	<u>24,917</u>	<u>10,160</u>	<u>14,757</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
EXPENDITURES (Continued)				
Public buildings: (Continued)				
Easton community building:				
Operating expenditures	\$ -	\$ 200	\$ 180	\$ 20
Total Easton community building	<u>-</u>	<u>200</u>	<u>180</u>	<u>20</u>
West Harrison volunteer fire department building:				
Operating expenditures	<u>2,600</u>	<u>2,600</u>	<u>1,129</u>	<u>1,471</u>
Total West Harrison volunteer fire department building	<u>2,600</u>	<u>2,600</u>	<u>1,129</u>	<u>1,471</u>
Total public buildings	<u>2,527,706</u>	<u>2,705,278</u>	<u>2,218,906</u>	<u>486,372</u>
Debt service - principal:				
Capital lease	<u>6,300</u>	<u>6,300</u>	<u>5,169</u>	<u>1,131</u>
Total debt service - principal	<u>6,300</u>	<u>6,300</u>	<u>5,169</u>	<u>1,131</u>
Debt service - interest:				
Capital lease	<u>1,231</u>	<u>1,231</u>	<u>1,186</u>	<u>45</u>
Total debt service - interest	<u>1,231</u>	<u>1,231</u>	<u>1,186</u>	<u>45</u>
Total expenditures	<u>38,189,359</u>	<u>38,002,237</u>	<u>34,392,881</u>	<u>3,609,356</u>

(continued)

GREGG COUNTY, TEXAS

GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
EXCESS OF REVENUES OVER EXPENDITURES	\$ <u>607,602</u>	\$ <u>797,572</u>	\$ <u>5,830,658</u>	\$(<u>2,185,626</u>)
OTHER FINANCING SOURCES (USES)				
Operating transfers from other funds:				
Capital projects fund	<u>-</u>	<u>121,300</u>	<u>121,300</u>	<u>-</u>
Total operating transfers from other funds	<u>-</u>	<u>121,300</u>	<u>121,300</u>	<u>-</u>
Operating transfers to other funds:				
Grant fund	(<u>83,750</u>)	(<u>83,845</u>)	(<u>37,910</u>)	45,935
Road and bridge fund	(<u>100,000</u>)	(<u>100,000</u>)	(<u>100,000</u>)	-
Longview community center fund	-	(<u>100,000</u>)	(<u>100,000</u>)	-
Capital projects fund	(<u>700,000</u>)	(<u>935,000</u>)	(<u>235,000</u>)	700,000
Records management and preservation fund	<u>-</u>	(<u>21,425</u>)	(<u>21,425</u>)	<u>-</u>
Total operating transfers to other funds	<u>(883,750)</u>	<u>(1,240,270)</u>	<u>(494,335)</u>	<u>745,935</u>
Sale of capital assets	10,000	10,000	30,706	20,706
Insurance proceeds - loss of fixed assets	<u>-</u>	<u>30,156</u>	<u>30,156</u>	<u>-</u>
Total other financing sources (uses)	<u>(873,750)</u>	<u>(1,078,814)</u>	<u>(312,173)</u>	<u>766,641</u>
NET CHANGE IN FUND BALANCE	(<u>266,148</u>)	(<u>281,242</u>)	5,518,485	5,799,727
FUND BALANCE, BEGINNING	<u>28,355,478</u>	<u>28,355,478</u>	<u>28,355,478</u>	<u>-</u>
FUND BALANCE, ENDING	\$ <u>28,089,330</u>	\$ <u>28,074,236</u>	\$ <u>33,873,963</u>	\$ <u>5,799,727</u>

The notes to the financial statements are an integral part of this statement.

GREGG COUNTY, TEXAS

ROAD AND BRIDGE

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

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Current property taxes	\$ 2,815,498	\$ 2,815,498	\$ 2,802,878	\$(12,620)
Current penalty and interest	14,000	14,000	14,099	99
Delinquent property taxes	73,134	73,134	57,926	(15,208)
Delinquent penalty and interest	17,000	17,000	16,472	(528)
Motor vehicle sales tax	615,000	615,000	717,366	102,366
Total taxes	<u>3,534,632</u>	<u>3,534,632</u>	<u>3,608,741</u>	<u>74,109</u>
Licenses and permits:				
Motor vehicle registration	1,025,000	1,025,000	1,243,129	218,129
Weight permits	10,000	10,000	17,384	7,384
Total licenses and permits	<u>1,035,000</u>	<u>1,035,000</u>	<u>1,260,513</u>	<u>225,513</u>
Intergovernmental:				
Lateral road	20,000	20,000	24,344	4,344
Federal grants	-	-	16,516	16,516
Total intergovernmental	<u>20,000</u>	<u>20,000</u>	<u>40,860</u>	<u>20,860</u>
Fines and forfeitures:				
Misdemeanor fines	425,000	425,000	420,151	(4,849)
Felony fines	80,000	80,000	111,238	31,238
Civil/BF fines	22,000	22,000	26,181	4,181
Total fines and forfeitures	<u>527,000</u>	<u>527,000</u>	<u>557,570</u>	<u>30,570</u>
Investment earnings:				
Interest	5,000	5,000	8,128	3,128
Unrealized gains (losses)	-	-	1,620	1,620
Total investment earnings	<u>5,000</u>	<u>5,000</u>	<u>9,748</u>	<u>4,748</u>
Miscellaneous:				
Miscellaneous	-	-	27,689	27,689
Total miscellaneous	<u>-</u>	<u>-</u>	<u>27,689</u>	<u>27,689</u>
Total revenues	<u>5,121,632</u>	<u>5,121,632</u>	<u>5,505,121</u>	<u>383,489</u>
EXPENDITURES				
Transportation and roads:				
Administration:				
Salaries	258,916	258,916	258,916	-
Fringe benefits	82,700	82,960	81,626	1,334
Operating expenses	43,500	40,858	35,205	5,653
Total administration	<u>385,116</u>	<u>382,734</u>	<u>375,747</u>	<u>6,987</u>

(continued)

GREGG COUNTY, TEXAS

ROAD AND BRIDGE

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Transportation and roads: (Continued)				
Road and bridge - general:				
Operating expenses	\$ 404,900	\$ 404,900	\$ 392,215	\$ 12,685
Total road and bridge - general	<u>404,900</u>	<u>404,900</u>	<u>392,215</u>	<u>12,685</u>
Road and bridge - precinct no. 1:				
Salaries	671,878	671,878	613,435	58,443
Fringe benefits	277,450	277,450	222,823	54,627
Operating expenses	763,320	758,385	681,179	77,206
Capital outlay	227,840	253,723	253,718	5
Total road and bridge - precinct no. 1	<u>1,940,488</u>	<u>1,961,436</u>	<u>1,771,155</u>	<u>190,281</u>
Road and bridge - precinct no. 2:				
Salaries	36,251	36,251	34,250	2,001
Fringe benefits	14,845	14,871	14,406	465
Operating expenses	56,845	56,845	8,407	48,438
Total road and bridge - precinct no. 2	<u>107,941</u>	<u>107,967</u>	<u>57,063</u>	<u>50,904</u>
Road and bridge - precinct no. 3:				
Salaries	692,113	692,113	673,757	18,356
Fringe benefits	293,530	293,530	261,765	31,765
Operating expenses	808,054	810,898	734,402	76,496
Total road and bridge - precinct no. 3	<u>1,793,697</u>	<u>1,796,541</u>	<u>1,669,924</u>	<u>126,617</u>
Road and bridge - precinct no. 4:				
Salaries	491,894	494,250	484,074	10,176
Fringe benefits	213,205	213,205	191,344	21,861
Operating expenses	405,650	310,064	236,008	74,056
Capital outlay	-	95,586	90,928	4,658
Total road and bridge - precinct no. 4	<u>1,110,749</u>	<u>1,113,105</u>	<u>1,002,354</u>	<u>110,751</u>
Total transportation and roads	<u>5,742,891</u>	<u>5,766,683</u>	<u>5,268,458</u>	<u>498,225</u>

(continued)

GREGG COUNTY, TEXAS

ROAD AND BRIDGE

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt service:				
Principal:				
Principal - capital lease	\$ 145	\$ 145	\$ 144	\$ 1
Total principal	145	145	144	1
Interest and fiscal charges:				
Interest - capital lease	5	5	2	3
Total interest and fiscal charges	5	5	2	3
Total debt service	150	150	146	4
Total expenditures	5,743,041	5,766,833	5,268,604	498,229
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(621,409)	(645,201)	236,517	881,718
OTHER FINANCING SOURCES (USES)				
Operating transfers from other funds:				
General fund	100,000	100,000	100,000	-
Total operating transfers to other funds	100,000	100,000	100,000	-
Sale of capital assets	20,000	20,000	3,894	(16,106)
Insurance proceeds - loss of capital assets	-	16,222	20,419	4,197
Total other financing sources and (uses)	120,000	136,222	124,313	(11,909)
NET CHANGE IN FUND BALANCE	(501,409)	(508,979)	360,830	869,809
FUND BALANCE, BEGINNING	4,483,186	4,483,186	4,483,186	-
FUND BALANCE, ENDING	\$ 3,981,777	\$ 3,974,207	\$ 4,844,016	\$ 869,809

The notes to the financial statements are an integral part of this statement.

GREG COUNTY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. State law provides that amendments approved by the Commissioners' Court may be made to the original budget provided that funds are available for the added expenditures. Reported budget amounts reflect the budget as originally adopted and all budget amendments and transfers approved by the Commissioners' Court.

The County uses encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation. All open purchase orders lapse at year-end and are subject to re-appropriation in the subsequent year's budgetary process.

Budgetary comparison schedules are presented as required supplementary information for the General Fund and for each major special revenue fund. The budgetary comparison schedules included in the required supplementary information present a comparison of budgetary data to actual results of operations for the General Fund and Road and Bridge Fund. Comparisons of budgetary data to actual results of operations for the Capital Improvement Fund (major capital projects fund), Airport Improvement (major capital projects fund), Airport Fund (nonmajor special revenue), Law Enforcement Fund (nonmajor special revenue), Court Technology and Security Fund (nonmajor special revenue), Records Management and Preservation Fund (nonmajor special revenue), Voting and Elections Fund (nonmajor special revenue), Law Library Fund (nonmajor special revenue), and Health Care Fund (nonmajor special revenue) are presented as supplementary information.

The following nonmajor special revenue funds do not have legally adopted budgets; therefore, no budgetary comparison schedules are presented: Grant Fund, Code Enforcement Fund, VIT Operating Fund, District Attorney Fund, and Sheriff Fund.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

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

Airport Fund – This fund accounts for the activities of the East Texas Regional Airport.

Law Enforcement Fund – This fund is used to account for law enforcement revenues and expenditures restricted by federal and state statutes.

Court Technology and Security Fund – This fund accounts for the fees collected from defendants in criminal cases pursuant to the Code of Criminal Procedure §102.0169, §102.017, and §102.0173. Proceeds are used to cover the costs of continuing education and training for the judges and clerks on technological enhancements and for the purchase and maintenance of technological enhancements including computer systems, networks, hardware, and software, imaging systems, electronic kiosks, and docket management systems.

Records Management and Preservation Fund – This fund is used to account for receipts and disbursements related to the record management and preservation program. Resources from this fund are used to manage, organize, promote, implement, preserve, and maintain county records.

Voting and Elections Fund – This fund is used to account for activities related to voting and elections within the County which are restricted by federal and state statutes.

Grant Fund – This fund is used to account for activities related to federal, state, and local grants received by the County.

Law Library - This fund accounts for fees collected pursuant to Local Government Code §323.023 for the operations of the law library.

Health Care Fund – This fund is used to account for the federal and state funding received for health care activities.

Code Enforcement Fund – This fund is used to account for the activities related to code enforcement.

VIT Operating Fund – This fund is used to account for the vehicle inventory tax functions of the County tax office.

District Attorney Fund – This fund accounts for all receipts and disbursements related to the discretionary funding of the District Attorney.

Sheriff Fund – This fund is used to account for the inmate welfare activities at the County jail as well as asset forfeitures. These funds are restricted by statute.

GREGG COUNTY, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue					
	Airport	Law Enforcement	Court Technology and Security	Records Management and Preservation	Voting and Elections	Grant
ASSETS						
Cash and cash equivalents	\$ 385,568	\$ 80,718	\$ 215,499	\$ 721,513	\$ 34,223	\$ 80,093
Investments	1,100,149	-	-	-	-	-
Receivables (net of allowance for uncollectibles):						
Accounts	11,883	-	44,697	128,502	288	-
Taxes	23,260	-	-	-	-	-
Interest	299	-	-	-	-	-
Due from other governments	3,689	-	-	-	855	87,196
Inventory	5,665	-	-	-	-	-
Total assets	\$ 1,530,513	\$ 80,718	\$ 260,196	\$ 850,015	\$ 35,366	\$ 167,289
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 45,493	\$ 65,389	\$ 5,757	\$ 24,226	\$ -	\$ 25,611
Due to other governments	5,011	-	-	165	-	-
Accrued liabilities	58,596	-	2,157	3,434	-	13,270
Deferred revenues	15,762	-	41,684	120,138	-	-
Due to other funds	-	-	-	-	-	57,929
Total liabilities	124,862	65,389	49,598	147,963	-	96,810
Fund balances:						
Nonspendable:						
Inventories	5,665	-	-	-	-	-
Restricted for:						
Public safety operations	-	15,329	-	-	-	60,131
Judicial operations	-	-	-	-	-	9,677
Court technology and security	-	-	210,598	-	-	-
Records management and preservation	-	-	-	702,052	-	-
Voting and Elections	-	-	-	-	35,366	-
Health and human services operations	-	-	-	-	-	671
Committed for:						
Airport operations	1,399,986	-	-	-	-	-
Donations to healthcare organizations	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	1,405,651	15,329	210,598	702,052	35,366	70,479
Total liabilities and fund balances	\$ 1,530,513	\$ 80,718	\$ 260,196	\$ 850,015	\$ 35,366	\$ 167,289

Special Revenue

<u>Law Library</u>	<u>Health Care</u>	<u>Code Enforcement</u>	<u>VIT Operating</u>	<u>District Attorney</u>	<u>Sheriff</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 94,549	\$ 2,599	\$ 198,218	\$ 1,264	\$ 32,048	\$ 303,469	\$ 2,149,761
-	2,726,815	-	-	-	-	3,826,964
30,941	-	-	-	-	-	216,311
-	-	-	-	-	-	23,260
-	1,854	-	-	-	-	2,153
-	-	-	-	-	-	91,740
-	-	-	-	-	-	5,665
<u>\$ 125,490</u>	<u>\$ 2,731,268</u>	<u>\$ 198,218</u>	<u>\$ 1,264</u>	<u>\$ 32,048</u>	<u>\$ 303,469</u>	<u>\$ 6,315,854</u>
\$ 3,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,339
-	-	-	-	-	-	5,176
721	-	-	-	-	-	78,178
29,501	-	-	-	-	-	207,085
-	-	-	1,982	1,534	-	61,445
<u>34,085</u>	<u>-</u>	<u>-</u>	<u>1,982</u>	<u>1,534</u>	<u>-</u>	<u>522,223</u>
-	-	-	-	-	-	5,665
-	-	198,218	-	-	303,469	577,147
91,405	-	-	-	30,514	-	131,596
-	-	-	-	-	-	210,598
-	-	-	-	-	-	702,052
-	-	-	-	-	-	35,366
-	-	-	-	-	-	671
-	-	-	-	-	-	1,399,986
-	2,731,268	-	-	-	-	2,731,268
-	-	-	(718)	-	-	(718)
<u>91,405</u>	<u>2,731,268</u>	<u>198,218</u>	<u>(718)</u>	<u>30,514</u>	<u>303,469</u>	<u>5,793,631</u>
<u>\$ 125,490</u>	<u>\$ 2,731,268</u>	<u>\$ 198,218</u>	<u>\$ 1,264</u>	<u>\$ 32,048</u>	<u>\$ 303,469</u>	<u>\$ 6,315,854</u>

GREGG COUNTY, TEXAS

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue					
	Airport	Law Enforcement	Court Technology and Security	Records Management and Preservation	Voting and Elections	Grant
REVENUES						
Current property taxes	\$ 1,692,221	\$ -	\$ -	\$ -	\$ -	\$ -
Delinquent property taxes	42,996	-	-	-	-	-
Intergovernmental	36,271	-	-	-	-	663,740
Charges for services	16,700	-	103,002	217,456	19,931	-
Fines and forfeitures	-	-	-	-	-	-
Interest	1,404	-	-	-	-	-
Rent and commissions	233,030	-	-	-	-	-
Miscellaneous	8,285	-	-	-	-	115,158
Total revenues	<u>2,030,907</u>	<u>-</u>	<u>103,002</u>	<u>217,456</u>	<u>19,931</u>	<u>778,898</u>
EXPENDITURES						
Current:						
General government	847,555	-	-	179,490	-	1,500
Judicial	-	-	9,761	10,018	-	105,948
Public safety	793,014	-	59,453	-	-	274,477
Health and human services	-	-	-	-	-	437,292
Transportation and roads	-	-	-	-	-	1,100
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Capital outlay	89,309	-	12,449	-	25,836	-
Total expenditures	<u>1,729,878</u>	<u>-</u>	<u>81,663</u>	<u>189,508</u>	<u>25,836</u>	<u>820,317</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>301,029</u>	<u>-</u>	<u>21,339</u>	<u>27,948</u>	<u>(5,905)</u>	<u>(41,419)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	21,425	-	37,910
Sale of capital assets	10,058	-	-	-	-	-
Insurance proceeds	3,840	-	-	-	-	-
Total other financing sources (uses)	<u>13,898</u>	<u>-</u>	<u>-</u>	<u>21,425</u>	<u>-</u>	<u>37,910</u>
NET CHANGE IN FUND BALANCES	314,927	-	21,339	49,373	(5,905)	(3,509)
FUND BALANCES, BEGINNING	<u>1,090,724</u>	<u>15,329</u>	<u>189,259</u>	<u>652,679</u>	<u>41,271</u>	<u>73,988</u>
FUND BALANCES, ENDING	<u>\$ 1,405,651</u>	<u>\$ 15,329</u>	<u>\$ 210,598</u>	<u>\$ 702,052</u>	<u>\$ 35,366</u>	<u>\$ 70,479</u>

Special Revenues

Law Library	Health Care	Code Enforcement	VIT Operating	District Attorney	Sheriff	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,692,221
-	-	-	-	-	-	42,996
-	54,289	-	-	29,063	-	783,363
54,250	-	-	2,577	41,784	10,940	466,640
-	-	200,227	-	-	37,793	238,020
-	9,703	221	3,414	-	19	14,761
-	-	-	-	-	160,129	393,159
301	-	-	-	-	-	123,744
<u>54,551</u>	<u>63,992</u>	<u>200,448</u>	<u>5,991</u>	<u>70,847</u>	<u>208,881</u>	<u>3,754,904</u>
-	-	-	12,808	-	-	1,041,353
55,108	-	-	-	77,034	-	257,869
-	-	180,495	-	-	180,869	1,488,308
-	20,000	-	-	-	-	457,292
-	-	-	-	-	-	1,100
1,165	-	-	-	-	-	1,165
62	-	-	-	-	-	62
-	-	-	-	-	-	127,594
<u>56,335</u>	<u>20,000</u>	<u>180,495</u>	<u>12,808</u>	<u>77,034</u>	<u>180,869</u>	<u>3,374,743</u>
(1,784)	<u>43,992</u>	<u>19,953</u>	(6,817)	(6,187)	<u>28,012</u>	<u>380,161</u>
-	-	-	-	-	-	59,335
-	-	-	-	-	-	10,058
-	-	-	-	-	-	3,840
-	-	-	-	-	-	<u>73,233</u>
(1,784)	43,992	19,953	(6,817)	(6,187)	28,012	453,394
<u>93,189</u>	<u>2,687,276</u>	<u>178,265</u>	<u>6,099</u>	<u>36,701</u>	<u>275,457</u>	<u>5,340,237</u>
<u>\$ 91,405</u>	<u>\$ 2,731,268</u>	<u>\$ 198,218</u>	<u>\$ (718)</u>	<u>\$ 30,514</u>	<u>\$ 303,469</u>	<u>\$ 5,793,631</u>

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GREGG COUNTY, TEXAS

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

CAPITAL IMPROVEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current property taxes	\$ 1,107,579	\$ 1,107,579	\$ 1,101,938	\$(5,641)
Delinquent property taxes	33,657	33,657	27,998	(5,659)
Investment earnings	<u>100,000</u>	<u>100,000</u>	<u>52,994</u>	<u>(47,006)</u>
Total revenues	<u>1,241,236</u>	<u>1,241,236</u>	<u>1,182,930</u>	<u>(58,306)</u>
EXPENDITURES				
Current:				
Capital outlay	<u>1,070,000</u>	<u>586,462</u>	<u>353,167</u>	<u>233,295</u>
Total expenditures	<u>1,070,000</u>	<u>586,462</u>	<u>353,167</u>	<u>233,295</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>171,236</u>	<u>654,774</u>	<u>829,763</u>	<u>174,989</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	235,000	235,000	-
Transfers out	(347,000)	(868,300)	(175,175)	693,125
Insurance proceeds	-	41,475	41,475	-
Total other financing sources (uses)	<u>(347,000)</u>	<u>(591,825)</u>	<u>101,300</u>	<u>693,125</u>
NET CHANGE IN FUND BALANCE	(175,764)	62,949	931,063	868,114
FUND BALANCE, BEGINNING	<u>23,374,913</u>	<u>23,374,913</u>	<u>23,374,913</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 23,199,149</u>	<u>\$ 23,437,862</u>	<u>\$ 24,305,976</u>	<u>\$ 868,114</u>

GREGG COUNTY, TEXAS

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

AIRPORT IMPROVEMENT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,052,632	\$ 358,146	\$ 380,331	\$ 22,185
Charges for services	<u>52,000</u>	<u>52,000</u>	<u>48,531</u>	<u>(3,469)</u>
Total revenues	<u>1,104,632</u>	<u>410,146</u>	<u>428,862</u>	<u>18,716</u>
EXPENDITURES				
Current:				
General government	-	40,000	39,126	874
Capital outlay	<u>1,290,000</u>	<u>838,861</u>	<u>443,611</u>	<u>395,250</u>
Total expenditures	<u>1,290,000</u>	<u>878,861</u>	<u>482,737</u>	<u>396,124</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(185,368)</u>	<u>(468,715)</u>	<u>(53,875)</u>	<u>414,840</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>302,632</u>	<u>702,632</u>	<u>53,875</u>	<u>(648,757)</u>
Total other financing sources (uses)	<u>302,632</u>	<u>702,632</u>	<u>53,875</u>	<u>(648,757)</u>
NET CHANGE IN FUND BALANCE	117,264	233,917	-	(233,917)
FUND BALANCE, BEGINNING	<u>170,363</u>	<u>170,363</u>	<u>170,363</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 287,627</u>	<u>\$ 404,280</u>	<u>\$ 170,363</u>	<u>\$ (233,917)</u>

GREGG COUNTY, TEXAS

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

AIRPORT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current property taxes	\$ 1,701,039	\$ 1,701,039	\$ 1,692,221	\$(8,818)
Delinquent property taxes	49,091	49,091	42,996	(6,095)
Intergovernmental	15,000	15,000	36,271	21,271
Charges for services	15,300	15,300	16,700	1,400
Investment earnings	-	-	1,404	1,404
Rents and commissions	222,000	222,000	233,030	11,030
Miscellaneous	-	-	8,285	8,285
Total revenues	<u>2,002,430</u>	<u>2,002,430</u>	<u>2,030,907</u>	<u>28,477</u>
EXPENDITURES				
Current:				
General government	1,047,329	1,038,169	847,555	190,614
Public safety	860,300	860,300	793,014	67,286
Capital outlay	48,000	94,878	89,309	5,569
Total expenditures	<u>1,955,629</u>	<u>1,993,347</u>	<u>1,729,878</u>	<u>263,469</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>46,801</u>	<u>9,083</u>	<u>301,029</u>	<u>291,946</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	10,058	10,058
Insurance proceeds	-	3,840	3,840	-
Total other financing sources (uses)	<u>-</u>	<u>3,840</u>	<u>13,898</u>	<u>10,058</u>
NET CHANGE IN FUND BALANCE	46,801	12,923	314,927	302,004
FUND BALANCE, BEGINNING	<u>1,090,724</u>	<u>1,090,724</u>	<u>1,090,724</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,137,525</u>	<u>\$ 1,103,647</u>	<u>\$ 1,405,651</u>	<u>\$ 302,004</u>

GREGG COUNTY, TEXAS

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

LAW ENFORCEMENT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total revenues	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
EXPENDITURES				
Current:				
Judicial	<u> 6,952</u>	<u> 6,952</u>	<u> -</u>	<u> 6,952</u>
Total expenditures	<u> 6,952</u>	<u> 6,952</u>	<u> -</u>	<u> 6,952</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u> (6,952)</u>	<u> (6,952)</u>	<u> -</u>	<u> 6,952</u>
NET CHANGE IN FUND BALANCE	<u> (6,952)</u>	<u> (6,952)</u>	<u> -</u>	<u> 6,952</u>
FUND BALANCE, BEGINNING	<u> 15,329</u>	<u> 15,329</u>	<u> 15,329</u>	<u> -</u>
FUND BALANCE, ENDING	\$ <u> 8,377</u>	\$ <u> 8,377</u>	\$ <u> 15,329</u>	\$ <u> 6,952</u>

GREGG COUNTY, TEXAS

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

COURT TECHNOLOGY AND SECURITY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 95,550	\$ 95,550	\$ 103,002	\$ 7,452
Total revenues	95,550	95,550	103,002	7,452
EXPENDITURES				
Current:				
Judicial	60,258	58,809	9,761	49,048
Public safety	61,833	61,833	59,453	2,380
Capital outlay	11,000	12,449	12,449	-
Total expenditures	133,091	133,091	81,663	51,428
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(37,541)	(37,541)	21,339	58,880
NET CHANGE IN FUND BALANCE	(37,541)	(37,541)	21,339	58,880
FUND BALANCE, BEGINNING	189,259	189,259	189,259	-
FUND BALANCE, ENDING	\$ 151,718	\$ 151,718	\$ 210,598	\$ 58,880

GREGG COUNTY, TEXAS

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

RECORDS MANAGEMENT AND PRESERVATION FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 221,680	\$ 221,680	\$ 217,456	\$(4,224)
Investment earnings	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
Total revenues	<u>221,682</u>	<u>221,682</u>	<u>217,456</u>	<u>(4,226)</u>
EXPENDITURES				
Current:				
General government	190,362	211,787	179,490	32,297
Judicial	<u>15,145</u>	<u>15,145</u>	<u>10,018</u>	<u>5,127</u>
Total expenditures	<u>205,507</u>	<u>226,932</u>	<u>189,508</u>	<u>37,424</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,175</u>	<u>(5,250)</u>	<u>27,948</u>	<u>33,198</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>21,425</u>	<u>21,425</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>21,425</u>	<u>21,425</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	16,175	16,175	49,373	33,198
FUND BALANCE, BEGINNING	<u>652,679</u>	<u>652,679</u>	<u>652,679</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 668,854</u>	<u>\$ 668,854</u>	<u>\$ 702,052</u>	<u>\$ 33,198</u>

GREGG COUNTY, TEXAS

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

VOTING AND ELECTIONS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 10,500	\$ 10,500	\$ 19,931	\$ 9,431
Total revenues	<u>10,500</u>	<u>10,500</u>	<u>19,931</u>	<u>9,431</u>
EXPENDITURES				
Current:				
General government	1,200	1,200	-	1,200
Capital outlay	<u>25,835</u>	<u>25,835</u>	<u>25,836</u>	(1)
Total expenditures	<u>27,035</u>	<u>27,035</u>	<u>25,836</u>	<u>1,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(16,535)	(16,535)	(5,905)	<u>10,630</u>
NET CHANGE IN FUND BALANCE	(16,535)	(16,535)	(5,905)	10,630
FUND BALANCE, BEGINNING	<u>41,271</u>	<u>41,271</u>	<u>41,271</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 24,736</u>	<u>\$ 24,736</u>	<u>\$ 35,366</u>	<u>\$ 10,630</u>

GREGG COUNTY, TEXAS

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

LAW LIBRARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 55,000	\$ 55,000	\$ 54,250	\$ (750)
Miscellaneous	350	350	301	(49)
Total revenues	55,350	55,350	54,551	(799)
EXPENDITURES				
Current:				
Judicial	67,595	66,896	55,108	11,788
Debt service:				
Principal	515	1,166	1,165	1
Interest and fiscal charges	15	63	62	1
Total expenditures	68,125	68,125	56,335	11,790
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,775)	(12,775)	(1,784)	10,991
NET CHANGE IN FUND BALANCE	(12,775)	(12,775)	(1,784)	10,991
FUND BALANCE, BEGINNING	93,189	93,189	93,189	-
FUND BALANCE, ENDING	\$ 80,414	\$ 80,414	\$ 91,405	\$ 10,991

GREGG COUNTY, TEXAS

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

HEALTH CARE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 54,289	\$ 9,289
Investment earnings	<u>18,000</u>	<u>18,000</u>	<u>9,703</u>	<u>(8,297)</u>
Total revenues	<u>63,000</u>	<u>63,000</u>	<u>63,992</u>	<u>992</u>
EXPENDITURES				
Current:				
Health and human services	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>43,000</u>	<u>43,000</u>	<u>43,992</u>	<u>992</u>
NET CHANGE IN FUND BALANCE	43,000	43,000	43,992	992
FUND BALANCE, BEGINNING	<u>2,687,276</u>	<u>2,687,276</u>	<u>2,687,276</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 2,730,276</u>	<u>\$ 2,730,276</u>	<u>\$ 2,731,268</u>	<u>\$ 992</u>

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INTERNAL SERVICE FUNDS

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GREGG COUNTY, TEXAS

COMBINING STATEMENT OF NET ASSETS

INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2012

	<u>Print Shop</u>	<u>Self- Insurance</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 28,567	\$ 133,406	\$ 161,973
Investments	-	2,399,051	2,399,051
Interest receivable	-	2,987	2,987
Accounts receivable, net of allowance	2,662	250,917	253,579
Inventory	<u>25,452</u>	<u>-</u>	<u>25,452</u>
Total current assets	<u>56,681</u>	<u>2,786,361</u>	<u>2,843,042</u>
Noncurrent assets:			
Capital assets:			
Equipment	18,794	-	18,794
Less accumulated depreciation	<u>(14,299)</u>	<u>-</u>	<u>(14,299)</u>
Total capital assets	<u>4,495</u>	<u>-</u>	<u>4,495</u>
Total noncurrent assets	<u>4,495</u>	<u>-</u>	<u>4,495</u>
Total assets	<u>61,176</u>	<u>2,786,361</u>	<u>2,847,537</u>
LIABILITIES			
Current liabilities:			
Accounts payable	555	3,970	4,525
Accrued liabilities	<u>1,886</u>	<u>288,409</u>	<u>290,295</u>
Total liabilities	<u>2,441</u>	<u>292,379</u>	<u>294,820</u>
NET ASSETS			
Invested in capital assets	4,495	-	4,495
Unrestricted	<u>54,240</u>	<u>2,493,982</u>	<u>2,548,222</u>
Total net assets	<u>\$ 58,735</u>	<u>\$ 2,493,982</u>	<u>\$ 2,552,717</u>

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GREGG COUNTY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Print Shop</u>	<u>Self- Insurance</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 102,296	\$ 5,326,501	\$ 5,428,797
Total operating revenues	<u>102,296</u>	<u>5,326,501</u>	<u>5,428,797</u>
OPERATING EXPENSES			
Salaries	24,954	-	24,954
Fringe benefits	12,643	-	12,643
Operating expenses	46,206	-	46,206
Insurance consultant	-	22,000	22,000
Claim expenses	-	4,732,202	4,732,202
Administrative	-	542,861	542,861
Depreciation	2,248	-	2,248
Total operating expenses	<u>86,051</u>	<u>5,297,063</u>	<u>5,383,114</u>
OPERATING INCOME	16,245	29,438	45,683
NONOPERATING REVENUES			
Investment earnings	<u>-</u>	<u>6,584</u>	<u>6,584</u>
CHANGE IN NET ASSETS	16,245	36,022	52,267
TOTAL NET ASSETS, BEGINNING	<u>42,490</u>	<u>2,457,960</u>	<u>2,500,450</u>
TOTAL NET ASSETS, ENDING	<u>\$ 58,735</u>	<u>\$ 2,493,982</u>	<u>\$ 2,552,717</u>

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GREGG COUNTY, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Print Shop</u>	<u>Self- Insurance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from interfund charges for print shop services	\$ 100,349	\$ -	\$ 100,349
Cash receipts from interfund charges for self-insurance services	-	5,103,185	5,103,185
Payments to suppliers for goods and services	(57,322)	(5,301,857)	(5,359,179)
Payments to employees for salaries and benefits	<u>(37,113)</u>	<u>-</u>	<u>(37,113)</u>
Net cash provided (used) by operating activities	<u>5,914</u>	<u>(198,672)</u>	<u>(192,758)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturities of investments	-	1,275,000	1,275,000
Purchase of investments	-	(1,375,000)	(1,375,000)
Investment earnings	<u>-</u>	<u>8,589</u>	<u>8,589</u>
Net cash flows used by investing activities	<u>-</u>	<u>(91,411)</u>	<u>(91,411)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,914	(290,083)	(284,169)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>22,653</u>	<u>423,489</u>	<u>446,142</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 28,567</u>	<u>\$ 133,406</u>	<u>\$ 161,973</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income	\$ 16,245	\$ 29,438	\$ 45,683
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	2,248	-	2,248
Changes in assets and liabilities:			
(Increase) decrease in assets:			
Inventory	(8,580)	-	(8,580)
Accounts receivable	(1,947)	(223,316)	(225,263)
Increase (decrease) in liabilities:			
Accounts payable	(2,536)	3,970	1,434
Accrued liabilities	<u>484</u>	<u>(8,764)</u>	<u>(8,280)</u>
Net cash provided (loss) by operating activities	<u>\$ 5,914</u>	<u>\$ (198,672)</u>	<u>\$ (192,758)</u>

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AGENCY FUNDS

GREGG COUNTY, TEXAS

AGENCY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

SEPTEMBER 30, 2012

	<u>Tax Assessor- Collector</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Sheriff</u>
ASSETS				
Cash and investments	\$ 2,386,335	\$ 848,227	\$ 3,247,603	\$ 217,439
Accounts receivable	<u>-</u>	<u>1,814</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>2,386,335</u>	\$ <u>850,041</u>	\$ <u>3,247,603</u>	\$ <u>217,439</u>
LIABILITIES				
Due to others	\$ <u>2,386,335</u>	\$ <u>850,041</u>	\$ <u>3,247,603</u>	\$ <u>217,439</u>
Total liabilities	\$ <u>2,386,335</u>	\$ <u>850,041</u>	\$ <u>3,247,603</u>	\$ <u>217,439</u>

<u>District Attorney</u>	<u>Code Forfeiture Pending</u>	<u>State Fees</u>	<u>Gregg/ Harrison First Call Warning</u>	<u>Juvenile Probation</u>	<u>Totals</u>
\$ 321,760	\$ 32,319	\$ 277,742	\$ 10,107	\$ 1,049,760	\$ 8,391,292
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,814</u>
<u>\$ 321,760</u>	<u>\$ 32,319</u>	<u>\$ 277,742</u>	<u>\$ 10,107</u>	<u>\$ 1,049,760</u>	<u>\$ 8,393,106</u>
<u>\$ 321,760</u>	<u>\$ 32,319</u>	<u>\$ 277,742</u>	<u>\$ 10,107</u>	<u>\$ 1,049,760</u>	<u>\$ 8,393,106</u>
<u>\$ 321,760</u>	<u>\$ 32,319</u>	<u>\$ 277,742</u>	<u>\$ 10,107</u>	<u>\$ 1,049,760</u>	<u>\$ 8,393,106</u>

GREGG COUNTY, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>TAX ASSESSOR-COLLECTOR</u>				
Assets:				
Cash and investments	\$ <u>2,074,995</u>	\$ <u>205,642,749</u>	\$ <u>205,331,409</u>	\$ <u>2,386,335</u>
Liabilities:				
Due to others	\$ <u>2,074,995</u>	\$ <u>205,642,749</u>	\$ <u>205,331,409</u>	\$ <u>2,386,335</u>
<u>COUNTY CLERK</u>				
Assets:				
Cash and investments	\$ 923,149	\$ 1,693,930	\$ 1,768,852	\$ 848,227
Accounts receivable	<u>2,714</u>	<u>-</u>	<u>900</u>	<u>1,814</u>
Total Assets	\$ <u>925,863</u>	\$ <u>1,693,930</u>	\$ <u>1,769,752</u>	\$ <u>850,041</u>
Liabilities:				
Due to others	\$ <u>925,863</u>	\$ <u>1,693,930</u>	\$ <u>1,769,752</u>	\$ <u>850,041</u>
<u>DISTRICT CLERK</u>				
Assets:				
Cash and investments	\$ <u>4,492,788</u>	\$ <u>2,848,833</u>	\$ <u>4,094,018</u>	\$ <u>3,247,603</u>
Liabilities:				
Due to others	\$ <u>4,492,788</u>	\$ <u>2,848,833</u>	\$ <u>4,094,018</u>	\$ <u>3,247,603</u>
<u>SHERIFF</u>				
Assets:				
Cash and investments	\$ <u>201,610</u>	\$ <u>2,009,709</u>	\$ <u>1,993,880</u>	\$ <u>217,439</u>
Liabilities:				
Due to others	\$ <u>201,610</u>	\$ <u>2,009,709</u>	\$ <u>1,993,880</u>	\$ <u>217,439</u>
<u>DISTRICT ATTORNEY</u>				
Assets:				
Cash and investments	\$ <u>343,833</u>	\$ <u>592,240</u>	\$ <u>614,313</u>	\$ <u>321,760</u>
Liabilities:				
Due to others	\$ <u>343,833</u>	\$ <u>592,240</u>	\$ <u>614,313</u>	\$ <u>321,760</u>

(continued)

GREGG COUNTY, TEXAS

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>CODE FORFEITURE PENDING</u>				
Assets:				
Cash and investments	\$ 40,193	\$ 21,955	\$ 29,829	\$ 32,319
Liabilities:				
Due to others	\$ 40,193	\$ 21,955	\$ 29,829	\$ 32,319
 <u>STATE FEES</u>				
Assets:				
Cash and investments	\$ 294,772	\$ 1,249,859	\$ 1,266,889	\$ 277,742
Liabilities:				
Due to others	\$ 294,772	\$ 1,249,859	\$ 1,266,889	\$ 277,742
 <u>GREGG / HARRISON FIRST CALL WARNING</u>				
Assets:				
Cash and investments	\$ 10,107	\$ -	\$ -	\$ 10,107
Liabilities:				
Due to others	\$ 10,107	\$ -	\$ -	\$ 10,107
 <u>JUVENILE PROBATION</u>				
Assets:				
Cash and investments	\$ 839,737	\$ 3,427,116	\$ 3,217,093	\$ 1,049,760
Liabilities:				
Due to others	\$ 839,737	\$ 3,427,116	\$ 3,217,093	\$ 1,049,760
 <u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash and investments	\$ 9,221,184	\$ 217,486,391	\$ 218,316,283	\$ 8,391,292
Accounts receivable	2,714	-	900	1,814
Total assets	\$ 9,223,898	\$ 217,486,391	\$ 218,317,183	\$ 8,393,106
Liabilities:				
Due to others	\$ 9,223,898	\$ 217,486,391	\$ 218,317,183	\$ 8,393,106

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STATISTICAL SECTION

(Unaudited)

This portion of the Gregg County, Texas comprehensive annual financial report presents multiple years of data to provide a historical perspective for understanding the information in the financial statements, note disclosures, and required supplementary information and for assessing the County's overall financial health.

Contents

Financial Trends

These schedules contain information to assist readers in understanding and assessing how the County's financial position has changed over time.

Table 1.1 – Net Assets by Component

Table 1.2 - Changes in Net Assets

Table 1.3 - Fund Balances of Governmental Funds

Table 1.4 – Changes in Fund Balances of Governmental Funds

Revenue Capacity

These schedules contain trend information that is intended to assist readers in understanding and assessing the factors affecting the County's ability to generate its own source revenues.

Table 2.1 – Assessed Value and Estimated Taxable Value of Property

Table 2.2 – Property Tax Rates – Direct and Overlapping Governments

Table 2.3 - Principal Taxpayers and Chart

Table 2.4 – Property Tax Levies and Collections

Table 2.5 – Revenue By Source

Debt Capacity

These schedules contain trend information to help the reader in understanding and assessing the County's debt burden and its ability to issue additional debt in the future.

Table 3.1 – Ratios of Outstanding Debt by Type

Table 3.2 - Ratios of General Bonded Debt Outstanding

Table 3.3 - Direct and Overlapping Governmental Activities Debt

Table 3.4 – Legal Debt Margin Information

Demographic and Economic Information

These schedules contain economic and demographic information to help the reader understand the environment within which the County's financial activities take place.

Table 4.1 – Demographic and Economic Statistics

Table 4.2 – Principal Employers and Chart

Operating Information

Operating information is intended to provide statistical information about the County's operations and resources to assist readers in understanding how the information relates to the services and activities performed by the County.

Table 5.1 – County Employees by Function and Chart

Table 5.2 – Operating Indicators by Function/Program

Table 5.3 – Capital Asset Statistics by Function/Program

Table 5.4 – Insurance Information

GREGG COUNTY TEXAS

**Table 1.1 NET ASSETS BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	\$ 21,450,111	\$ 26,940,685	\$ 28,958,344	\$ 33,113,380
Restricted for:				
Debt service	3,424,148	629,542	722,587	99,244
Archive restoration	-	-	-	-
Transportation and road improvements	-	-	-	-
Public safety operations	-	-	-	-
Judicial operations	-	-	-	-
Airport operations	-	-	-	-
Court technology and security	-	-	-	-
Records management and preservation	-	-	-	-
Voting and elections	-	-	-	-
Health and human services operations	-	-	-	-
Permanent improvements	-	-	-	-
Unrestricted	<u>12,026,767</u>	<u>11,773,150</u>	<u>18,333,513</u>	<u>28,845,812</u>
Total governmental activities net assets	<u>\$ 36,901,026</u>	<u>\$ 39,343,377</u>	<u>\$ 48,014,444</u>	<u>\$ 62,058,436</u>
Business-type activities:				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government:				
Invested in capital assets, net of related debt	\$ 21,450,111	\$ 26,940,685	\$ 28,958,344	\$ 33,113,380
Restricted for:				
Debt service	3,424,148	629,542	722,587	99,244
Archive restoration	-	-	-	-
Transportation and road improvements	-	-	-	-
Public safety operations	-	-	-	-
Judicial operations	-	-	-	-
Airport operations	-	-	-	-
Court technology and security	-	-	-	-
Records management and preservation	-	-	-	-
Voting and elections	-	-	-	-
Health and human services operations	-	-	-	-
Permanent improvements	-	-	-	-
Unrestricted	<u>12,026,767</u>	<u>11,773,150</u>	<u>18,333,513</u>	<u>28,845,812</u>
Total primary government net assets	<u>\$ 36,901,026</u>	<u>\$ 39,343,377</u>	<u>\$ 48,014,444</u>	<u>\$ 62,058,436</u>

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 52,493,563	\$ 58,405,677	\$ 64,771,730	\$ 63,282,308	\$ 63,355,158	\$ 59,664,989
140,745	265,955	-	-	-	-
-	687,010	682,131	766,580	743,251	813,419
-	-	-	-	-	4,789,161
-	-	-	-	-	606,516
-	-	-	-	-	131,596
-	-	-	-	-	170,363
-	-	-	-	-	210,598
-	-	-	-	-	702,052
-	-	-	-	-	35,366
-	-	-	-	-	56,341
-	-	-	-	-	4,272,310
<u>39,146,149</u>	<u>49,150,046</u>	<u>56,637,636</u>	<u>63,683,421</u>	<u>66,288,684</u>	<u>62,548,344</u>
\$ <u>91,780,457</u>	\$ <u>108,508,688</u>	\$ <u>122,091,497</u>	\$ <u>127,732,309</u>	\$ <u>130,387,093</u>	\$ <u>134,001,055</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,158
-	-	-	-	-	49,553
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 362,711
\$ 52,493,563	\$ 58,405,677	\$ 64,771,730	\$ 63,282,308	\$ 63,355,158	\$ 59,978,147
140,745	265,955	-	-	-	-
-	687,010	682,131	766,580	743,251	813,419
-	-	-	-	-	4,789,161
-	-	-	-	-	606,516
-	-	-	-	-	131,596
-	-	-	-	-	170,363
-	-	-	-	-	210,598
-	-	-	-	-	702,052
-	-	-	-	-	35,366
-	-	-	-	-	56,341
-	-	-	-	-	4,272,310
<u>39,146,149</u>	<u>49,150,046</u>	<u>56,637,636</u>	<u>63,683,421</u>	<u>66,288,684</u>	<u>62,597,897</u>
\$ <u>91,780,457</u>	\$ <u>108,508,688</u>	\$ <u>122,091,497</u>	\$ <u>127,732,309</u>	\$ <u>130,387,093</u>	\$ <u>134,363,766</u>

GREGG COUNTY TEXAS

**Table 1.2 CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2003	2004	2005	2006
EXPENSES				
<i>Governmental activities:</i>				
General government	\$ 7,420,436	\$ 7,951,967	\$ 7,969,874	\$ 8,390,812
Judicial	4,712,396	4,777,374	4,761,461	5,081,639
Public safety	7,354,139	7,808,400	8,590,597	9,828,994
Health and human services	2,859,193	2,870,741	2,481,293	2,154,018
Public buildings	2,588,349	2,476,390	2,507,921	2,767,706
Transportation and roads	6,136,975	4,013,338	3,618,383	4,397,210
Interest on long-term debt	<u>737,859</u>	<u>479,177</u>	<u>148,683</u>	<u>47,954</u>
Total expenses, governmental activities	<u>31,809,347</u>	<u>30,377,387</u>	<u>30,078,212</u>	<u>32,668,333</u>
<i>Business-type activities:</i>				
Longview community center	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses, business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses, primary government	<u>\$ 31,809,347</u>	<u>\$ 30,377,387</u>	<u>\$ 30,078,212</u>	<u>\$ 32,668,333</u>
PROGRAM REVENUES				
<i>Governmental activities</i>				
<i>Charges for services:</i>				
General government	\$ 2,090,180	\$ 2,237,113	\$ 2,640,012	\$ 3,040,048
Judicial	1,683,079	1,803,993	1,868,072	2,037,259
Public safety	946,237	977,170	1,041,901	1,125,363
Health and human services	13,653	43,867	31,001	30,844
Public buildings	302,890	539,166	658,461	723,396
Transportation and roads	1,594,277	1,645,445	1,663,277	1,815,739
Operating grants and contributions	1,243,823	1,401,835	1,151,503	1,619,853
Capital grants and contributions	<u>1,235,710</u>	<u>591,335</u>	<u>838,455</u>	<u>3,130,111</u>
Total program revenue, governmental activities	<u>9,109,849</u>	<u>9,239,924</u>	<u>9,892,682</u>	<u>13,522,613</u>
<i>Business-type activities</i>				
<i>Charges for services:</i>				
Longview community center	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total program revenue, business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total program revenue, primary government	<u>\$ 9,109,849</u>	<u>\$ 9,239,924</u>	<u>\$ 9,892,682</u>	<u>\$ 13,522,613</u>
NET (EXPENSE) REVENUE				
Governmental activities	\$(22,699,498)	\$(21,137,463)	\$(20,185,530)	\$(19,145,720)
Business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government net expense	<u>\$(22,699,498)</u>	<u>\$(21,137,463)</u>	<u>\$(20,185,530)</u>	<u>\$(19,145,720)</u>

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 8,542,001	\$ 9,543,171	\$ 10,545,040	\$ 11,102,197	\$ 12,066,388	\$ 11,829,723
5,493,674	5,931,707	6,506,628	6,485,552	6,926,043	7,263,692
11,597,098	13,189,470	14,596,497	14,826,537	14,857,301	15,617,020
2,707,724	2,363,996	2,780,822	2,952,009	3,566,125	2,938,243
2,806,514	2,941,860	2,440,792	2,864,443	2,921,703	3,021,237
5,386,309	6,259,955	8,604,974	7,531,204	10,119,148	6,551,074
38,178	28,459	22,629	18,506	12,105	1,250
<u>36,571,498</u>	<u>40,258,618</u>	<u>45,497,382</u>	<u>45,780,448</u>	<u>50,468,813</u>	<u>47,222,239</u>
-	-	-	-	-	111,194
-	-	-	-	-	111,194
<u>\$ 36,571,498</u>	<u>\$ 40,258,618</u>	<u>\$ 45,497,382</u>	<u>\$ 45,780,448</u>	<u>\$ 50,468,813</u>	<u>\$ 47,333,433</u>
\$ 3,056,985	\$ 2,870,400	\$ 3,125,963	\$ 2,795,666	\$ 2,867,886	\$ 2,787,306
1,889,671	1,924,753	1,872,257	1,837,417	1,788,901	1,706,448
1,169,268	1,485,239	1,527,640	1,444,761	1,306,073	1,393,005
39,854	81,403	60,446	175,972	124,161	196,892
2,217,764	3,810,197	3,577,124	3,349,981	3,341,469	2,773,416
1,848,874	2,089,882	2,235,650	2,018,074	1,752,571	2,079,088
1,287,135	1,578,343	1,410,235	1,514,592	1,981,326	1,245,358
5,205,230	5,937,901	7,301,696	1,099,734	1,263,850	380,331
<u>16,714,781</u>	<u>19,778,118</u>	<u>21,111,011</u>	<u>14,236,197</u>	<u>14,426,237</u>	<u>12,561,844</u>
-	-	-	-	-	54,936
-	-	-	-	-	54,936
<u>\$ 16,714,781</u>	<u>\$ 19,778,118</u>	<u>\$ 21,111,011</u>	<u>\$ 14,236,197</u>	<u>\$ 14,426,237</u>	<u>\$ 12,616,780</u>
\$(19,856,717)	\$(20,480,500)	\$(24,386,371)	\$(31,544,251)	\$(36,042,576)	\$(34,660,395)
-	-	-	-	-	(56,258)
<u>\$(19,856,717)</u>	<u>\$(20,480,500)</u>	<u>\$(24,386,371)</u>	<u>\$(31,544,251)</u>	<u>\$(36,042,576)</u>	<u>\$(34,716,653)</u>

(continued)

GREGG COUNTY TEXAS

**Table 1.2 CHANGES IN NET ASSETS
(Continued)
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2003	2004	2005	2006
General revenue and other changes in net assets				
<i>Governmental activities</i>				
Property taxes	\$ 11,742,635	\$ 11,891,659	\$ 15,193,252	\$ 16,553,242
Sales taxes	10,063,372	10,763,374	11,854,879	15,060,036
Alcoholic beverage taxes	166,607	150,222	151,062	174,379
Other taxes	52,681	64,984	78,050	83,588
Unrestricted investment earnings	189,562	224,225	557,393	1,291,587
Gain on sale of assets	70,174	24,461	-	17,638
Gain on insurance settlement	9,194	1,751	1,782	9,242
Gain on extinguishment of debt	-	479,586	-	-
Miscellaneous	-	-	-	-
Transfers	-	-	-	-
Total governmental activities	<u>22,294,225</u>	<u>23,600,262</u>	<u>27,836,418</u>	<u>33,189,712</u>
<i>Business-type activities</i>				
Transfers	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>22,294,225</u>	<u>23,600,262</u>	<u>27,836,418</u>	<u>33,189,712</u>
Changes in net assets				
Governmental activities	(405,273)	2,462,799	7,650,888	14,043,992
Business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$(405,273)</u>	<u>\$ 2,462,799</u>	<u>\$ 7,650,888</u>	<u>\$ 14,043,992</u>

Fiscal Year						
2007	2008	2009	2010	2011	2012	
\$ 17,995,408	\$ 18,953,528	\$ 20,864,871	\$ 21,372,685	\$ 21,302,750	\$ 21,177,159	
15,288,500	16,392,118	15,831,322	15,129,279	16,912,110	16,902,274	
187,869	205,875	211,389	214,451	203,001	189,867	
99,547	64,489	104,844	86,280	77,913	112,333	
1,898,174	1,339,856	1,052,855	250,028	260,974	177,938	
227,854	236,282	-	205,243	-	37,865	
11,807	86,227	8,730	7,097	25,612	-	
-	-	-	-	-	-	
-	-	-	-	-	95,890	
(90,000)	(90,000)	(83,500)	(80,000)	(85,000)	(418,969)	
<u>35,619,159</u>	<u>37,188,375</u>	<u>37,990,511</u>	<u>37,185,063</u>	<u>38,697,360</u>	<u>38,274,357</u>	
-	-	-	-	-	418,969	
-	-	-	-	-	418,969	
<u>35,619,159</u>	<u>37,188,375</u>	<u>37,990,511</u>	<u>37,185,063</u>	<u>38,697,360</u>	<u>38,693,326</u>	
15,762,442	16,707,875	13,604,140	5,640,812	2,654,784	3,613,962	
-	-	-	-	-	362,711	
<u>\$ 15,762,442</u>	<u>\$ 16,707,875</u>	<u>\$ 13,604,140</u>	<u>\$ 5,640,812</u>	<u>\$ 2,654,784</u>	<u>\$ 3,976,673</u>	

GREGG COUNTY, TEXAS

**Table 1.3 FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2003	2004	2005	2006
General fund				
Unreserved	\$ 7,123,910	\$ 5,937,789	\$ 9,507,157	\$ 18,287,075
Reserved	-	34,314	39,942	65,455
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>7,123,910</u>	<u>5,972,103</u>	<u>9,547,099</u>	<u>18,352,530</u>
All other governmental funds				
Reserved	3,496,646	727,965	816,880	196,464
Unreserved reported in:				
Special revenue funds	4,001,462	4,584,977	5,675,666	6,218,927
Debt service fund	-	-	-	-
Capital projects fund	321,060	182,534	645,030	1,190,478
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>7,819,168</u>	<u>5,495,476</u>	<u>7,137,576</u>	<u>7,605,869</u>
Total governmental funds	<u>\$ 14,943,078</u>	<u>\$ 11,467,579</u>	<u>\$ 16,684,675</u>	<u>\$ 25,958,399</u>

Extracted from Balance Sheet - Governmental Funds

Includes General, Special Revenue, Debt Service and Capital Projects Funds

Fiscal Year

2007	2008	2009	2010	2011	2012
\$ 27,085,477	\$ 23,155,150	\$ 29,560,305	\$ 20,726,797	\$ -	\$ -
37,452	752,131	760,327	849,537	-	-
-	-	-	-	41,219	27,517
-	-	-	-	770,646	832,926
-	-	-	-	29,136	256,442
-	-	-	-	27,494,970	32,672,039
<u>27,122,929</u>	<u>23,907,281</u>	<u>30,320,632</u>	<u>21,576,334</u>	<u>28,335,971</u>	<u>33,788,924</u>
274,276	500,492	322,089	210,891	-	-
6,415,571	7,990,568	6,828,868	10,265,799	-	-
-	-	-	-	-	-
2,098,595	14,053,088	14,708,331	27,172,920	-	-
-	-	-	-	103,010	112,030
-	-	-	-	9,326,086	10,724,171
-	-	-	-	2,687,276	1,399,986
-	-	-	-	21,271,834	20,033,666
-	-	-	-	-	(718)
<u>8,788,442</u>	<u>22,544,148</u>	<u>21,859,288</u>	<u>37,649,610</u>	<u>33,388,206</u>	<u>32,269,135</u>
<u>\$ 35,911,371</u>	<u>\$ 46,451,429</u>	<u>\$ 52,179,920</u>	<u>\$ 59,225,944</u>	<u>\$ 61,724,177</u>	<u>\$ 66,058,059</u>

GREGG COUNTY, TEXAS

**Table 1.4 CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2003	2004	2005	2006
REVENUES				
Taxes	\$ 22,032,023	\$ 22,907,089	\$ 27,351,797	\$ 31,936,653
Licenses and permits	1,148,658	1,152,454	1,177,202	1,268,757
Intergovernmental	2,778,432	2,417,656	2,381,998	5,176,316
Charges for services	3,234,546	3,373,557	3,704,969	4,287,972
Fines and forfeitures	924,097	1,049,229	1,073,380	1,130,345
Investment earnings	185,251	218,441	512,369	1,218,619
Rents and commissions	591,581	583,245	749,970	654,938
Miscellaneous	363,935	616,806	745,570	851,251
Total revenues	<u>31,258,523</u>	<u>32,318,477</u>	<u>37,697,255</u>	<u>46,524,851</u>
EXPENDITURES				
General government	7,011,215	7,561,253	7,556,069	8,079,901
Judicial	4,688,125	4,863,351	4,857,743	5,184,329
Public safety	7,381,287	8,001,496	8,813,959	10,283,176
Health and human services	2,852,052	2,875,569	2,510,482	2,182,786
Public buildings	1,887,423	1,756,523	1,798,791	2,141,922
Transportation and roads	6,051,719	3,914,850	3,590,760	4,422,556
Debt service				
Principal	939,321	4,309,940	670,224	869,277
Interest	1,894,883	1,904,279	1,786,779	43,978
Capital outlay	1,511,963	690,542	935,754	4,097,017
Total expenditures	<u>34,217,988</u>	<u>35,877,803</u>	<u>32,520,561</u>	<u>37,304,942</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,959,465)</u>	<u>(3,559,326)</u>	<u>5,176,694</u>	<u>9,219,909</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,540,661	921,007	567,547	1,801,454
Transfers out	(2,545,451)	(922,507)	(569,047)	(1,801,454)
Issuance of bonds	-	2,585,107	-	-
Payment to refunding escrow agent	-	(2,535,000)	-	-
Issuance of notes payable	-	-	-	-
Issuance of capital lease	-	-	-	-
Sale of capital assets	74,819	53,917	40,120	44,573
Sale of right-of-way	-	-	-	-
Insurance recoveries	9,194	1,751	1,782	9,242
Total other financing sources and uses	<u>79,223</u>	<u>104,275</u>	<u>40,402</u>	<u>53,815</u>
NET CHANGE IN FUND BALANCE	<u>\$(2,880,242)</u>	<u>\$(3,455,051)</u>	<u>\$ 5,217,096</u>	<u>\$ 9,273,724</u>
DEBT SERVICES AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	2.87%	12.25%	2.12%	2.62%

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 33,629,304	\$ 35,625,377	\$ 36,962,804	\$ 37,149,062	\$ 38,362,150	\$ 38,594,743
1,296,641	1,302,467	1,339,496	1,291,763	1,237,844	1,398,039
6,906,239	8,123,597	9,323,668	3,135,838	3,731,436	2,061,285
4,315,165	4,033,578	3,935,251	3,810,630	3,774,549	3,713,143
1,147,893	1,121,854	1,196,596	1,156,767	1,168,021	1,444,602
1,794,201	1,265,171	1,001,794	237,182	251,352	171,354
726,786	788,573	1,081,838	965,940	1,033,682	3,352,952
<u>2,217,380</u>	<u>4,148,033</u>	<u>3,704,754</u>	<u>3,301,639</u>	<u>3,327,129</u>	<u>359,238</u>
<u>52,033,609</u>	<u>56,408,650</u>	<u>58,546,201</u>	<u>51,048,821</u>	<u>52,886,163</u>	<u>51,095,356</u>
7,941,151	8,721,700	9,024,350	8,667,764	9,404,049	9,325,778
5,507,797	6,090,503	6,600,583	6,503,219	6,887,259	7,285,879
11,631,436	13,535,782	15,132,278	14,677,211	14,585,933	15,429,054
2,789,852	2,488,704	2,766,474	2,837,450	3,630,641	2,944,827
2,123,898	2,213,314	2,782,000	2,029,427	2,082,011	2,130,553
5,362,341	5,532,873	8,087,017	8,469,360	10,272,011	4,924,912
860,000	949,404	391,117	408,879	507,108	6,478
26,143	19,390	25,883	19,711	20,810	1,250
<u>6,535,229</u>	<u>7,010,064</u>	<u>8,635,325</u>	<u>1,426,316</u>	<u>3,037,040</u>	<u>1,823,401</u>
<u>42,777,847</u>	<u>46,561,734</u>	<u>53,445,027</u>	<u>45,039,337</u>	<u>50,426,862</u>	<u>43,872,132</u>
<u>9,255,762</u>	<u>9,846,916</u>	<u>5,101,174</u>	<u>6,009,484</u>	<u>2,459,301</u>	<u>7,223,224</u>
2,960,170	13,232,941	3,026,651	20,571,490	5,658,471	569,510
(2,960,170)	(13,232,941)	(3,026,651)	(20,571,490)	(5,667,406)	(669,510)
-	-	-	-	-	-
-	-	-	-	-	-
274,230	-	-	-	-	-
-	288,628	319,632	495,976	-	-
441,172	267,941	298,955	513,467	22,255	44,658
-	-	-	20,000	-	-
<u>11,808</u>	<u>86,227</u>	<u>8,730</u>	<u>7,097</u>	<u>25,612</u>	<u>95,890</u>
<u>727,210</u>	<u>642,796</u>	<u>627,317</u>	<u>1,036,540</u>	<u>38,932</u>	<u>40,548</u>
<u>\$ 9,982,972</u>	<u>\$ 10,489,712</u>	<u>\$ 5,728,491</u>	<u>\$ 7,046,024</u>	<u>\$ 2,498,233</u>	<u>\$ 7,263,772</u>
2.37%	2.40%	0.87%	0.94%	1.07%	0.02%

GREGG COUNTY, TEXAS

Table 2.1 ASSESSED VALUE AND ESTIMATED TAXABLE VALUE OF PROPERTY

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Real Property Residential</u>	<u>Real Property Commercial and Industrial</u>	<u>Personal Property</u>	<u>All Other</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Total Estimated Adjusted Taxable Value</u>	<u>Ratio of Assessed to Taxable Value</u>
2012	\$ 4,272,847,976	\$ 1,482,068,047	\$ 2,625,917,889	\$ 1,366,234,962	\$ 9,747,068,874	0.2625	\$ 8,531,427,424	87.53%
2011	\$ 4,163,385,481	\$ 1,458,990,774	\$ 2,614,937,186	\$ 1,304,153,840	\$ 9,541,467,281	0.2650	\$ 8,274,304,580	86.72%
2010	4,030,009,115	1,429,187,433	2,525,788,590	1,382,082,118	9,367,067,256	0.2675	8,093,936,284	86.41%
2009	3,975,705,322	1,482,539,709	2,716,969,670	1,486,020,405	9,661,235,106	0.2675	8,359,720,810	86.53%
2008	3,779,194,424	1,361,951,056	2,434,480,540	1,594,889,649	9,170,515,669	0.2675	7,977,911,558	87.00%
2007	3,489,683,979	1,216,749,937	2,027,697,958	1,486,849,173	8,220,981,047	0.2700	7,163,176,252	87.13%
2006	3,165,577,832	1,124,150,938	1,706,872,878	1,483,166,221	7,479,767,869	0.2800	6,550,802,231	87.58%
2005	2,951,241,916	1,065,394,483	1,497,802,301	1,305,878,531	6,820,317,231	0.2800	5,931,937,925	86.97%
2004	2,816,348,271	981,078,912	1,382,525,487	1,153,974,132	6,333,926,802	0.2800	5,465,177,943	86.28%
2003	2,600,682,273	909,400,584	1,351,481,420	1,044,629,552	5,906,193,829	0.2350	5,086,924,217	86.13%

Source: Gregg County Appraisal District

Note: The difference between total assessed value and total estimated adjusted taxable value is due to tax exemptions and exclusions.

GREGG COUNTY, TEXAS

Table 2.2 PROPERTY TAX RATES

DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Direct rates										
Gregg County general rate	0.2297	0.2747	0.2747	0.2747	0.2647	0.2622	0.2622	0.2622	0.2597	0.2572
Gregg Co. special road and bridge rate	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053	0.0053
Total direct debt	<u>0.2350</u>	<u>0.2800</u>	<u>0.2800</u>	<u>0.2800</u>	<u>0.2700</u>	<u>0.2675</u>	<u>0.2675</u>	<u>0.2675</u>	<u>0.2650</u>	<u>0.2625</u>
Overlapping debt:										
City rates										
Clarksville City	0.6220	0.5472	0.4327	0.3754	0.4333	0.3678	0.4471	0.4649	0.4886	0.4196
East Mountain	0.0000	0.0000	0.0000	0.0000	0.0000	0.0903	0.8529	0.1000	0.1000	0.1000
Easton	0.0846	0.0807	0.0767	0.0778	0.0840	0.1000	0.1000	0.0820	0.0794	0.0913
Gladewater	0.6318	0.5767	0.5767	0.5654	0.5860	0.5831	0.5831	0.6123	0.6426	0.6426
Kilgore	0.5100	0.5249	0.5249	0.5074	0.4600	0.4000	0.3924	0.3994	0.3900	0.4000
Lakeport	0.2503	0.2653	0.3317	0.2889	0.3244	0.2975	0.4011	0.6299	0.5915	0.6023
Longview	0.4834	0.4834	0.4834	0.4834	0.4840	0.4840	0.4840	0.4840	0.5009	0.5009
Warren City	0.4384	0.4409	0.4629	0.4122	0.4599	0.4560	0.5000	0.5000	0.5000	0.2500
White Oak	0.5711	0.5500	0.5200	0.5100	0.4800	0.4800	0.4800	0.5200	0.5200	0.5200
School districts										
Gladewater ISD	1.5600	1.5164	1.4809	1.3352	1.1203	1.0400	1.0400	1.1700	1.1700	1.1700
Kilgore ISD	1.6169	1.6120	1.6120	1.4667	1.1331	1.1210	1.1092	1.1092	1.3092	1.3092
Longview ISD	1.6190	1.6150	1.6100	1.4680	1.1381	1.2980	1.4202	1.5130	1.5130	1.5130
Pine Tree ISD	1.6317	1.6328	1.6983	1.6139	1.3469	1.3485	1.3785	1.3785	1.5110	1.5110
Sabine ISD	1.5000	1.5000	1.5000	1.3700	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
Spring Hill ISD	1.6450	1.6450	1.6450	1.5150	1.1850	1.5400	1.5400	1.5400	1.5400	1.6700
White Oak ISD	1.5750	1.6065	1.6032	1.4437	1.1900	1.2426	1.2457	1.2408	1.2439	1.2333
Special district rates										
Gregg Co. ESD #1	0.1000	0.1000	0.1000	0.1000	0.0983	0.0983	0.0983	0.0983	0.0983	0.0983
Kilgore Junior College	<u>0.1789</u>	<u>0.1789</u>	<u>0.1740</u>	<u>0.1740</u>	<u>0.1640</u>	<u>0.1640</u>	<u>0.1540</u>	<u>0.1540</u>	<u>0.1540</u>	<u>0.1540</u>
Total direct and overlapping rates	<u>15.2531</u>	<u>15.1557</u>	<u>15.1124</u>	<u>13.9870</u>	<u>11.9972</u>	<u>12.4185</u>	<u>13.5339</u>	<u>13.3039</u>	<u>13.6574</u>	<u>13.4880</u>

Source: Gregg County Appraisal District

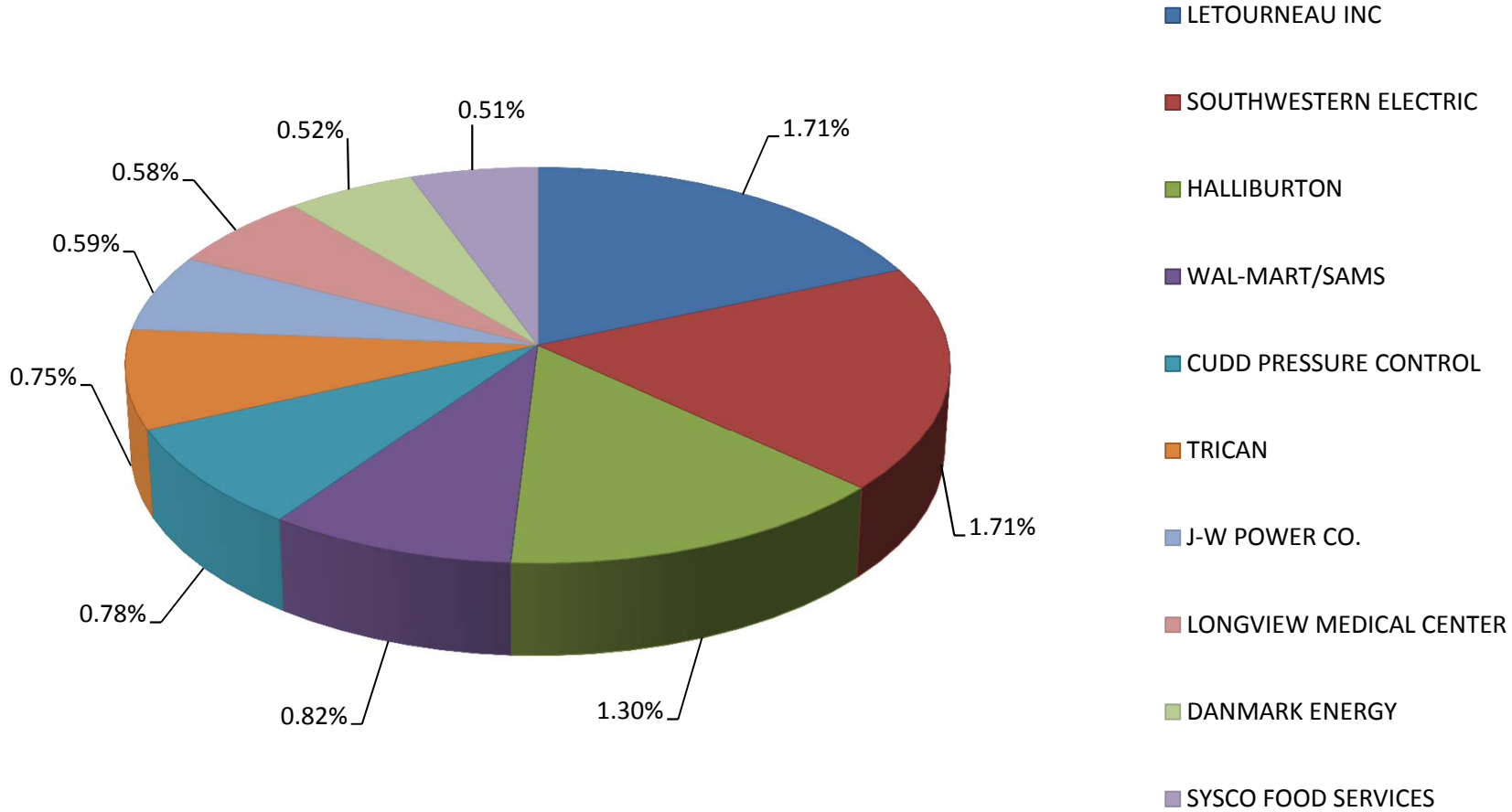
GREGG COUNTY, TEXAS

**Table 2.3 - PRINCIPAL TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2012			2003		
	Total Assessed Value	Rank	Percentage of Total Assessed Value	Total Assessed Value	Rank	Percentage of Total Assessed Value
Letourneau Inc./ Letourneau Technologies Inc.	\$ 166,813,370	1	1.71%	\$ 101,379,300	1	1.72%
AEP Southwestern Elec Power Co./ AEP/SWEPCO/Southwestern Electric Power Co.	166,457,010	2	1.71%	80,958,330	3	1.37%
Halliburton Co./Halliburton Energy Services/Halliburton Services - Wellnight	126,858,440	3	1.30%	40,592,010	8	0.69%
Wal-Mart / Sam's	79,742,290	4	0.82%	-		
Cudd Pressure Control	76,026,510	5	0.78%	-		
Trican (Liberty Pressure Pump)	73,187,820	6	0.75%	-		
J W Power Co / J W Manufacturing	57,025,550	7	0.59%	-		
Longview Medical Center/Longview Regional Hospital/Texas HCP Holding/ Longview Regional Business	56,719,720	8	0.58%	42,157,870	6	0.71%
Danmark East Texas Field/Danmark Energy/Danmark Operating Co LLC	50,665,140	9	0.52%	-		
Sysco Food Services of East Texas	49,719,490	10	0.51%	-		
XTO Energy Inc.	-		0.00%	71,630,150	4	1.21%
Southwestern Bell Telephone	-		0.00%	47,213,320	2	0.80%
Wagner & Brown	-		0.00%	40,943,790	5	0.69%
Dowell Schlumberer	-		0.00%	36,983,540	7	0.63%
Exxonmobile Corporation	-		0.00%	33,898,470	9	0.57%
Air Liquide America	-		0.00%	30,039,770	10	0.51%
Total	\$ 903,215,340		9.27%	\$ 525,796,550		8.90%

Source: Gregg County Appraisal District

2012 TOP TEN TAXPAYERS



GREGG COUNTY, TEXAS

**Table 2.4 PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Levy for Fiscal Year	Collected Within Fiscal Year of Levy		Adjustments to Levy in Subsequent Years	Total Adj. Levy	Collections in Subsequent Years	Total Collections to Date			Delinquent Taxes to Total Adj. Levy
		Levy Collected	Percent of Original Levy				Total Collections To Date	Percent of Adjusted Levy	Delinquent Taxes 09/30/12	
2003	\$ 11,827,425	\$ 11,494,876	97.19%	\$(27,983)	\$ 11,799,442	\$ 233,771	\$ 11,728,647	99.40%	\$ 70,795	0.60%
2004	11,952,311	11,694,070	97.84%	(24,245)	11,928,066	204,507	11,898,577	99.75%	29,489	0.25%
2005	15,293,229	15,027,526	98.26%	3,513	15,296,742	233,520	15,261,046	99.77%	35,697	0.23%
2006	16,560,421	16,365,917	98.83%	47,795	16,608,216	196,700	16,562,617	99.73%	45,600	0.27%
2007	18,216,072	17,962,462	98.61%	(13,330)	18,202,742	186,835	18,149,297	99.71%	53,445	0.29%
2008	19,129,114	18,863,462	98.61%	28,479	19,157,594	216,276	19,079,738	99.59%	77,856	0.41%
2009	21,017,998	20,727,939	98.62%	52,496	21,070,494	250,459	20,978,398	99.56%	92,096	0.44%
2010	21,713,885	21,571,949	99.35%	189,497	21,903,382	235,727	21,807,676	99.56%	95,706	0.44%
2011	21,259,861	21,016,555	98.86%	54,846	21,314,707	165,473	21,182,028	99.38%	132,679	0.62%
2012	21,541,094	21,294,083	98.85%	56,636	21,597,730	-	21,294,083	98.59%	303,646	1.41%

- (1) Taxes are levied on assessed property values on January 1 of prior calendar year (i.e., in 2012, taxes are levied on calendar year 2011)
- (2) Adjustments to the original levy include exonerations, tax relief, and supplemental assessments
- (3) This table includes real estate taxes only and does not include penalty and interest

GREGG COUNTY, TEXAS

Table 2.5 GOVERNMENT REVENUE BY SOURCE

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter-Governmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Investment Earnings</u>	<u>Rents and Commissions</u>	<u>Miscellaneous</u>	<u>Totals</u>
2012	\$ 38,594,743	\$ 1,398,039	\$ 2,096,963	\$ 3,750,936	\$ 1,406,809	\$ 171,354	\$ 3,352,952	\$ 323,560	\$ 51,095,356
2011	38,362,150	1,237,844	3,731,436	3,774,549	1,168,021	251,352	1,033,682	3,327,129	52,886,163
2010	37,149,062	1,291,763	3,135,838	3,810,630	1,156,767	237,182	965,940	3,301,639	51,048,821
2009	36,962,804	1,339,496	9,323,668	3,935,251	1,196,596	1,001,794	1,081,838	3,704,754	58,546,201
2008	35,625,377	1,302,467	8,123,597	4,033,578	1,121,854	1,265,171	788,573	4,148,033	56,408,650
2007	33,629,304	1,296,641	6,906,239	4,315,165	1,147,893	1,794,201	726,786	2,217,380	52,033,609
2006	31,936,653	1,268,757	5,176,316	4,287,972	1,130,345	1,218,619	654,938	851,251	46,524,851
2005	27,351,797	1,177,202	2,381,998	3,704,969	1,073,380	512,369	749,970	745,570	37,697,255
2004	22,907,089	1,152,454	2,417,656	3,373,557	1,049,229	218,441	583,245	616,806	32,318,477
2003	22,032,023	1,148,658	2,778,432	3,234,546	924,097	185,251	591,581	363,935	31,258,523

Source: Extracted from Statement of Revenues, Expenditures, and Changes in Fund Balances

GREGG COUNTY, TEXAS

**Table 3.1 RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Capital Leases	Notes Payable	Less Debt Service Reserved Balance	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
2012	\$ -	\$ 7,833	\$ -	\$ -	\$ 7,833	*	*
2011	-	13,658	-	-	13,658	*	*
2010	-	522,190	-	-	522,190	0.01%	4.28
2009	-	340,296	94,796	-	435,092	0.01%	3.64
2008	-	288,420	185,034	-	473,454	0.01%	4.02
2007	854,646	-	274,230	140,745	988,131	0.02%	8.45
2006	1,709,292	-	-	99,244	1,610,048	0.04%	13.89
2005	2,558,938	14,277	-	722,587	1,850,628	0.05%	16.18
2004	4,853,830	-	-	629,542	4,224,288	0.12%	37.14
2003	10,557,131	-	479,585	3,424,148	7,612,568	0.22%	67.28

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data

* Personal income and per capita income data unavailable

GREGG COUNTY, TEXAS

Table 3.2 RATIOS OF GENERAL BONDED DEBT OUTSTANDING

**LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property ¹	Per Capita ²
2012	\$ -	\$ -	\$ -	N/A	N/A
2011	-	-	-	N/A	N/A
2010	-	-	-	N/A	N/A
2009	-	-	-	N/A	N/A
2008	-	-	-	N/A	N/A
2007	854,646	140,745	713,901	0.0089%	6.07
2006	1,709,292	99,244	1,610,048	0.0225%	13.77
2005	2,558,938	722,587	1,836,351	0.0280%	15.84
2004	4,853,830	629,542	4,224,288	0.0712%	36.94
2003	10,557,131	3,424,148	7,132,983	0.1305%	62.72

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data

² Population data can be found in the Schedule of Demographic and Economic Statistics

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GREGG COUNTY, TEXAS

**Table 3.3 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2012**

Government Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Gregg County	\$ -	100.00%	\$ -
Overlapping Debt:			
Clarksville City, City of	1,360,000	99.95%	1,359,320
Gladewater, City of	672,900	61.49%	413,766
Kilgore, City of	5,314,000	88.06%	4,679,508
Kilgore Independent School District	47,170,000	76.85%	36,250,145
Lakeport, City of	108,624	100.00%	108,624
Longview, City of	62,830,000	94.19%	59,179,577
Longview Independent School District	248,725,308	100.00%	248,725,308
Pine Tree Independent School District	74,505,000	100.00%	74,505,000
Spring Hill Independent School District	41,130,000	100.00%	41,130,000
White Oak Independent School District	<u>3,105,000</u>	100.00%	<u>3,105,000</u>
 Total Direct and Overlapping Debt	 <u>\$ 484,920,832</u>		 <u>\$ 469,456,248</u>

Note: (1) The percentage of overlapping debt is estimated using taxable assessed property values.

Source: Outstanding Debt as of September 30, 2012

GREGG COUNTY, TEXAS

**Table 3.4 LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	\$ 1,271,731,054	\$ 1,366,294,486	\$ 1,482,984,481	\$ 1,637,700,558
Total net debt applicable to limit	<u>4,077,587</u>	<u>2,602,254</u>	<u>1,852,413</u>	<u>1,620,756</u>
Legal Debt Margin	\$ <u>1,267,653,467</u>	\$ <u>1,363,692,232</u>	\$ <u>1,481,132,068</u>	\$ <u>1,636,079,802</u>
Total Net Debt applicable to the limit as a percent of debt limit	0.32%	0.19%	0.12%	0.10%

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 1,790,794,063	\$ 1,994,477,890	\$ 2,089,930,203	\$ 2,023,484,071	\$ 2,068,576,145	\$ 2,132,856,856
<u>719,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,790,074,808</u>	<u>\$ 1,994,477,890</u>	<u>\$ 2,089,930,203</u>	<u>\$ 2,023,484,071</u>	<u>\$ 2,068,576,145</u>	<u>\$ 2,132,856,856</u>
0.04%	0.00%	0.00%	0.00%	0.00%	0.00%

GREGG COUNTY, TEXAS

**Table 4.1 DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2012	*	*	*	5.6
2011	123,081	\$ 5,319,858	\$ 43,222	6.8
2010	121,906	4,885,931	40,079	7.2
2009	119,637	5,051,999	42,228	7.1
2008	117,665	5,157,005	43,828	4.0
2007	116,938	4,560,227	38,997	3.8
2006	115,898	4,208,132	36,309	4.5
2005	114,366	3,836,809	33,549	4.9
2004	113,735	3,602,198	31,672	5.9
2003	113,152	3,474,091	30,703	7.1

Sources: Texas Workforce Commission
Bureau of Economic Analysis

* Data unavailable

GREGG COUNTY, TEXAS

**Table 4.2 PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2012		2003	
	Employees	Percentage of Total County Employees	Employees	Percentage of Total County Employees
Good Shepherd Medical Center	3,000	2.6%	-	0.0%
Eastman Chemical	1,477	1.3%	-	0.0%
Longview ISD	1,239	1.1%	-	0.0%
Wal-Mart	1,207	1.0%	-	0.0%
Trinity Rail, LLC	1,143	1.0%	-	0.0%
Joy Global	1,075	0.9%	-	0.0%
City of Longview	927	0.8%	-	0.0%
Longview Regional Medical Center	763	0.7%	-	0.0%
Halliburton Services	705	0.6%	-	0.0%
Diagnostic Clinic of Longview	690	0.6%	-	0.0%
Total	12,226	10.6%	-	0.0%

Sources: Longview Economic Development Corporation;
Kilgore Economic Development Corporation

Notes: Percentage of total County employment based on County employment of 74,514
Information for 9 years prior was not available

GREGG COUNTY, TEXAS

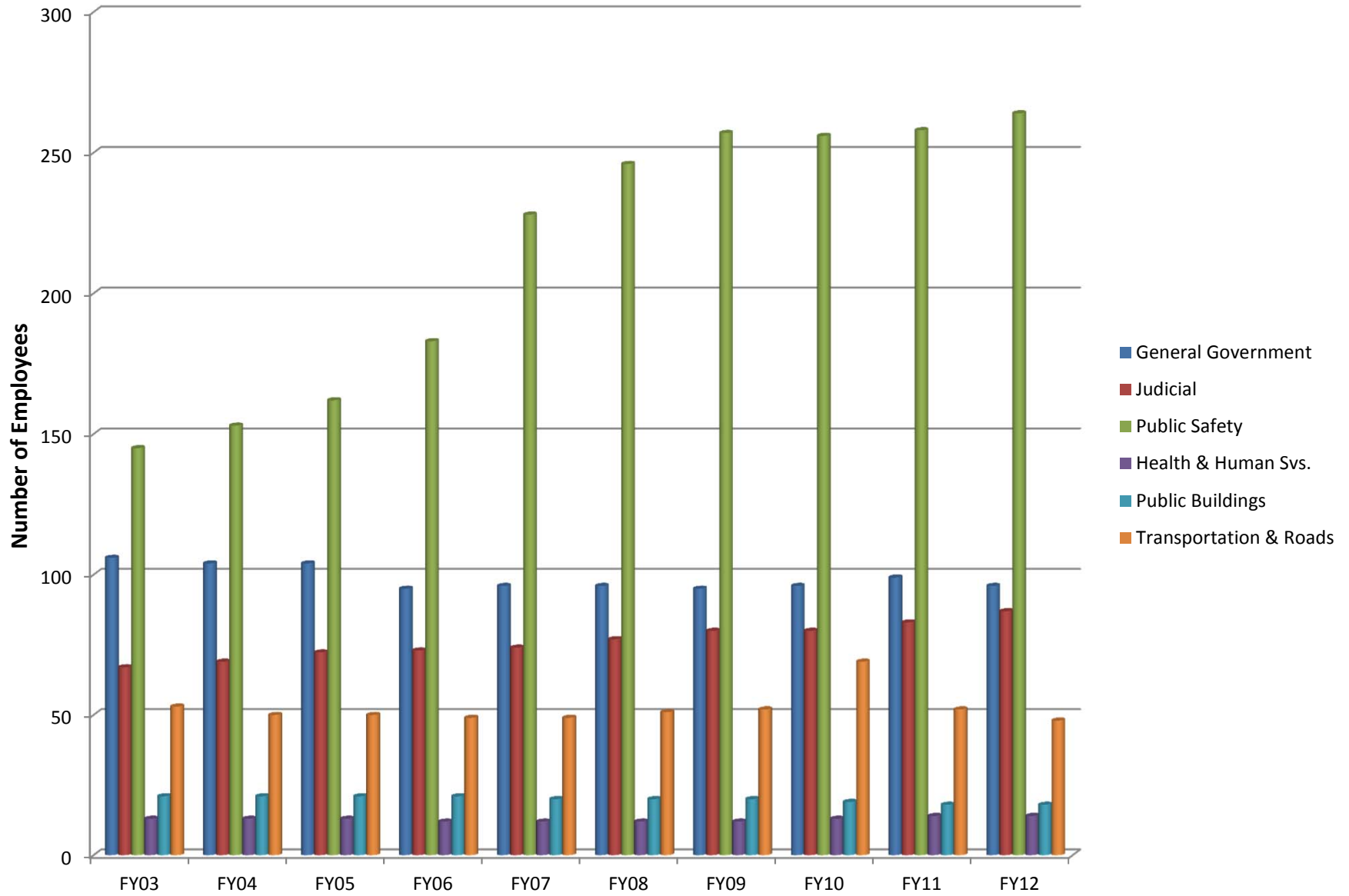
Table 5.1 COUNTY EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

SEPTEMBER 30, 2012

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	106	104	104	95	96	96	95	96	99	96
Judicial	67	69	72	73	74	77	80	80	83	87
Public safety	145	153	162	183	228	246	257	256	258	264
Health and Human Services	13	13	13	12	12	12	12	13	14	14
Public buildings	21	21	21	21	20	20	20	19	18	18
Transportation and roads	<u>53</u>	<u>50</u>	<u>50</u>	<u>49</u>	<u>49</u>	<u>51</u>	<u>52</u>	<u>69</u>	<u>52</u>	<u>48</u>
Totals	<u>405</u>	<u>410</u>	<u>422</u>	<u>433</u>	<u>479</u>	<u>502</u>	<u>516</u>	<u>533</u>	<u>524</u>	<u>527</u>

County Employees by Function



GREGG COUNTY, TEXAS

**Table 5.2 OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
SEPTEMBER 30, 2012**

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
County Finance										
Accounts Payable Checks Processed	8,844	8,747	8,577	8,875	9,552	9,627	10,560	8,321	7,845	8,409
Tax Office (1)										
Motor vehicle registrations	119,500	119,500	119,488	125,254	131,438	128,732	128,189	127,751	129,604	133,481
Motor vehicle titles issued	n/a	42,803	43,395	44,968	47,734	47,626	39,293	39,992	45,622	49,178
Elections Office										
Registered Voters	73,683	75,954	73,544	70,349	73,680	71,799	67,977	68,612	64,458	66,464
Number of Elections Held	4	8	3	6	3	13	7	13	5	11
Judicial										
District Court level										
Civil cases filed	4,365	4,327	5,253	4,646	3,984	3,838	3,583	4,076	3,319	3,064
Criminal cases filed	1,435	1,392	1,587	1,749	1,364	1,467	1,604	1,751	1,304	1,266
Juvenile cases filed	139	117	156	196	155	106	76	118	65	-
County Court level										
Probate/Mental Health cases filed	461	505	524	466	530	488	449	528	591	629
Statutory County Court level (2)										
Civil cases filed	678	747	690	656	611	564	469	413	1,181	1,174
Criminal cases filed	5,661	6,665	6,216	6,349	6,131	5,631	5,168	4,895	4,328	4,005
Law Enforcement/Corrections (3)										
Jail facilities										
Jail Book-ins	11,375	11,071	11,449	10,896	12,492	12,125	11,320	10,519	10,556	10,696
Law Enforcement										
Warrants executed	6,170	4,615	5,065	5,543	5,157	3,417	3,041	4,358	4,462	4,340
Civil process served	7,221	7,798	8,775	4,795	4,142	5,222	5,341	4,853	4,585	4,165
Health & Human Services										
Patients seen by Doctor	1,603	1,140	1,196	1,115	1,193	436	466	457	475	757
Patients seen by Nurse	1,790	1,352	1,236	1,633	1,688	1,583	2,584	2,266	2,501	2,848
Immunizations	11,149	11,298	11,157	12,637	13,301	6,346	7,781	7,142	11,158	7,504
Welfare Applicants	3,076	8,699	1,977	1,348	1,302	1,277	1,686	1,359	1,444	1,377
Transportation & Roads										
Miles of County Roads	n/a	n/a	n/a	n/a	279	279	281	281	281	281

Sources: County departmental and court statistical reports for state and local reporting requirements

(1) Tax Office data based on State Fiscal year

(2) Change in Texas OCA reporting requirements

(3) Law Enforcement data based on calendar year

GREGG COUNTY, TEXAS

Table 5.3 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

SEPTEMBER 30, 2012

FUNCTION/PROGRAM	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Vehicles	4	5	6	6	5	7	6	6	6	6
Judicial										
Vehicles	0	0	0	0	0	2	2	3	3	3
Video/sound system	1	1	1	1	1	1	2	2	2	2
Law enforcement/corrections										
Vehicles	36	42	50	60	47	57	73	77	91	93
Transportation and roads										
Road and bridge vehicles	29	29	27	30	30	28	33	34	34	36
Road and bridge equipment	120	125	118	125	114	113	120	113	113	116
Public buildings										
Vehicles	4	4	6	5	4	5	4	4	4	4
Health and human services										
Vehicles	3	4	3	3	3	3	3	2	2	2

GREGG COUNTY, TEXAS

Table 5.4 SCHEDULE OF INSURANCE

**SEPTEMBER 30, 2012
(UNAUDITED)**

Insuring Company	Type of Coverage	Policy From	Policy To	Summary of Coverage	Liability Limits
Texas Public Entity Group Agent: Rooker Downing & Booth	Property	10/01/11	10/01/12	Buildings Personal Property Valuable Papers Contractors Equipment Flood Earth Movement	\$ 85,055,483 50,000 250,000 250,000 165,000 165,000
Texas Public Entity Group Agent: Rooker Downing & Booth	Crime	10/01/11	10/01/12	Employee Theft - per loss Computer Fraud Funds Transfer Fraud Forgery	600,000 600,000 600,000 25,000
Texas Public Entity Group Agent: Rooker Downing & Booth	Auto	10/01/11	10/01/12	Liability Comprehensive Collision	1,000,000 Actual cash value or cost of repair (lessor of) Actual cash value or cost of repair (lessor of)
Texas Public Entity Group Agent: Rooker Downing & Booth	Terrorism	10/01/11	10/01/12	General Aggregate Crisis Management Security Breach Notification	1,000,000 50,000 50,000
Texas Public Entity Group Agent: Rooker Downing & Booth	General Liability	10/01/11	10/01/12	General Aggregate	400,000
Tac Risk Management Pool	Public Officials Liability	10/01/11	10/01/12	Aggregate	2,000,000
Columbia Casualty Company	State Judges Professional Liability	01/01/12	01/01/13	Damages / Claims Exp.	1,000,000
Tac Risk Management Pool	Law Enforcement Liability	10/01/11	10/01/12	Aggregate	2,000,000
Evanston Insurance Company Agent: Rooker Downing & Booth	Gregg Co. Jail/Medical Services	12/15/11	12/15/12	Liability	1,000,000
Admiral Insurance Company Agent: Rooker Downing & Booth	Health Department	10/01/11	10/01/12	Aggregate	1,000,000
Old Republic Insurance Company Agent: Rooker Downing & Booth	East Texas Regional Airport	10/01/11	10/01/12	Products Personal Injury Malpractice Hangar keepers Fire Damage	5,000,000 5,000,000 5,000,000 5,000,000 50,000
Federal Insurance Company	Employee Benefit Plan	10/01/11	10/01/12	Liability / each loss	1,000,000
Nautilus Insurance Company	Storage Tank Systems	08/04/12	08/04/13	Clean up costs, Third Party Liability, Property damage Liability	1,000,000

COMPLIANCE SECTION

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gregg County, Texas as of and for the year ended September 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 28, 2013. 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.

Internal Control Over Financial Reporting

Management of Gregg County, Texas, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Gregg County, Texas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gregg County, Texas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Gregg County, Texas' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gregg County, Texas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Commissioners' Court, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

March 28, 2013



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Gregg County, Texas (the "County") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of County's management. Our responsibility is to express an opinion on County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, Commissioners' Court, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

March 28, 2013

GREGG COUNTY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Pass-through Grantor's Number	Federal Grantor/ Pass-through Grantor/Program Title	Federal CFDA Number	Total Expenditures
<u>U. S. Department of Housing and Urban Development</u>			
Passed through the Office of Rural Affairs:			
R729180	Block Grant Street Improvement	14.225	\$ <u>2,200</u>
	Total Passed through the Office of Rural Affairs		<u>2,200</u>
Passed through the General Land Office:			
DRS010058	CDBG Disaster Recovery Non-Entitlement Grant	14.228	<u>39,413</u>
	Total Passed through the General Land Office		<u>39,413</u>
	Total U. S. Department of Housing and Urban Development		<u>41,613</u>
<u>U. S. Department of Justice</u>			
Passed through the Criminal Justice Council:			
WF-10-V30-13450-14	Violence Against Women	16.588	59,647
WF-10-V30-13450-15	Violence Against Women	16.588	<u>8,486</u>
	Total Passed through the Criminal Justice Council		<u>68,133</u>
Passed through the Office of the Governor:			
2011-H3441-TX-AP	State Criminal Alien Assistance Program	16.606	<u>33,170</u>
	Total Passed through the Office of the Governor		<u>33,170</u>
<u>U. S. Department of Transportation</u>			
Passed through Federal Aviation Administration:			
3-48-0137-37-2009	Airport Improvement Program	20.106	391,359
3-48-0137-38-2009	Airport Improvement Program	20.106	<u>15,065</u>
	Total Passed through Federal Aviation Administration		<u>406,424</u>
	Total U. S. Department of Transportation		<u>406,424</u>
<u>U. S. Department of Health and Human Services</u>			
Passed through Texas Department of State Health Services:			
2012-035489-001	Immunization Branch - Locals	93.268	171,686
2013-041508-001	Immunization Branch - Locals	93.268	<u>11,799</u>
	Total Passed through Texas Department of State Health Services		<u>183,485</u>

(continued)

GREGG COUNTY, TEXAS

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

<u>Pass-through Grantor's Number</u>	<u>Federal Grantor/ Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Total Expenditures</u>
	<u>U. S. Department of Homeland Security</u>		
	Passed through Texas Department of Public Safety:		
FEMA-4029-DR	Disaster Grants - Public Assistance	97.036	\$ 218,482
10-SR-48183-01	State Homeland Security Grant program	97.067	<u>9,600</u>
	Total Passed through the Texas Department of Public Safety		<u>228,082</u>
	Passed through Transportation Security Administration:		
HSTS0208HSLR154	TSA-OSSA-LEO Reimbursement Program	97.090	<u>25,243</u>
	Total Passed through Transportation Security Administration		<u>25,243</u>
	Total U. S. Department of Homeland Security		<u>253,325</u>
	Total Federal Awards		\$ <u><u>986,150</u></u>

GREGG COUNTY, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SEPTEMBER 30, 2012

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal awards programs of Gregg County. The County's reporting entity is defined in Note 1 of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 of the financial statements.

GREGG COUNTY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2012

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted?

None

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

None

Identification of major programs:

CFDA Number(s)
#20.106

Name of Federal Program or Cluster:
Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs

\$300,000

Auditee qualified as low-risk auditee?

Yes

Findings Related to the Financial Statements Which Are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

GREGG COUNTY, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

None

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