



# **GREGG COUNTY, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2015**

# **GREGG COUNTY, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2015**

Prepared By:  
Gregg County Auditor's Office

Laurie Woloszyn, County Auditor

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# **INTRODUCTORY SECTION**



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March 31, 2016

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, 2015. 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 Patillo, 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, 2015 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 principals 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. All transfers of appropriations other than interdepartmental operating category transfers require Commissioners Court approval.

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 and state awards, findings and questioned costs, and independent auditor's 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, 2015 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 affect 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 FY15 budget increased slightly from \$8.55 billion to \$8.67 billion.

The most recent population estimate is 123,204. Median household income, 2009-2013 is \$45,525. Housing units for 2014 were 51,413 compared with 50,602 in 2013. Homeownership rate, 2009-2013 is 62.4%. The median value of owner-occupied housing units for the same time period is \$121,300. The December, 2015 Gregg County unemployment rate of 4.8% compares within the 4.7% statewide rate, and with a 5.0% 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 adopted at the categorical level for operating expenditures. In addition, the budget is 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.

**Long-term Financial Planning** Gregg County has adopted several financial management policies to provide guidelines to insure its long-term financial health. The Fund Balance policy sets a minimum level for reserves at 25% of the budgeted operating expenditures. Currently, the County is one of the few Texas counties that are not encumbered with major debt obligations. The County adhered to its goals of early retirement of all of its callable bonds and plans to continue this policy if any future debt service is required, which is not foreseen in the near future. The County will attempt to pay all capital improvement project costs on a cash basis. To further strengthen our long-term financial planning, Gregg County annually updates and adopts its formal Capital Improvements Plan.

## 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 auditor's report on the general-purpose financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the compliance section.

**Awards and Acknowledgements** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in financial Reporting to Gregg County for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. This was the third year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the county must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another year.

In 2014, Gregg County was awarded the Leadership Circle "Platinum" Award by the Texas Comptroller of Public Accounts, their newest and highest level of transparency. The Leadership Circle recognizes local governments across Texas that are striving to meet a high standard for financial transparency online by opening their books to the public; providing a clear, consistent picture of spending; and sharing information in a user-friendly format. The "Platinum" award recognizes local governments that go above and beyond providing financial transparency.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire 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



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

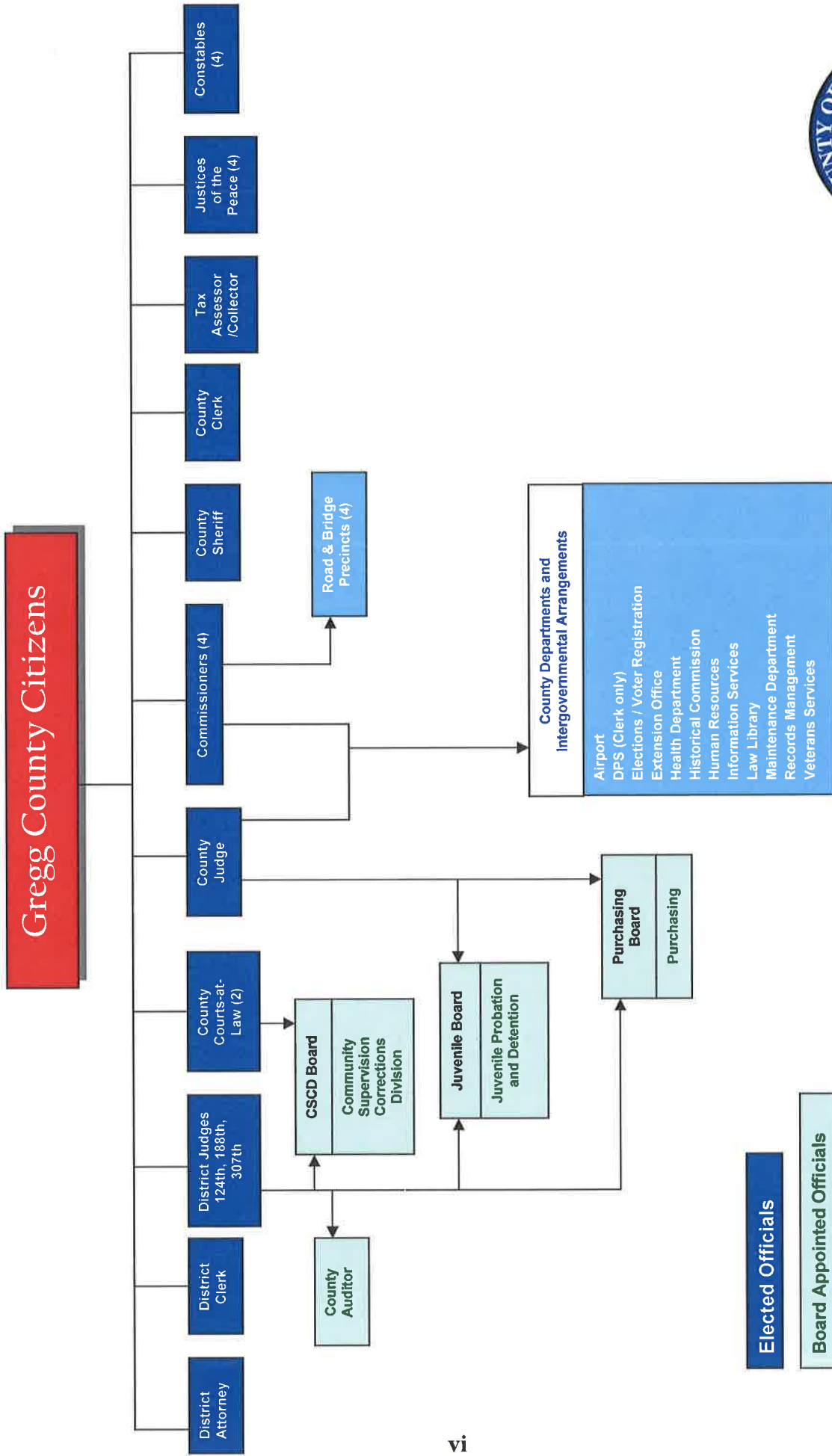
**Gregg County  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO

# Gregg County Organization Chart



**Elected Officials**

**Board Appointed Officials**

**Comm. Court Oversight**

Direction of Authority →





**Gregg County, Texas  
Directory of Officials  
September 30, 2015**

**Elected:**

**Bill Stoudt  
Ronnie McKinney  
Darryl Primo  
Gary Boyd  
John Mathis  
Carl Dorrrough  
Barbara Duncan  
Connie Wade  
Kirk Shields  
Maxey Cerliano  
James Plumlee  
Billy Fort  
Mike Baggett  
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 Dulweber  
B. H. Jameson  
Arthur Fort  
Talyna Carlson  
James Mathis**

**Judge, 188<sup>th</sup> District Court  
Judge, 124<sup>th</sup> District Court  
Judge, 307<sup>th</sup> 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  
Gary Davis  
Bing Canion  
Kelli Davis**

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

**Other County Officials**

**Mike Conner  
Randy Reeves  
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**



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# **FINANCIAL SECTION**

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P A T T I L L O , B R O W N & H I L L , L . L . P .  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gregg County, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Gregg County, Texas' basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Gregg County, Texas, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Funding Progress for the Participation in Texas County and District Retirement System and budgetary comparison information on pages 4–13, 41 and 42–61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Gregg County, Texas' basic financial statements. 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 basic financial statements. The 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 Non-Profit Organizations*, and is also not a required part of the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2016, on our consideration of the Gregg County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gregg County, Texas' internal control over financial reporting and compliance.

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

Waco, Texas  
March 31, 2016

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**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, 2015. 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 2015 by \$137,889,147 (*net position*). Of this amount, \$60,350,642 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.

- The government's total net position increased by \$2,189,523 or 1% primarily due to net change in fund balances.
- As of September 30, 2015, Gregg County's governmental funds reported combined ending fund balances of \$68,139,595, a decrease of \$3,053,229 or 4% in comparison with the prior year. \$32,520,331 (48%) is *available for spending* at the government's discretion (*unassigned fund balance*). \$18,399,412 (27%) is fund balance assigned for capital projects, transportation and road improvements, public safety, drug court operations and other projects.
- At the end of fiscal year 2015, total unassigned fund balance for the General Fund was \$32,520,331 or 80% of total General Fund expenditures, compared to \$34,676,637 or 88% in 2014 and \$38,422,086 or 89% in 2014.
- Total revenue for the governmental activities increased 0.6% mostly due to an increase in capital grants and contribution revenue.
- Total expenses for the government increased by \$1,384,405 or 3%. The program to have the largest increase in expenses was Transportation and Roads at \$1,203,050 or 15%.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Both of the government-wide financial statements distinguish functions of 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 business-type activities for the Longview Community Center Fund.

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 17 – 22 of this report.

**Proprietary Funds:** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. 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 – 42 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 43 – 65 of this report.

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining fund statements and schedules can be found on pages 66 – 81 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Gregg County, assets exceeded liabilities by \$137,889,147 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 46% of net position compared with 43% 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 Position

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 87,210,009	\$ 83,187,747	\$ -	\$ ( 70,881)	\$ 87,210,009	\$ 83,116,866
Capital assets	63,565,669	58,218,734	-	490,770	63,565,669	58,709,504
Total assets	<u>150,775,678</u>	<u>141,406,481</u>	<u>-</u>	<u>419,889</u>	<u>150,775,678</u>	<u>141,826,370</u>
Deferred outflows of resources	3,335,894	-	-	-	3,335,894	-
Long-term liabilities	4,266,924	764,877	-	-	4,266,924	764,877
Other liabilities	11,340,497	4,384,415	-	22,976	11,340,497	4,407,391
Total liabilities	<u>15,607,421</u>	<u>5,149,292</u>	<u>-</u>	<u>22,976</u>	<u>15,607,421</u>	<u>5,172,268</u>
Deferred inflows of resources	615,004	-	-	-	615,004	-
Net position:						
Net investment in capital assets	63,174,980	58,218,734	-	490,770	63,174,980	58,709,504
Restricted	14,363,525	14,995,415	-	-	14,363,525	14,995,415
Unrestricted	<u>60,350,642</u>	<u>63,043,040</u>	<u>-</u>	<u>( 93,857)</u>	<u>60,350,642</u>	<u>62,949,183</u>
Total net position	<u>\$ 137,889,147</u>	<u>\$ 136,257,189</u>	<u>\$ -</u>	<u>\$ 396,913</u>	<u>\$ 137,889,147</u>	<u>\$ 136,654,102</u>

An additional portion of Gregg County's net position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$60,350,642 (44%) 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 position, both for the government as a whole, as well as for its separate governmental activities.

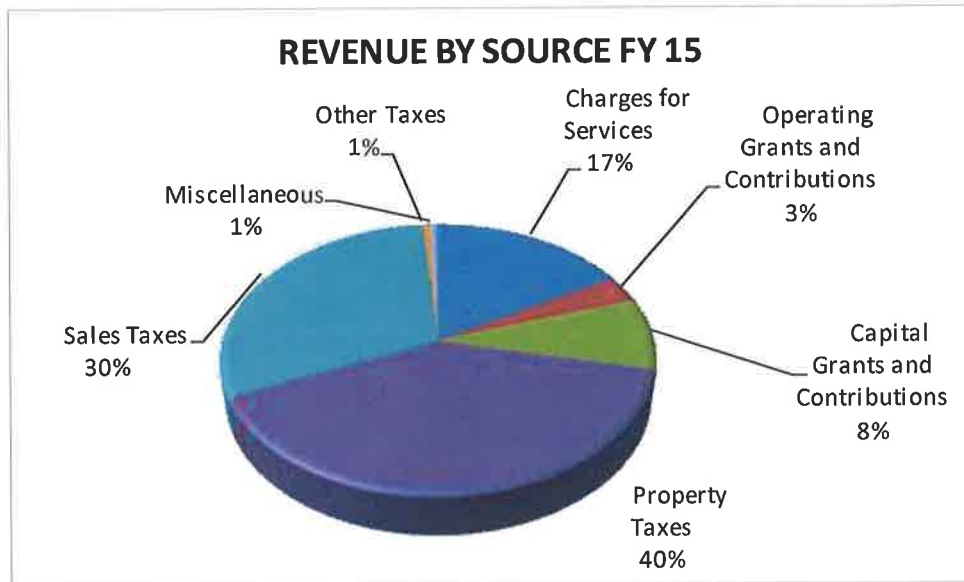
**Governmental Activities:** Governmental activities increased Gregg County's net position by \$2,586,436 for a 1.9% increase of the total net position of Gregg County. As a comparison to the prior year, net position increased by 2.3% in FY14.

### Gregg County's Changes in Net Position

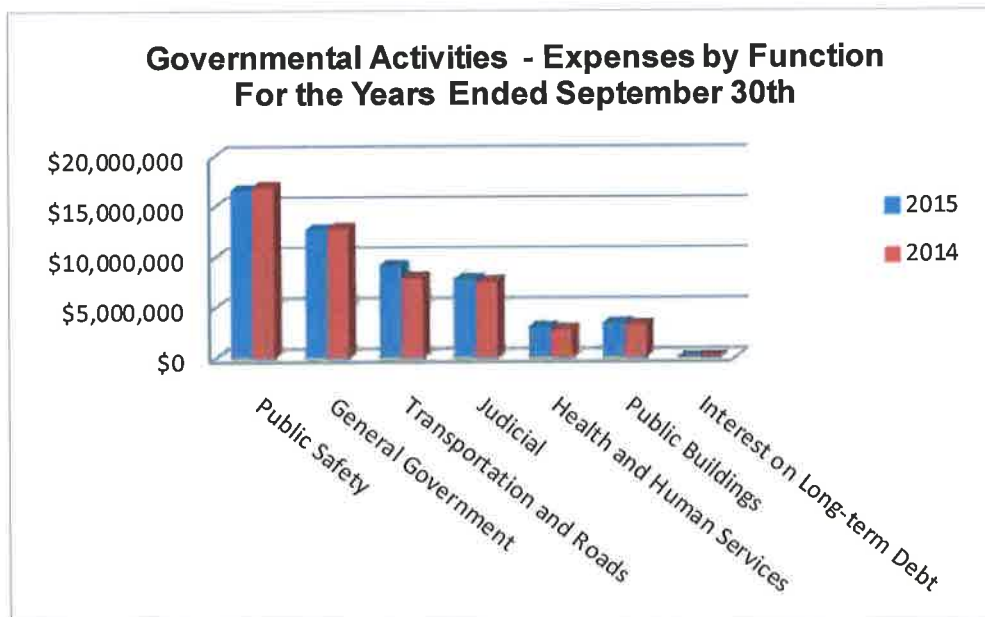
	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 9,200,709	\$ 10,033,275	\$ -	\$ 50,633	\$ 9,200,709	\$ 10,083,908
Operating grants and contributions	1,785,205	1,014,974	-	-	1,785,205	1,014,974
Capital grants and contributions	4,647,778	3,274,049	-	-	4,647,778	3,274,049
<b>General revenues:</b>						
Property taxes	22,016,974	21,899,820	-	-	22,016,974	21,899,820
Sales taxes	16,542,149	17,854,086	-	-	16,542,149	17,854,086
Other taxes	343,452	325,909	-	-	343,452	325,909
Investment earnings	236,805	130,130	-	-	236,805	130,130
Miscellaneous	109,266	-	-	-	109,266	-
<b>Total revenues</b>	<b>54,882,338</b>	<b>54,532,243</b>	<b>-</b>	<b>50,633</b>	<b>54,882,338</b>	<b>54,582,876</b>
<b>Expenses:</b>						
General government	12,705,059	12,848,089	-	-	12,705,059	12,848,089
Judicial	7,775,332	7,554,982	-	-	7,775,332	7,554,982
Public safety	16,649,033	16,931,848	-	-	16,649,033	16,931,848
Health and human services	3,026,687	2,771,049	-	-	3,026,687	2,771,049
Public buildings	3,399,292	3,273,248	-	-	3,399,292	3,273,248
Transportation and roads	9,132,170	7,929,120	-	-	9,132,170	7,929,120
Interest on long-term debt	5,242	74	-	-	5,242	74
Longview	-	-	-	159,406	-	159,406
Community Center	-	-	-	159,406	-	159,406
<b>Total expenses</b>	<b>52,692,815</b>	<b>51,308,410</b>	<b>-</b>	<b>159,406</b>	<b>52,692,815</b>	<b>51,467,816</b>
Increases in net position before transfers	2,189,523	3,223,833	-	( 108,773)	2,189,523	3,115,060
Transfers	396,913	( 213,166)	( 396,913)	213,166	-	-
<b>Change in net position</b>	<b>2,586,436</b>	<b>3,010,667</b>	<b>( 396,913)</b>	<b>104,393</b>	<b>2,189,523</b>	<b>3,115,060</b>
Net position, beginning	136,257,189	133,246,522	396,913	292,520	136,654,102	133,539,042
Prior period adjustment	( 954,478)	-	-	-	( 954,478)	-
Net assets, beginning, as res	135,302,711	133,246,522	396,913	292,520	135,699,624	133,539,042
<b>Net position, ending</b>	<b>\$ 137,889,147</b>	<b>\$ 136,257,189</b>	<b>\$ -</b>	<b>\$ 396,913</b>	<b>\$ 137,889,147</b>	<b>\$ 136,654,102</b>

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

Function/Program	Net Cost of Services	
	2015	2014
General Government	\$( 6,144,208)	\$( 6,650,607)
Judicial	( 5,893,172)	( 5,408,417)
Public Safety	( 15,310,453)	( 15,540,449)
Health and Human Services	( 2,581,561)	( 2,362,887)
Public Buildings	( 1,518,349)	( 1,154,379)
Transportation and Roads	( 5,606,138)	( 5,869,299)
Interest on long-term debt	( 5,242)	( 74)
<b>Total</b>	<b>\$( 37,059,123)</b>	<b>\$( 36,986,112)</b>



Comparison of government-wide expenses by function. Total expenses increased 3%.



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

- Program revenues for the governmental activities of \$15,633,692 equaled 30% of total governmental activities expenses of \$52,692,815. As expected, general revenues of \$39,248,646 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 32% of the expenses are for Public Safety (\$16,649,033) reflecting the continuing demands on law enforcement. This program provided 2% (\$1,338,580) of the total governmental activities revenues for the year.
- The next largest category of expenses for governmental activities is General Government which equals \$12,705,059 or 24% of total expenses. General Government provided 12% or \$6,560,851 of the government total revenue.
- Transportation and Roads accounted for \$9,132,170 or 17% of the governmental activities expenses while this category provided 5% or \$2,644,111 of total government revenue.

- Judicial expenses for the government for the year accounted for 15% or \$7,775,332 of the expenditures while this category provided for 3% or \$1,882,160 of the governmental activities revenue.
- Capital Grant Revenues and Contributions comprised 8% of total governmental activities revenue, 81% of which was in the General Government program. Operating Grants and Contributions accounts for 3% of total government revenue distributed throughout all programs.

**Business-type Activities:**

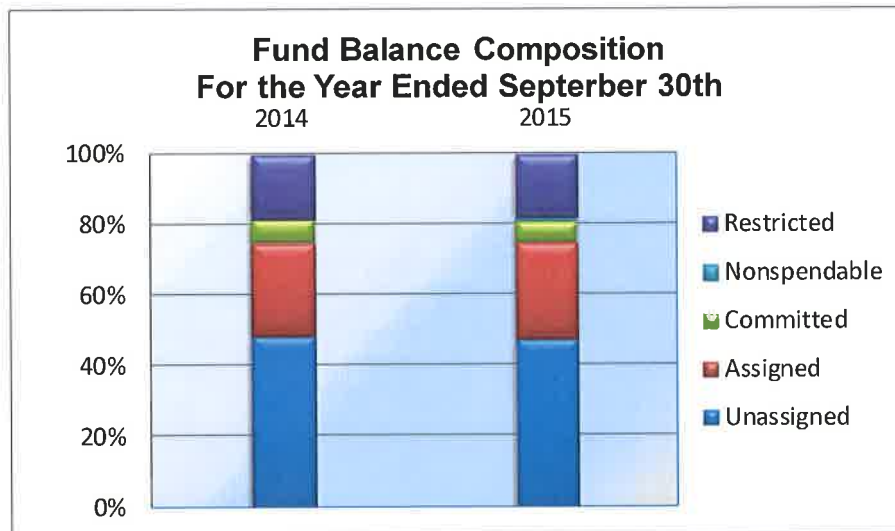
Operations of the historic Longview Community Center reverted back to Gregg County in 2012 from the Federated Women Clubs and are accounted for as business-type activity.

Business-type activities resulted in a 0.3% decrease or \$396,913 of the County total net position and accounts for 0.0% of the total primary government's net position. Last year business activities accounted for 0.3% of the total government's net position.

**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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.



At the end of fiscal year 2015, Gregg County's *governmental funds* reported combined ending fund balances of \$68,139,595, a decrease of \$3,053,229 (4%) in comparison with the prior year. "Unassigned" fund balance accounts for 48% or \$32,520,331 of the total. An additional \$18,399,412 (27%) is "Assigned" fund balance and is constituted mostly of CIP funds. "Committed" fund balance total is \$4,059,191 or 6% of total fund balance and would require a Commissioner's Court order to use for any other purpose. \$12,260,660 or 18% 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 (\$899,912); and 2) for prepaid expenditures (\$89).

**General Fund**

The General Fund is the chief operating fund of Gregg County. At the end of fiscal year 2015, the General Fund had an ending fund balance of \$33,751,415 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 \$32,520,331 represents 80% of total General Fund expenditures.

The General Fund balance decreased by \$1,966,687 (6%) during the 2015 fiscal year. The decrease can be attributed to the Other Financing Sources transfer to fund capital improvement projects.

**General Fund Highlights:**

- Property tax revenue increased \$2,738,763 from the prior year. Values rose from \$8.55 billion to \$8.66 billion.
- Sales Tax revenues decreased \$1,422,253 (8.9%) compared to FY14 collections.
- Actual total expenditures were \$3,342,425 (8%) under final budget appropriations.
- Total General Fund revenues increased by \$1,115,634, or 2.7% compared to a 2.7% decrease last year and this can be attributed mostly to an increase in sales tax revenue.
- Other financing sources included \$3,225,000 received from transfers from other funds for interagency projects.
- Total General Fund expenditures increased \$2,548,598 or 3% compared to a 9% decrease last year. The largest expenditure increase of \$1,240,000 was due to the start of road construction projects under the CETRZ grant.
- Differences between the original budget and the final amended budget can be briefly summarized as follows:
  - An increase of \$2,117,942 in expenditure appropriations, although actual expenditures were \$1,224,483 under the original budget appropriations.

**Road and Bridge Fund**

- The Road and Bridge Fund had an ending fund balance of \$5,902,856, a decrease of -\$283,440 (-5%). Of the ending fund balance, \$894,735 or 15% is nonspendable for inventories and \$264,223, or 5%, is assigned for road and bridge projects. The remaining balance \$4,743,898 or 80% is restricted for use on road and bridge projects.
- Total FY15 Road and Bridge expenditures decreased by \$1,236,272 or 24% mostly due to a change in the accounting procedures for major road and bridge capital projects.
- Final expenditures were \$501,227 under the final budget appropriations.
- Differences between the original budget and the final amended budget can be briefly summarized as follows:
  - An increase of \$240,950 in expenditure appropriations.

**Airport and Airport Improvement Funds**

- Major Infrastructure Project completions for the year include the following:
  - Airport terminal improvements
- Major construction in Progress or planning the near future at the Airport include the following:
  - Airfield drainage improvements
  - Continuing the airport perimeter road construction phase 2 & 3
- Other financing sources included \$331,298 received from transfers from other funds.



### 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. Unexpended fund balance rolls forward to the next budget year on contracted projects only. 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.

- Major Capital Building Projects completed during the year are as follows:
  - County Court at Law 1 Renovations
  - North Jail Building and Juvenile Building Roof Replacements
  - Longview Community Center Phase 2 Renovations
- Construction in Progress at County buildings at year-end include the following:
  - Continuing countywide ADA compliance upgrades
  - Courthouse energy project
- Future Projects included in the CIP are:
  - County facilities: Parking facilities; continuing ADA improvements, courthouse replacement of ceilings, fire alarm system, window sealing and roof replacements. Additionally, Precinct 3 has planned a new shop/training facility.
  - Airport infrastructure: County's grant match for east Texas runway improvements, design and construction of runway 13/31, airport computerized access controls and design and construction of AFRR station.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

Gregg County adopted its' Capital Asset Policy 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, 2015, Gregg County's investment in capital assets amounts to \$63,565,669 (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	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,321,040	\$ 1,301,800	\$ -	\$ 19,240	\$ 1,321,040	\$ 1,321,040
Construction in progress	8,558,051	6,652,952	-	-	8,558,051	6,652,952
Buildings and improvements	23,892,351	18,907,299	-	471,530	23,892,351	19,378,829
Machinery and equipment	4,358,506	4,304,218	-	-	4,358,506	4,304,218
Infrastructure	25,435,721	27,045,467	-	-	25,435,721	27,045,467
<b>Total</b>	<b>\$ 63,565,669</b>	<b>\$ 58,211,736</b>	<b>\$ -</b>	<b>\$ 490,770</b>	<b>\$ 63,565,669</b>	<b>\$ 58,702,506</b>

Capital Assets purchased during FY15 include the following:

- Countywide purchase of 11 replacement vehicles.
- General Fund purchases of 25 digital portable Sheriff Radios, a jail control panel, and kitchen equipment.
- Road & Bridge capital equipment during the year include a roller (\$112,712) and a wheeled excavator (\$209,702).

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 \$4,266,924 which is for an accrual for compensated absences of \$782,156 (18%), capital lease payables of \$390,689 (9%), and a net pension liability of \$3,094,079 (73%).

Additional information on Gregg County's long-term debt can be found in Note 4 on page 37 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 FY16, the Court considered the following:

- The County economy started to see some effect of the national slowdown along with the beginning of the Oil and Gas decline at the close of FY15 and is expected to continue through FY16.
- A very slight decrease in the tax base valuation was realized from \$8.66 billion in the prior year to \$8.65 billion for FY16. Additionally, Gregg County maintained as of December, 2015 an unemployment rate of 4.8% which falls between the state rate of 4.7% and the national average of 5%.
- Sales tax revenue is expected to decrease for FY16.
- There is no plan to issue debt in the FY16 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 FY16 budget was .2625 per \$100 valuation, the same as the prior year. This rate will adequately fund the FY16 budget.

- Budgeted revenue government wide for FY16 is \$54,624,730 and the budgeted expenditures are \$63,188,303. Ending fund balances is budgeted to decrease by 14.9% although reserves continue to remain healthy. Additionally, other financing sources are budgeted at \$12,481,754 and other financing uses are budgeted at \$12,857,504. Transfers consist mainly of transfers for large capital projects.
- Major capital improvements budgeted for FY16 include continued renovations on ADA Compliance Projects, courthouse roof, ceiling tile, fire alarm systems and the completion of the Capital Energy Upgrades to the Courthouse. The completion of the safety improvements at the Tryon Road/Hawkins parkway intersection were adopted in the budget also.
- The court continues to look at the feasibility of easing the parking shortage for the public conducting business at the courthouse and options available.

## **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](http://www.co.gregg.tx.us).

**BASIC  
FINANCIAL STATEMENTS**

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**GREGG COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

	Primary Government			Child Welfare
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 20,712,482	\$ -	\$ 20,712,482	\$ 270,143
Investments	54,378,299	-	54,378,299	-
Receivables (net of allowances for uncollectibles)				
Taxes	490,709	-	490,709	-
Accounts	4,946,826	-	4,946,826	-
Interest	76,612	-	76,612	-
Internal balances	-	-	-	-
Due from other governments	5,692,152	-	5,692,152	-
Inventory	912,840	-	912,840	-
Prepaid expenses	89	-	89	-
Capital assets (net of accumulated depreciation)				
Land	1,321,040	-	1,321,040	-
Construction in progress	8,558,051	-	8,558,051	-
Buildings and improvements	48,699,656	-	48,699,656	-
Equipment	19,372,689	-	19,372,689	-
Infrastructure	78,086,552	-	78,086,552	-
Less: accumulated depreciation	( 92,472,319)	-	( 92,472,319)	-
Total capital assets	63,565,669	-	63,565,669	-
Total assets	150,775,678	-	150,775,678	270,143
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	3,335,894	-	3,335,894	-
Total deferred outflows of resources	3,335,894	-	3,335,894	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	8,602,989	-	8,602,989	5,503
Due to other governments	160,233	-	160,233	-
Accrued liabilities	2,577,275	-	2,577,275	-
Noncurrent liabilities:				
Due within one year	980,556	-	980,556	-
Due within more than one year	3,286,368	-	3,286,368	-
Total liabilities	15,607,421	-	15,607,421	5,503
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	615,004	-	615,004	-
Total deferred inflows of resources	615,004	-	615,004	-
<b>NET POSITION</b>				
Net investment in capital assets	63,174,980	-	63,174,980	-
Restricted for:				
Archive restoration	549,472	-	549,472	-
Transportation and roads	6,608,420	-	6,608,420	-
Public safety operations	584,247	-	584,247	-
Bail bond board operations	36,169	-	36,169	-
Judicial operations	126,653	-	126,653	-
Airport improvements	170,363	-	170,363	-
Court technology and security	334,102	-	334,102	-
Records management and preservation	932,554	-	932,554	-
Voting and elections	25,158	-	25,158	-
Health and human services operations	33,771	-	33,771	-
Vehicle inventory tax administration	2,673	-	2,673	-
Permanent improvements	4,959,943	-	4,959,943	-
Unrestricted	60,350,642	-	60,350,642	264,640
Total net position	\$ 137,889,147	\$ -	\$ 137,889,147	\$ 264,640

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, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 12,705,059	\$ 2,767,426	\$ 27,568	\$ 3,765,857
Judicial	7,775,332	1,415,001	467,159	-
Public safety	16,649,033	1,177,427	161,153	-
Health and human services	3,026,687	38,970	406,156	-
Public buildings	3,399,292	1,880,943	-	-
Transportation and roads	9,132,170	1,920,942	723,169	881,921
Interest on long-term debt	5,242	-	-	-
Total governmental activities	52,692,815	9,200,709	1,785,205	4,647,778
Business-type activities:				
Longview community center	-	-	-	-
Total business-type activities	-	-	-	-
Total primary government	52,692,815	9,200,709	1,785,205	4,647,778
Component unit:				
Child Welfare Board	89,576	13,749	85,000	-
Total component unit	\$ 89,576	\$ 13,749	\$ 85,000	\$ -
General revenues:				
Taxes:				
Property taxes				
Sales taxes				
Alcoholic beverage taxes				
Other taxes				
Unrestricted investment earnings				
Insurance proceeds				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Prior period adjustment				
Net assets, beginning, as restated				
Net position, ending				

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

Net (Expense) Revenue  
and Changes  
in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Child Welfare
\$( 6,144,208)	\$ -	\$( 6,144,208)	\$ -
( 5,893,172)	-	( 5,893,172)	-
( 15,310,453)	-	( 15,310,453)	-
( 2,581,561)	-	( 2,581,561)	-
( 1,518,349)	-	( 1,518,349)	-
( 5,606,138)	-	( 5,606,138)	-
( 5,242)	-	( 5,242)	-
<u>( 37,059,123)</u>	<u>-</u>	<u>( 37,059,123)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>( 37,059,123)</u>	<u>-</u>	<u>( 37,059,123)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>9,173</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>9,173</u>
22,016,974	-	22,016,974	-
16,542,149	-	16,542,149	-
245,031	-	245,031	-
98,421	-	98,421	-
236,805	-	236,805	143
21,892	-	21,892	-
87,374	-	87,374	-
396,913	( 396,913)	-	-
<u>39,645,559</u>	<u>( 396,913)</u>	<u>39,248,646</u>	<u>143</u>
2,586,436	( 396,913)	2,189,523	9,316
<u>136,257,189</u>	<u>396,913</u>	<u>136,654,102</u>	<u>255,324</u>
<u>( 954,478)</u>	<u>-</u>	<u>( 954,478)</u>	<u>-</u>
<u>135,302,711</u>	<u>396,913</u>	<u>135,699,624</u>	<u>255,324</u>
<u>\$ 137,889,147</u>	<u>\$ -</u>	<u>\$ 137,889,147</u>	<u>\$ 264,640</u>



**GREGG COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	<u>General</u>	<u>Road and Bridge</u>	<u>Capital Improvement</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,023,578	\$ 1,432,995	\$ 8,303,887
Investments	30,794,347	3,838,326	14,348,021
Receivables (net of allowance for uncollectibles)			
Accounts	2,817,656	1,814,007	-
Taxes	354,619	70,101	24,302
Interest	38,908	1,448	29,531
Due from other funds	888,430	-	-
Due from other governments	2,609,776	-	38
Inventories	3,171	894,735	-
Prepaid expenditures	89	-	-
Total assets	<u>44,530,574</u>	<u>8,051,612</u>	<u>22,705,779</u>
<b>LIABILITIES</b>			
Accounts payable	6,089,250	100,857	209,443
Due to other governments	154,416	710	-
Accrued liabilities	1,593,498	202,174	-
Due to other funds	-	-	-
Total liabilities	<u>7,837,164</u>	<u>303,741</u>	<u>209,443</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	301,550	67,147	21,424
Unavailable revenue - court fines	2,640,445	1,777,868	-
Total deferred inflows of resources	<u>2,941,995</u>	<u>1,845,015</u>	<u>21,424</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid expenditures	89	-	-
Inventories	3,171	894,735	-
Restricted for:			
Archive restoration	549,472	-	-
Transportation and road improvements	19,507	4,743,898	-
Public Safety operations	-	-	-
Bail bond board operations	36,169	-	-
Judicial operations	-	-	-
Airport improvements	-	-	-
Court technology and security	-	-	-
Records management and preservation	-	-	-
Voting and elections	-	-	-
Health and human services operations	23,880	-	-
Vehicle inventory tax administration	-	-	-
Permanent improvements	-	-	4,938,519
Committed for:			
Airport operations	-	-	-
Donations to healthcare organizations	-	-	-
Assigned for:			
Capital projects	-	-	17,536,393
Transportation and road improvements	391,962	-	-
Public Safety	89,824	-	-
Drug Court Operations	117,010	-	-
Other Projects	-	264,223	-
Unassigned	<u>32,520,331</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>33,751,415</u>	<u>5,902,856</u>	<u>22,474,912</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,530,574</u>	<u>\$ 8,051,612</u>	<u>\$ 22,705,779</u>

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

Airport Improvement	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,812,443	\$ 19,572,903
-	3,248,158	52,228,852
-	259,713	4,891,376
-	41,687	490,709
-	5,665	75,552
-	-	888,430
2,417,397	664,941	5,692,152
-	2,006	899,912
-	-	89
<u>2,417,397</u>	<u>7,034,613</u>	<u>84,739,975</u>
1,775,034	376,546	8,551,130
-	5,107	160,233
-	122,438	1,918,110
472,000	416,430	888,430
<u>2,247,034</u>	<u>920,521</u>	<u>11,517,903</u>
-	37,617	427,738
-	236,426	4,654,739
-	<u>274,043</u>	<u>5,082,477</u>
-	-	89
-	2,006	899,912
-	-	549,472
-	-	4,763,405
-	584,247	584,247
-	-	36,169
-	95,168	95,168
170,363	-	170,363
-	280,217	280,217
-	781,498	781,498
-	25,158	25,158
-	9,891	33,771
-	2,673	2,673
-	-	4,938,519
-	1,202,498	1,202,498
-	2,856,693	2,856,693
-	-	17,536,393
-	-	391,962
-	-	89,824
-	-	117,010
-	-	264,223
-	-	32,520,331
<u>170,363</u>	<u>5,840,049</u>	<u>68,139,595</u>
\$ <u>2,417,397</u>	\$ <u>7,034,613</u>	\$ <u>84,739,975</u>

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**GREGG COUNTY, TEXAS**

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

**AS OF SEPTEMBER 30, 2015**

Total fund balances - governmental funds balance sheet		\$	68,139,595
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not reported in the funds.			63,539,386
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		427,738	
Court fines and fees		<u>4,654,739</u>	
			5,082,477
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Interest payable	(	5,242)	
Compensated absences	(	782,156)	
Capital leases	(	390,689)	
Net pension liability	(	<u>373,189</u> )	
			( 1,551,276)
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 position.			<u>2,678,965</u>
Net position of governmental activities		\$	<u>137,889,147</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, 2015**

	<u>General</u>	<u>Road and Bridge</u>	<u>Capital Improvement</u>
<b>REVENUES</b>			
Taxes:			
Current property taxes	\$ 18,159,004	\$ 1,001,292	\$ 983,950
Delinquent property taxes	332,479	65,747	22,764
Alcoholic beverage tax	245,031	-	-
Bingo tax	98,421	-	-
Sales tax	14,491,858	-	-
Motor vehicle sales tax	1,775,691	274,600	-
Licenses and permits	63,677	1,254,510	-
Intergovernmental	924,931	673,292	-
Charges for services	3,153,543	-	-
Fines and forfeitures	470,591	530,248	-
Investment earnings	143,380	20,786	59,255
Rents and commissions	2,047,449	-	-
Miscellaneous	118,460	6,579	-
Total revenues	<u>42,024,515</u>	<u>3,827,054</u>	<u>1,065,969</u>
<b>EXPENDITURES</b>			
Current:			
General government	8,930,973	-	-
Judicial	7,732,958	-	-
Public safety	15,250,463	-	-
Health and human services	2,672,233	-	-
Public buildings	2,283,921	-	-
Transportation and roads	3,225,000	3,809,112	-
Capital outlay	437,844	38,564	5,090,050
Total expenditures	<u>40,533,392</u>	<u>3,847,676</u>	<u>5,090,050</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,491,123</u>	<u>( 20,622)</u>	<u>( 4,024,081)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	3,225,000	118,325	7,114,610
Transfers out	( 6,697,557)	( 482,179)	( 3,786,778)
Sale of capital assets	3,680	90,311	-
Insurance recoveries	11,067	10,725	-
Proceeds from capital lease	-	-	390,689
Total other financing sources (uses)	<u>( 3,457,810)</u>	<u>( 262,818)</u>	<u>3,718,521</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 1,966,687)</u>	<u>( 283,440)</u>	<u>( 305,560)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>35,718,102</u>	<u>6,186,296</u>	<u>22,780,472</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 33,751,415</u>	<u>\$ 5,902,856</u>	<u>\$ 22,474,912</u>

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>
\$ -	\$ 1,393,808	\$ 21,538,054
-	39,118	460,108
-	-	245,031
-	-	98,421
-	-	14,491,858
-	-	2,050,291
-	-	1,318,187
3,765,857	1,342,861	6,706,941
87,142	417,187	3,657,872
-	19,237	1,020,076
-	6,678	230,099
-	421,039	2,468,488
-	163,425	288,464
<u>3,852,999</u>	<u>3,803,353</u>	<u>54,573,890</u>
-	1,311,291	10,242,264
-	264,004	7,996,962
-	1,153,751	16,404,214
-	363,324	3,035,557
-	-	2,283,921
-	86,697	7,120,809
<u>4,184,297</u>	<u>1,205,352</u>	<u>10,956,107</u>
<u>4,184,297</u>	<u>4,384,419</u>	<u>58,039,834</u>
( 331,298)	( 581,066)	( 3,465,944)
331,298	319,675	11,108,908
-	( 236,251)	( 11,202,765)
-	-	93,991
-	100	21,892
-	-	390,689
<u>331,298</u>	<u>83,524</u>	<u>412,715</u>
-	( 497,542)	( 3,053,229)
<u>170,363</u>	<u>6,337,591</u>	<u>71,192,824</u>
\$ <u>170,363</u>	\$ <u>5,840,049</u>	\$ <u>68,139,595</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, 2015

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

Net change in fund balances - total governmental funds (pages 17 - 18)	\$( 3,053,229)
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.	10,837,080
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.	( 5,964,451)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	482,653
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	363,615
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position. Also, governmental funds report the effect of 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.	
Capital lease issuance	( 390,689)
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	( 17,279)
Certain pension expenditures are not expended in the government-wide financial statements and recorded as deferred resource outflows. This item relates to contributions made after the measurement date.	581,289
Accrued interests reported as an expense in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	( 5,242)
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>247,311</u>
Change in net position of governmental activities (page 15)	<u>\$ 2,586,436</u>

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



**GREGG COUNTY, TEXAS**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

**SEPTEMBER 30, 2015**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Longview Community Center</u>	<u>Internal Service Funds</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ -	\$ 1,139,579
Investments	-	2,149,447
Interest receivable	-	1,060
Accounts receivable, net of allowances	-	55,450
Inventory	-	12,928
Total current assets	<u>-</u>	<u>3,358,464</u>
Noncurrent assets:		
Capital assets:		
Equipment	-	49,288
Less: accumulated depreciation	<u>-</u>	<u>( 23,005)</u>
Total capital assets	<u>-</u>	<u>26,283</u>
Total noncurrent assets	<u>-</u>	<u>26,283</u>
Total assets	<u>-</u>	<u>3,384,747</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	-	51,859
Accrued liabilities	<u>-</u>	<u>653,923</u>
Total current liabilities	<u>-</u>	<u>705,782</u>
Total liabilities	<u>-</u>	<u>705,782</u>
<b>NET POSITION</b>		
Net investment in capital assets	-	26,283
Unrestricted	<u>-</u>	<u>2,652,682</u>
Total net position	<u>\$ -</u>	<u>\$ 2,678,965</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 POSITION

#### PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities	Governmental Activities
	Longview Community Center	Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for services	\$ -	\$ 5,688,691
Total operating revenues	-	5,688,691
<b>OPERATING EXPENSES</b>		
Salaries	-	25,377
Fringe benefits	-	12,890
Operating expenses	-	48,822
Insurance consultant	-	22,825
Claim expenses	-	5,174,503
Administrative	-	649,944
Depreciation	-	8,347
Total operating expenses	-	5,942,708
<b>OPERATING INCOME (LOSS)</b>	-	( 254,017)
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest and investment revenue	-	6,706
Total nonoperating revenues (expenses)	-	6,706
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	-	( 247,311)
Capital contributions	( 490,770)	-
Transfers in	93,857	-
<b>CHANGES IN NET POSITION</b>	( 396,913)	( 247,311)
<b>TOTAL NET POSITION, BEGINNING</b>	396,913	2,926,276
<b>TOTAL NET POSITION, ENDING</b>	\$ -	\$ 2,678,965

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, 2015**

	Business-type Activities	Governmental Activities
	Longview Community Center	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 771	\$ -
Cash receipts from interfund charges for print shop services	-	102,611
Cash receipts from interfund charges for self-insurance services	-	5,582,421
Payments to suppliers for goods and services	( 88,884)	( 5,446,973)
Payments to employees for salaries and benefits	( 5,744)	( 38,703)
Net cash used by operating activities	( 93,857)	199,356
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Net cash flows provided by capital and related financing activities	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from maturities of investments	-	46,232
Purchase of investments	-	-
Earnings on investments	-	6,254
Net cash used by investing activities	-	52,486
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	-	251,842
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	-	887,737
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	-	1,139,579
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	-	( 254,017)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	-	8,347
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Inventory	-	6,640
Accounts receivable	771	( 3,659)
Increase (decrease) in liabilities:		
Accounts payable	( 17,232)	50,580
Accrued liabilities	( 5,744)	391,465
Other liabilities	( 71,652)	-
Net cash used by operations	( 93,857)	199,356
Noncash investing, capital and financing activities:		
Contributions of capital assets	\$ -	\$ -

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

**GREGG COUNTY, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2015**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ <u>9,004,807</u>
Total assets	\$ <u>9,004,807</u>
<b>LIABILITIES</b>	
Due to others	\$ <u>9,004,807</u>
Total liabilities	\$ <u>9,004,807</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, 2015

### 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 Gregg County Commissioners' Court appoints the Board and has the ability to exercise control over the Board. 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 position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes 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.

### 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** uses property taxes, licenses and permits, intergovernmental revenue and fines and forfeitures to fund 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 situations where the County's role is strictly custodial in nature. Most of these funds are held for legal reasons. Those reasons vary from funds held in trust for minors, to funds placed in escrow awaiting a decision and order by the presiding court. Additional funds were on hand at year-end for tax collections for other governmental entities for fees collected on their behalf. As a result, all assets reported in an agency fund are offset by a liability to the party or entity on whose behalf the assets are held.

### 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.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, and agency funds have no measurement focus, but utilize the *accrual basis of accounting* for reporting its assets and liabilities. 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, Deferred Outflows/Inflows of Resources and Net Position or Fund Balance**

##### **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 of the uncollected balance for court fines and fees receivable is currently 25% for CSCD, 35% for Court Collections, 40% for County Clerk – Civil, and 90% for Justices of the Peace. 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 60% of the uncollected balance at September 30, 2015.

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



## 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 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:

Assets	Years
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, 2015, 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.

## Pensions

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

## 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 position.

## Deferred outflows/inflows of resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has the following items that qualify for reporting in this category:

- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item that qualifies for reporting in this category. The difference in expected and actual pension experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date. The County also has two items in the fund statements which are deferred inflows from property taxes and court fines.

### **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:

**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 Position**

Net position represent the difference between assets, deferred inflows/outflows and liabilities. Net position 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 position 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.

## **Estimates**

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

## **Prior Period Adjustment**

The GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27," which became effective for fiscal year 2015. This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date.

The implementation of Statement No. 68 resulted in the restatement of beginning net position for the recording of the beginning net pension liability and the beginning deferred outflow for contributions made after the measurement date. Prospectively applying these changes results in the adjustment of (\$954,478).

## **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.

### **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.

#### 4. DETAILED NOTES ON ALL FUNDS

##### Deposits and Investments

The County's investment pool, TexPool, 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 Texas State Comptroller oversees the operations of the investment pool, with a third party managing the daily operations of the pool under contract.

The County invests in TexPool to provide its primary liquidity needs. TexPool is a local government investment pool established in conformity with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code and the Public Investment Act, Chapter 2256 of the Code. TexPool is a 2(a)7 like fund, meaning that it is structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily. The County considers the holdings in these funds to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, short of a significant change in value. The fair value of the County's position in TexPool is the same as the value of the pool's shares.

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.

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, 2015. 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, 2015.

Investment types on September 30, 2015, were direct obligations of the U. S. Government and agency securities, and investment pools. Investments are stated at fair value as obtained from a reputable and independent source.

As of September 30, 2015, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
TexPool	\$ 16,279,026	40
Municipal securities	3,189,787	184
U. S. Agency Securities:		
Federal Home Loan Bank	17,525,270	280
Federal Farm Credit Bank	8,501,370	169
Federal Home Loan Mortgage Corp.	8,545,770	238
Federal National Mortgage Association	<u>1,000,550</u>	757
Total U. S. Agency Securities	<u>35,572,960</u>	
 Total portfolio	 \$ <u>55,041,773</u>	
 Portfolio weighted average maturity (days)		 188

*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, 2015, 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.

*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, 2015, 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, 2015, were rated as follows:

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

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:

	General	Road and Bridge	Capital Improvement	Airport Improvement	Nonmajor Funds	Internal Service	Total
Receivables:							
Taxes	\$ 894,944	\$ 176,913	\$ 61,330	\$ -	\$ 105,204	\$ -	\$ 1,238,391
Accounts	6,927,404	2,607,732	-	-	501,752	55,450	10,092,338
Interest	38,908	1,448	29,531	-	5,665	1,060	76,612
Due from other governments	2,609,776	-	38	2,417,397	664,941	-	5,692,152
Gross receivables	10,471,032	2,786,093	90,899	2,417,397	1,277,562	56,510	17,099,493
Less: allowance for uncollectibles	( 4,650,073)	( 900,537)	( 37,028)	-	( 305,556)	-	( 5,893,194)
Net total receivables	\$ 5,820,959	\$ 1,885,556	\$ 53,871	\$ 2,417,397	\$ 972,006	\$ 56,510	\$ 11,206,299

### Capital Assets

Capital asset activity for the year ended September 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,301,800	\$ 19,240	\$ -	\$ 1,321,040
Construction in progress	6,652,952	7,700,479	( 5,795,380)	8,558,051
Total assets not being depreciated	7,954,752	7,719,719	( 5,795,380)	9,879,091
Capital assets, being depreciated:				
Buildings and improvements	42,204,872	6,494,784	-	48,699,656
Equipment	18,531,174	1,256,200	( 414,685)	19,372,689
Infrastructure	76,206,151	1,880,401	-	78,086,552
Total capital assets being depreciated	136,942,197	9,631,385	( 414,685)	146,158,897
Accumulated depreciation:				
Buildings and improvements	( 23,519,636)	( 1,287,669)	-	( 24,807,305)
Equipment	( 14,234,116)	( 1,186,635)	406,568	( 15,014,183)
Infrastructure	( 49,160,684)	( 3,490,147)	-	( 52,650,831)
Total accumulated depreciation	( 86,914,436)	( 5,964,451)	406,568	( 92,472,319)
Total capital assets being depreciated, net	50,027,761	3,666,934	( 8,117)	53,686,578
Governmental activities capital assets, net	\$ 57,982,513	\$ 11,386,653	\$ ( 5,803,497)	\$ 63,565,669

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

Governmental activities:	
General government	\$ 2,430,943
Judicial	9,441
Public safety	350,123
Health and human services	2,411
Public buildings	1,118,319
Transportation and roads	<u>2,053,214</u>
Total depreciation expense - governmental activities	<u>\$ 5,964,451</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 19,240	\$ -	\$( 19,240)	\$ -
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets not being depreciated	<u>19,240</u>	<u>-</u>	<u>( 19,240)</u>	<u>-</u>
Capital assets, being depreciated:				
Buildings and improvements	<u>699,404</u>	<u>-</u>	<u>( 699,404)</u>	<u>-</u>
Total capital assets being depreciated	<u>699,404</u>	<u>-</u>	<u>( 699,404)</u>	<u>-</u>
Accumulated depreciation:				
Buildings and improvements	<u>( 227,874)</u>	<u>-</u>	<u>227,874</u>	<u>-</u>
Total accumulated depreciation	<u>( 227,874)</u>	<u>-</u>	<u>227,874</u>	<u>-</u>
Total capital assets being depreciated, net	<u>471,530</u>	<u>-</u>	<u>( 471,530)</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ 490,770</u>	<u>\$ -</u>	<u>\$( 490,770)</u>	<u>\$ -</u>

### Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2015, is as follows:

#### **Due to/from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Airport Improvement	\$ 472,000
	Nonmajor governmental:	
	Grant	405,924
	VIT Operating	884
	District Attorney	<u>9,622</u>
		<u>\$ 888,430</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balance of working capital loans made to nonmajor governmental funds which the general fund expects to collect in the subsequent year.

**Interfund transfers:**

	Transfer In						Total
	General	Road and Bridge	Capital Improvement	Airport Improvement	Nonmajor Governmental	Longview Community Center	
Transfer out:							
General	\$ -	\$ 108,325	\$ 6,446,180	\$ -	\$ 49,195	\$ 93,857	\$ 6,697,557
Road & Bridge	-	-	482,179	-	-	-	482,179
Capital Improvement	3,225,000	10,000	-	331,298	220,480	-	3,786,778
Nonmajor governmental	-	-	186,251	-	50,000	-	236,251
Total transfers out	<u>\$ 3,225,000</u>	<u>\$ 118,325</u>	<u>\$ 7,114,610</u>	<u>\$ 331,298</u>	<u>\$ 319,675</u>	<u>\$ 93,857</u>	<u>\$ 11,202,765</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 \$490,770 were transferred from the business-type activities to the governmental activities. This transfer is reflected in the government-wide financial statements.

**Debt**

**Changes in Long-term Liabilities**

Long-term liability activity for the year ended September 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Capital leases payable	\$ -	\$ 390,689	\$ -	\$ 390,689	\$ 390,689
Compensated absences	764,877	662,964	645,685	782,156	589,867
Net Pension Liability	-	3,094,079	-	3,094,079	-
Governmental activity long-term liabilities	<u>\$ 764,877</u>	<u>\$ 4,147,732</u>	<u>\$ 645,685</u>	<u>\$ 4,266,924</u>	<u>\$ 980,556</u>

For compensated absences and net pension liability, the General Fund normally liquidates approximately 80% 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 a lease agreement for three Mack dump trucks to be used by the Road and Bridge precincts of the County valued at \$390,689. This machinery has 10-year estimated useful lives. This year, \$26,046 was included in depreciation expense for this equipment. This agreement qualifies as a capital lease for accounting purposes and, therefore, is recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

Year ending September 30,	Governmental Activities
2016	\$ 399,542
Total minimum lease payments	399,542
Less: Interest portion	8,853
Present value of minimum lease payments	<u>\$ 390,689</u>



## **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 2015, 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, nor did any settlement exceed coverage in the past three years.

### **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.

### **Defined Benefit Pension Plan**

**Plan Description.** The County participates in 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 nontraditional defined benefit pension plans. TCDRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tcdrs.org](http://www.tcdrs.org).

All eligible employees of the County are required to participate in TCDRS.

**Benefits Provided.** TCDRS provides retirement, disability and death benefits for all of its fulltime employees. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

Members can retire at age 60 and above with 8 or more years of service, with 20 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after eight years of service, but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's 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.

**Employees covered by benefit terms**

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	328
Inactive employees entitled to but not yet receiving benefits	174
Active employees	<u>616</u>
	<u>1,118</u>

**Contributions.** The contribution rates for employees in TCDRS are either 4%, 5%, 6%, or 7% of employee gross earnings, as adopted by the employer's governing body. Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Under the state law governing TCDRS, the contribution rate for each entity is determined annually by the actuary and approved by the TCDRS Board of Trustees. The replacement life entry age actuarial cost method is used in determining the contribution rate. The actuarially determined rate is the estimated amount necessary to fund benefits in an orderly manner for each participant over his or her career so that sufficient funds are accumulated by the time benefit payments begin, with an additional amount to finance any unfunded accrued liability.

Employees for the County were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the County were 10.94% in both calendar years 2014 and 2015. The County's contributions to TCDRS for the year ended September 30, 2015, were \$2,675,491, and were equal to the required contributions.

**Net Pension Liability.** The County's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The Total Pension Liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.5% per year
Investment rate of return	8.0%, net of pension plan investment expense, including inflation

Mortality rates for active members, retirees, and beneficiaries were based on the following:

Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

The actuarial assumptions that determined the total pension liability as of December 31, 2014, were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees.

The long-term expected rate of return on TCDRS is determined by adding inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information below are based on January 2015 information for a 7 to 10 year time horizon. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013. The target allocation and best estimates of geometric real rates return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation<sup>(1)</sup></u>	<u>Geometric Real Rate of Return (Expected minus Inflation)<sup>(2)</sup></u>
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	-0.20%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(4)</sup>	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

<sup>(1)</sup> Target asset allocation adopted at the April 2015 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return in addition to assumed inflation of 1.7% per Cliffwater's 2015 capital market assumptions.

<sup>(3)</sup> Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

<sup>(4)</sup> Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

### **Discount Rate**

The discount rate used to measure the Total Pension Liability was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2013	\$ 109,799,515	\$ 106,674,112	\$ 3,125,403
Changes for the year:			
Service cost	3,352,761	-	3,352,761
Interest on total pension liability <sup>(1)</sup>	8,831,106	-	8,831,106
Effect of economic/demographic gains or losses	( 820,006)	-	( 820,006)
Refund of contributions	( 445,764)	( 445,764)	-
Benefit payments	( 4,484,737)	( 4,484,737)	-
Administrative expenses	-	( 84,645)	84,645
Member contributions	-	1,719,683	( 1,719,683)
Net investment income	-	7,228,206	( 7,228,206)
Employer contributions	-	2,687,677	( 2,687,677)
Other <sup>(2)</sup>	-	( 155,736)	155,736
Balance at 12/31/2014	<u>\$ 116,232,875</u>	<u>\$ 113,138,796</u>	<u>\$ 3,094,079</u>

<sup>(1)</sup> Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

<sup>(2)</sup> Relates to allocation of system-wide items.

**Sensitivity Analysis**

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.1%) or 1-percentage-higher (9.1%) than the current rate:

	1% Decrease 7.1%	Current Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$ 131,044,179	\$ 116,232,875	\$ 104,023,747
Fiduciary net position	<u>113,138,796</u>	<u>113,138,796</u>	<u>113,138,796</u>
Net pension liability/(asset)	<u>\$ 17,905,383</u>	<u>\$ 3,094,079</u>	<u>\$ ( 9,115,049)</u>

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. The report may be obtained on the Internet at [www.tcdrs.org](http://www.tcdrs.org).

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

For the year ended September 30, 2015, the County recognized pension expense of \$2,097,980.

At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ 615,004	\$ -
Difference between projected and actual investment earnings	-	1,173,377
Contributions subsequent to the measurement date	<u>-</u>	<u>2,162,517</u>
Total	<u>\$ 615,004</u>	<u>\$ 3,335,894</u>

\$2,162,517 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>For The Year Ended September 30,</u>	
2015	\$ 88,343
2016	88,343
2017	88,343
2018	293,344
Total	558,373

### **New Accounting Principles**

Significant new accounting standards not yet implemented by the County include the following.

Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" – This statement changes the focus of accounting of postemployment benefits other than pensions from whether an entity is responsible for funding the benefits over time to a point-in-time liability that is reflected on the employer's financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the County in fiscal year 2018.

Statement No. 77, "*Tax Abatement Disclosures*" – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will become effective for the County in fiscal year 2017.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

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# GREGG COUNTY, TEXAS

## GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Current property taxes	\$ 18,272,780	\$ 18,272,780	\$ 18,081,217	\$( 191,563)
Current penalty and interest	72,000	72,000	77,787	5,787
Delinquent property taxes	478,167	478,167	259,483	( 218,684)
Delinquent penalty and interest	75,000	75,000	72,996	( 2,004)
Alcoholic beverage tax	210,000	210,000	245,031	35,031
Bingo tax	92,000	92,000	98,421	6,421
Sales tax	14,400,000	14,400,000	14,491,858	91,858
Motor vehicle sales tax	1,850,000	1,850,000	1,775,691	( 74,309)
Total taxes	<u>35,449,947</u>	<u>35,449,947</u>	<u>35,102,484</u>	<u>( 347,463)</u>
Licenses and permits:				
Alcoholic beverage licenses	38,000	38,000	23,561	( 14,439)
Sexually oriented businesses	25,000	25,000	11,416	( 13,584)
Bail bond applications	500	500	1,500	1,000
Sewage disposal systems	30,000	30,000	27,200	( 2,800)
Total licenses and permits	<u>93,500</u>	<u>93,500</u>	<u>63,677</u>	<u>( 29,823)</u>
Intergovernmental:				
Juvenile salary supplement	5,000	5,000	5,000	-
State supplement - court at law	150,000	150,000	168,000	18,000
State supplement - assistant prosecutors	18,000	18,000	29,724	11,724
State - indigent defense	120,000	120,000	133,904	13,904
State - juror reimbursement	30,000	30,000	46,274	16,274
State - commercial waste management fees	300	300	276	( 24)
City of Lakeport - sewer fees	1,000	1,000	1,200	200
Fiscal service fee	14,500	14,500	15,337	837
Social security incentive payment	-	-	36,400	36,400
Drug enforcement task force	10,500	10,500	10,563	63
Sabine Valley deputy	110,000	110,000	103,374	( 6,626)
Sabine ISD resource officer	39,452	39,452	42,598	3,146
City of Longview - prisoner care	297,608	297,608	297,608	-
State - Title IV-E Legal Reimbursement	35,000	35,000	20,979	( 14,021)
Child welfare board reimbursement	14,000	14,000	13,311	( 689)
OCDETF Task Force	-	-	383	383
Total intergovernmental	<u>845,360</u>	<u>845,360</u>	<u>924,931</u>	<u>79,571</u>



**GREGG COUNTY, TEXAS**

**GENERAL FUND**

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

(Continued)

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES (Continued)</b>				
Charges for services:				
Sheriff	\$ 310,000	\$ 310,000	\$ 314,052	\$ 4,052
Constable # 1	30,000	30,000	37,351	7,351
Constable # 2	34,000	34,000	44,175	10,175
Constable # 3	22,000	22,000	22,455	455
Constable # 4	38,000	38,000	48,835	10,835
County clerk	860,000	860,000	811,015	( 48,985)
County clerk - archival fee	108,000	108,000	101,395	( 6,605)
County clerk - electronic trans fee	1,000	1,000	3,454	2,454
District clerk - archival fee	12,500	12,500	21,280	8,780
District clerk - electronic trans fee	6,000	6,000	19,994	13,994
Tax assessor - collector	642,000	662,000	713,434	51,434
Tax collection contract fees	245,000	245,000	265,804	20,804
District attorney	38,000	38,000	34,635	( 3,365)
District clerk	310,000	310,000	320,483	10,483
Justice of the Peace # 1	15,200	15,200	19,635	4,435
Justice of the Peace # 2	14,000	14,000	17,452	3,452
Justice of the Peace # 3	11,000	11,000	12,043	1,043
Justice of the Peace # 4	14,800	14,800	17,607	2,807
Trial fees	20	20	3	( 17)
Jury	5,000	5,000	7,260	2,260
Probate judge education fees	2,600	2,600	2,655	55
Other arrest fees	85,000	85,000	79,930	( 5,070)
Judges fee - probate	3,200	3,200	3,439	239
State fees	93,500	93,500	83,700	( 9,800)
State fees - TP - judicial efficiency	6,300	6,300	6,083	( 217)
State fee - drug court program	18,500	18,500	19,731	1,231
Court reporter service fees	40,500	40,500	39,962	( 538)
DRO fees	-	-	530	530
Guardianship fee	9,500	9,500	10,741	1,241
Parking lot fees	5,000	5,000	6,928	1,928
Computer services	6,000	6,000	6,587	587
Family protection fees	10,000	10,000	9,346	( 654)
Defensive driving fees	37,500	37,500	24,407	( 13,093)
Child safety fees	2,300	2,300	2,227	( 73)
Traffic fees	7,800	7,800	6,291	( 1,509)
Video fees	6,500	6,500	5,759	( 741)
Inmate reimbursement	5,000	5,000	12,865	7,865
Total charges for services	<u>3,055,720</u>	<u>3,075,720</u>	<u>3,153,543</u>	<u>77,823</u>

**GREGG COUNTY, TEXAS**

**GENERAL FUND**

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

(Continued)

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES (Continued)</b>				
Fines and forfeitures:				
Justice court fines - JP 1	\$ 148,000	\$ 148,000	\$ 133,092	\$( 14,908)
Justice court fines - JP 2	142,000	142,000	85,447	( 56,553)
Justice court fines - JP 3	218,000	218,000	173,228	( 44,772)
Justice court fines - JP 4	70,000	70,000	78,824	8,824
Total fines and forfeitures	<u>578,000</u>	<u>578,000</u>	<u>470,591</u>	<u>( 107,409)</u>
Investment earnings:				
Interest	95,000	95,000	172,054	77,054
Unrealized gains (losses)	-	-	( 28,674)	( 28,674)
Total investment earnings	<u>95,000</u>	<u>95,000</u>	<u>143,380</u>	<u>48,380</u>
Rent and commissions:				
BorgWarner Automotive	34,098	34,098	32,516	( 1,582)
A & M Tower, Inc.	9,500	9,500	13,216	3,716
Community buildings	32,500	32,500	35,200	2,700
Other rent	27,200	27,200	27,700	500
Royalties	36,000	36,000	30,561	( 5,439)
Telephone coin stations	215,000	215,000	234,495	19,495
Federal - jail lease	1,900,000	1,900,000	1,558,927	( 341,073)
Concession sales	-	-	63,417	63,417
Vending machine sales	-	-	6,024	6,024
Longview Community Center	-	-	45,393	45,393
Total rent and commissions	<u>2,254,298</u>	<u>2,254,298</u>	<u>2,047,449</u>	<u>( 206,849)</u>
Miscellaneous:				
Miscellaneous	50,000	52,848	118,460	65,612
Total miscellaneous	<u>50,000</u>	<u>52,848</u>	<u>118,460</u>	<u>65,612</u>
Total revenues	<u>42,421,825</u>	<u>42,444,673</u>	<u>42,024,515</u>	<u>( 420,158)</u>

**GREGG COUNTY, TEXAS**

**GENERAL FUND**

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

**(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
General government:				
County clerk - administration:				
Salaries	\$ 672,535	\$ 675,495	\$ 643,824	\$ 31,671
Fringe benefits	336,867	337,439	306,082	31,357
Operating expenditures	79,336	75,236	63,036	12,200
Capital outlay	-	5,200	5,065	135
Total county clerk - administration	<u>1,088,738</u>	<u>1,093,370</u>	<u>1,018,007</u>	<u>75,363</u>
County clerk - archive restoration:				
Salaries	45,336	45,441	38,191	7,250
Fringe benefits	18,555	18,600	16,373	2,227
Operating expenditures	<u>132,143</u>	<u>132,099</u>	<u>24,385</u>	<u>107,714</u>
Total county clerk - archive restoration	<u>196,034</u>	<u>196,140</u>	<u>78,949</u>	<u>117,191</u>
Telecommunications:				
Salaries	48,910	48,910	44,767	4,143
Fringe benefits	9,420	9,420	8,485	935
Operating expenditures	<u>1,000</u>	<u>1,000</u>	<u>214</u>	<u>786</u>
Total telecommunications	<u>59,330</u>	<u>59,330</u>	<u>53,466</u>	<u>5,864</u>
Purchasing:				
Salaries	159,784	174,277	167,088	7,189
Fringe benefits	70,530	80,936	69,789	11,147
Operating expenditures	<u>19,250</u>	<u>19,250</u>	<u>15,999</u>	<u>3,251</u>
Total purchasing	<u>249,564</u>	<u>274,463</u>	<u>252,876</u>	<u>21,587</u>
Human resources:				
Salaries	140,151	140,662	134,836	5,826
Fringe benefits	56,725	58,699	48,530	10,169
Operating expenditures	13,743	14,362	13,967	395
Capital outlay	-	701	700	1
Total human resources	<u>210,619</u>	<u>214,424</u>	<u>198,033</u>	<u>16,391</u>

# GREGG COUNTY, TEXAS

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
General government: (Continued)				
Nondepartmental - general government:				
Fringe benefits	\$ 521,355	\$ 318,100	\$ 4,793	\$ 313,307
Operating expenditures	<u>3,604,565</u>	<u>2,933,738</u>	<u>2,837,133</u>	<u>96,605</u>
Total nondepartmental - general government	<u>4,125,920</u>	<u>3,251,838</u>	<u>2,841,926</u>	<u>409,912</u>
County judge:				
Salaries	175,900	176,785	176,785	-
Fringe benefits	63,657	63,831	58,172	5,659
Operating expenditures	<u>21,275</u>	<u>21,275</u>	<u>6,881</u>	<u>14,394</u>
Total county judge	<u>260,832</u>	<u>261,891</u>	<u>241,838</u>	<u>20,053</u>
Postal services:				
Operating expenditures	<u>43,500</u>	<u>43,500</u>	<u>6,794</u>	<u>36,706</u>
Total postal services	<u>43,500</u>	<u>43,500</u>	<u>6,794</u>	<u>36,706</u>
Concession operations:				
Salaries	-	-	37,620	( 37,620)
Fringe benefits	-	-	16,446	( 16,446)
Operating expenditures	-	-	28,786	( 28,786)
Capital outlay	<u>-</u>	<u>-</u>	<u>899</u>	<u>( 899)</u>
Total concession operations	<u>-</u>	<u>-</u>	<u>83,751</u>	<u>( 83,751)</u>
Elections:				
Salaries	175,957	176,885	166,711	10,174
Fringe benefits	68,895	68,980	63,798	5,182
Operating expenditures	<u>115,268</u>	<u>115,268</u>	<u>98,966</u>	<u>16,302</u>
Total elections	<u>360,120</u>	<u>361,133</u>	<u>329,475</u>	<u>31,658</u>
County auditor:				
Salaries	556,466	556,647	531,979	24,668
Fringe benefits	216,490	216,524	192,655	23,869
Operating expenditures	<u>25,800</u>	<u>25,800</u>	<u>25,547</u>	<u>253</u>
Total county auditor	<u>798,756</u>	<u>799,971</u>	<u>750,181</u>	<u>48,790</u>

**GREGG COUNTY, TEXAS**

**GENERAL FUND**

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

**(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
General government: (Continued)				
Tax assessor-collector:				
Salaries	\$ 1,033,187	\$ 1,038,332	\$ 1,029,255	\$ 9,077
Fringe benefits	485,507	485,545	456,790	28,755
Operating expenditures	233,850	231,256	200,447	30,809
Capital outlay	-	2,594	2,550	44
Total tax assessor-collector	<u>1,752,544</u>	<u>1,757,727</u>	<u>1,689,042</u>	<u>68,685</u>
Information services:				
Salaries	359,955	362,797	353,974	8,823
Fringe benefits	152,305	166,090	156,292	9,798
Operating expenditures	904,681	846,381	776,409	69,972
Capital outlay	60,000	99,904	95,284	4,620
Total information services	<u>1,476,941</u>	<u>1,475,172</u>	<u>1,381,959</u>	<u>93,213</u>
Agricultural extension service:				
Salaries	97,110	88,119	54,777	33,342
Fringe benefits	57,990	57,992	32,323	25,669
Operating expenditures	21,155	29,225	22,074	7,151
Capital outlay	-	930	930	-
Total agricultural extension service	<u>176,255</u>	<u>176,266</u>	<u>110,104</u>	<u>66,162</u>
Total general government	<u>10,799,153</u>	<u>9,964,225</u>	<u>9,036,401</u>	<u>927,824</u>
Judicial:				
Court of civil appeals:				
Salaries	17,763	17,763	16,008	1,755
Fringe benefits	1,225	1,229	1,229	-
Total court of civil appeals	<u>18,988</u>	<u>18,992</u>	<u>17,237</u>	<u>1,755</u>
E-filing system:				
Operating expenditures	14,000	14,000	356	13,644
Capital outlay	-	18,395	18,395	-
Total e-filing system	<u>14,000</u>	<u>32,395</u>	<u>18,751</u>	<u>13,644</u>

**GREGG COUNTY, TEXAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
(Continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Judicial: (Continued)				
County court-at-law no. 1:				
Salaries	\$ 270,681	\$ 271,169	\$ 270,169	\$ 1,000
Fringe benefits	86,792	86,897	79,522	7,375
Operating expenditures	14,825	15,493	15,482	11
Total county court-at-law no. 1	<u>372,298</u>	<u>373,559</u>	<u>365,173</u>	<u>8,386</u>
County court-at-law no. 2:				
Salaries	257,477	257,918	256,418	1,500
Fringe benefits	84,152	84,253	77,159	7,094
Operating expenditures	14,470	14,470	7,173	7,297
Total county court-at-law no. 2	<u>356,099</u>	<u>356,641</u>	<u>340,750</u>	<u>15,891</u>
Attorney general master:				
Operating expenditures	12,200	12,200	54	12,146
Total attorney general master	<u>12,200</u>	<u>12,200</u>	<u>54</u>	<u>12,146</u>
124th district court:				
Salaries	105,846	106,240	104,640	1,600
Fringe benefits	40,140	40,183	38,189	1,994
Operating expenditures	40,990	40,200	22,832	17,368
Capital outlay	-	790	-	790
Total 124th district court	<u>186,976</u>	<u>187,413</u>	<u>165,661</u>	<u>21,752</u>
188th district court:				
Salaries	99,916	100,295	100,295	-
Fringe benefits	39,160	39,197	37,531	1,666
Operating expenditures	37,900	37,900	8,485	29,415
Total 188th district court	<u>176,976</u>	<u>177,392</u>	<u>146,311</u>	<u>31,081</u>

**GREGG COUNTY, TEXAS**

**GENERAL FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Judicial: (Continued)				
307th district court:				
Salaries	\$ 94,017	\$ 94,017	\$ 88,449	\$ 5,568
Fringe benefits	37,720	37,720	35,071	2,649
Operating expenditures	19,082	35,713	19,463	16,250
Capital outlay	-	1,447	1,447	-
Total 307th district court	<u>150,819</u>	<u>168,897</u>	<u>144,430</u>	<u>24,467</u>
Judicial expenditures:				
Salaries	-	12,500	7,686	4,814
Fringe benefits	-	1,040	607	433
Operating expenditures	1,959,000	2,081,000	1,817,200	263,800
Capital outlay	-	1,447	1,422	25
Total judicial expenses	<u>1,959,000</u>	<u>2,095,987</u>	<u>1,826,915</u>	<u>269,072</u>
District clerk:				
Salaries	675,302	676,325	606,154	70,171
Fringe benefits	337,687	337,899	282,510	55,389
Operating expenditures	75,000	75,000	67,869	7,131
Total district clerk	<u>1,087,989</u>	<u>1,089,224</u>	<u>956,533</u>	<u>132,691</u>
District clerk archive restoration:				
Operating expenditures	15,000	13,767	340	13,427
Capital Outlay	15,000	13,767	893	12,874
Total district clerk archive restoration	<u>15,000</u>	<u>13,767</u>	<u>1,233</u>	<u>12,534</u>
Justice of the peace no. 1:				
Salaries	223,809	225,806	225,806	-
Fringe benefits	112,807	113,139	105,107	8,032
Operating expenditures	78,277	78,277	62,951	15,326
Total justice of the peace no. 1	<u>414,893</u>	<u>417,222</u>	<u>393,864</u>	<u>23,358</u>
Justice of the peace no. 2:				
Salaries	112,779	115,970	115,940	30
Fringe benefits	51,902	52,510	48,510	4,000
Operating expenditures	40,700	43,054	26,670	16,384
Total justice of the peace no. 2	<u>205,381</u>	<u>211,534</u>	<u>191,120</u>	<u>20,414</u>

# GREGG COUNTY, TEXAS

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Judicial: (Continued)				
Justice of the peace no. 3:				
Salaries	\$ 156,480	\$ 157,657	\$ 154,993	\$ 2,664
Fringe benefits	70,102	70,258	66,229	4,029
Operating expenditures	41,110	41,110	31,485	9,625
Total justice of the peace no. 3	<u>267,692</u>	<u>269,025</u>	<u>252,707</u>	<u>16,318</u>
Justice of the peace no. 4:				
Salaries	111,076	111,644	110,050	1,594
Fringe benefits	51,087	51,212	47,407	3,805
Operating expenditures	52,705	67,090	66,529	561
Total justice of the peace no. 4	<u>214,868</u>	<u>234,532</u>	<u>223,986</u>	<u>10,546</u>
District attorney:				
Salaries	1,791,131	1,805,303	1,784,007	21,296
Fringe benefits	668,807	669,196	616,532	52,664
Operating expenditures	98,650	98,650	98,547	103
Total district attorney	<u>2,558,588</u>	<u>2,573,149</u>	<u>2,499,086</u>	<u>74,063</u>
Bail bond board:				
Salaries	3,600	3,600	-	3,600
Fringe benefits	690	690	-	690
Operating expenditures	2,450	2,450	151	2,299
Total bail bond board	<u>6,740</u>	<u>6,740</u>	<u>151</u>	<u>6,589</u>
Collections office:				
Salaries	134,833	135,617	135,617	-
Fringe benefits	65,580	65,687	61,952	3,735
Operating expenditures	17,800	17,800	13,584	4,216
Capital outlay	-	-	-	-
Total collections office	<u>218,213</u>	<u>219,104</u>	<u>211,153</u>	<u>7,951</u>
Total judicial	<u>8,222,720</u>	<u>8,425,378</u>	<u>7,755,115</u>	<u>689,014</u>



# GREGG COUNTY, TEXAS

## GENERAL FUND

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued) FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXPENDITURES (Continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Constable no. 1:				
Salaries	\$ 43,326	\$ 43,326	\$ 43,326	\$ -
Fringe benefits	19,502	19,516	18,433	1,083
Operating expenditures	<u>7,145</u>	<u>7,145</u>	<u>2,341</u>	<u>4,804</u>
Total constable no. 1	<u>69,973</u>	<u>69,987</u>	<u>64,100</u>	<u>5,887</u>
Constable no. 2:				
Salaries	43,326	43,326	43,326	-
Fringe benefits	19,357	19,357	17,960	1,397
Operating expenditures	<u>13,400</u>	<u>13,400</u>	<u>3,158</u>	<u>10,242</u>
Total constable no. 2	<u>76,083</u>	<u>76,083</u>	<u>64,444</u>	<u>11,639</u>
Constable no. 3:				
Salaries	62,626	62,626	60,765	1,861
Fringe benefits	22,947	22,947	21,017	1,930
Operating expenditures	<u>17,419</u>	<u>17,419</u>	<u>10,747</u>	<u>6,672</u>
Total constable no. 3	<u>102,992</u>	<u>102,992</u>	<u>92,529</u>	<u>10,463</u>
Constable no. 4:				
Salaries	43,806	43,326	43,326	-
Fringe benefits	18,877	19,373	17,986	1,387
Operating expenditures	14,400	13,800	5,517	8,283
Capital outlay	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>
Total constable no. 4	<u>77,083</u>	<u>77,099</u>	<u>67,429</u>	<u>9,670</u>
Sheriff - corrections:				
Salaries	7,458,156	7,517,925	7,305,114	212,811
Fringe benefits	3,439,997	3,457,938	3,048,382	409,556
Operating expenditures	1,700,800	1,600,715	1,417,537	183,178
Capital outlay	<u>128,000</u>	<u>305,260</u>	<u>299,375</u>	<u>5,885</u>
Total sheriff - corrections	<u>12,726,953</u>	<u>12,881,838</u>	<u>12,070,408</u>	<u>811,430</u>
Contract jail operations:				
Salaries	1,556,589	1,550,564	1,496,390	54,174
Fringe benefits	778,340	788,390	647,161	141,229
Operating expenditures	<u>373,100</u>	<u>373,100</u>	<u>350,447</u>	<u>22,653</u>
Total contract jail operations	<u>2,708,029</u>	<u>2,712,054</u>	<u>2,493,998</u>	<u>218,056</u>

**GREGG COUNTY, TEXAS**

**GENERAL FUND**

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

**(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Public safety: (Continued)				
Criminal justice center operations:				
Salaries	\$ 252,488	\$ 252,488	\$ 232,711	\$ 19,777
Fringe benefits	131,135	131,135	102,128	29,007
Operating expenditures	<u>75,500</u>	<u>75,500</u>	<u>68,843</u>	<u>6,657</u>
Total criminal justice center operations	<u>459,123</u>	<u>459,123</u>	<u>403,682</u>	<u>55,441</u>
Department of public safety:				
Salaries	49,406	50,081	48,715	1,366
Fringe benefits	19,415	19,415	18,477	938
Operating expenditures	<u>8,112</u>	<u>8,112</u>	<u>3,951</u>	<u>4,161</u>
Total department of public safety	<u>76,933</u>	<u>77,608</u>	<u>71,143</u>	<u>6,465</u>
DPS Hangar:				
Operating expenditures	<u>8,200</u>	<u>8,200</u>	<u>7,487</u>	<u>713</u>
Total DPS hangar	<u>8,200</u>	<u>8,200</u>	<u>7,487</u>	<u>713</u>
Parks and wildlife:				
Operating expenditures	<u>1,350</u>	<u>1,353</u>	<u>1,044</u>	<u>309</u>
Total parks and wildlife	<u>1,350</u>	<u>1,353</u>	<u>1,044</u>	<u>309</u>
Pre-Trial services:				
Salaries	26,174	26,419	26,419	-
Fringe benefits	14,930	14,971	14,186	785
Operating expenditures	<u>3,500</u>	<u>3,500</u>	<u>3,494</u>	<u>6</u>
Total pre-trial services	<u>44,604</u>	<u>44,890</u>	<u>44,099</u>	<u>791</u>
Juvenile board:				
Salaries	116,613	116,613	116,613	-
Fringe benefits	51,966	54,373	53,462	911
Total juvenile board	<u>168,579</u>	<u>170,986</u>	<u>170,075</u>	<u>911</u>
Total public safety	<u>16,519,902</u>	<u>16,682,213</u>	<u>15,550,438</u>	<u>1,131,775</u>

**GREGG COUNTY, TEXAS**

**GENERAL FUND**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Health and human services:				
Veterans services:				
Salaries	\$ 62,240	\$ 63,177	\$ 62,379	\$ 798
Fringe benefits	12,700	14,003	13,559	444
Operating expenditures	17,080	17,080	15,200	1,880
Capital outlay	-	651	651	-
Total veterans services	<u>92,020</u>	<u>94,911</u>	<u>91,789</u>	<u>3,122</u>
Civil defense:				
Operating expenditures	<u>24,500</u>	<u>24,500</u>	<u>17,138</u>	<u>7,362</u>
Total civil defense	<u>24,500</u>	<u>24,500</u>	<u>17,138</u>	<u>7,362</u>
911 Addressing:				
Salaries	57,164	57,352	49,352	8,000
Fringe benefits	21,810	21,812	11,283	10,529
Operating expenditures	<u>23,395</u>	<u>7,395</u>	<u>4,322</u>	<u>3,073</u>
Total 911 addressing	<u>102,369</u>	<u>86,559</u>	<u>64,957</u>	<u>21,602</u>
Health:				
Salaries	312,766	318,007	318,007	-
Fringe benefits	150,835	151,489	142,831	8,658
Operating expenditures	<u>1,127,270</u>	<u>1,127,270</u>	<u>1,040,275</u>	<u>86,995</u>
Total health	<u>1,590,871</u>	<u>1,596,766</u>	<u>1,501,113</u>	<u>95,653</u>
Historical commission:				
Operating expenditures	<u>19,000</u>	<u>19,000</u>	<u>2,019</u>	<u>16,981</u>
Total historical commission	<u>19,000</u>	<u>19,000</u>	<u>2,019</u>	<u>16,981</u>
Contributions:				
Operating expenditures	<u>968,869</u>	<u>998,869</u>	<u>995,868</u>	<u>3,001</u>
Total contributions	<u>968,869</u>	<u>998,869</u>	<u>995,868</u>	<u>3,001</u>
Total health and human services	<u>2,825,629</u>	<u>2,848,605</u>	<u>2,672,884</u>	<u>175,721</u>
Courthouse building:				
Salaries	528,705	522,251	515,766	6,485
Fringe benefits	281,245	268,288	244,293	23,995
Operating expenditures	870,650	865,234	696,875	168,359
Capital outlay	-	5,416	5,416	-
Total courthouse building	<u>1,680,600</u>	<u>1,661,189</u>	<u>1,462,350</u>	<u>198,839</u>
Jail building:				
Operating expenditures	<u>378,000</u>	<u>433,432</u>	<u>366,628</u>	<u>66,804</u>
Total jail building	<u>378,000</u>	<u>433,432</u>	<u>366,628</u>	<u>66,804</u>

# GREGG COUNTY, TEXAS

## GENERAL FUND

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

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Service center building:				
Operating expenditures	\$ 55,750	\$ 55,750	\$ 41,614	\$ 14,136
Total service center building	<u>55,750</u>	<u>55,750</u>	<u>41,614</u>	<u>14,136</u>
Community building maintenance:				
Fringe benefits	9,935	-	-	-
Operating expenditures	<u>10,000</u>	<u>10,000</u>	<u>11</u>	<u>9,989</u>
Total community building maintenance	<u>19,935</u>	<u>10,000</u>	<u>11</u>	<u>9,989</u>
Longview Whaley Street community building:				
Salaries	83,954	84,103	72,135	11,968
Fringe benefits	16,965	27,635	24,178	3,457
Operating expenditures	<u>42,170</u>	<u>41,437</u>	<u>39,961</u>	<u>1,476</u>
Total Longview Whaley Street community building	<u>143,089</u>	<u>153,175</u>	<u>136,274</u>	<u>16,901</u>
Judson community building:				
Operating expenditures	<u>9,700</u>	<u>9,700</u>	<u>5,209</u>	<u>4,491</u>
Total Judson community building	<u>9,700</u>	<u>9,700</u>	<u>5,209</u>	<u>4,491</u>
West Harrison volunteer fire department building:				
Operating expenditures	<u>3,100</u>	<u>3,100</u>	<u>2,776</u>	<u>324</u>
Total West Harrison volunteer fire department building	<u>3,100</u>	<u>3,100</u>	<u>2,776</u>	<u>324</u>
Greggton community building:				
Salaries	7,500	7,500	1,828	5,672
Fringe benefits	1,590	1,625	545	1,080
Operating expenditures	<u>35,750</u>	<u>35,715</u>	<u>22,213</u>	<u>13,502</u>
Total Greggton building	<u>44,840</u>	<u>44,840</u>	<u>24,586</u>	<u>20,254</u>
Garfield Hill community building:				
Operating expenditures	<u>6,975</u>	<u>6,975</u>	<u>3,852</u>	<u>3,123</u>
Total Garfield Hill community building	<u>6,975</u>	<u>6,975</u>	<u>3,852</u>	<u>3,123</u>
Gladewater Commerce Street building:				
Operating expenditures	<u>17,700</u>	<u>21,300</u>	<u>15,597</u>	<u>5,703</u>
Total Gladewater Commerce Street building	<u>17,700</u>	<u>21,300</u>	<u>15,597</u>	<u>5,703</u>

**GREGG COUNTY, TEXAS**

**GENERAL FUND**

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

**(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Public buildings: (Continued)				
Liberty City office/community building:				
Operating expenditures	\$ 17,600	\$ 14,908	\$ 11,801	\$ 3,107
Total Liberty City office/ community building	<u>17,600</u>	<u>14,908</u>	<u>11,801</u>	<u>3,107</u>
Hugh Camp Memorial Park:				
Operating expenditures	<u>33,000</u>	<u>33,000</u>	<u>25,401</u>	<u>7,599</u>
Total Hugh Camp Memorial Park	<u>33,000</u>	<u>33,000</u>	<u>25,401</u>	<u>7,599</u>
Olivia R. Hilburn community building:				
Operating expenditures	16,025	14,500	12,274	2,226
Capital outlay	<u>-</u>	<u>4,217</u>	<u>4,217</u>	<u>-</u>
Total Olivia R. Hilburn community building	<u>16,025</u>	<u>18,717</u>	<u>16,491</u>	<u>2,226</u>
Kilgore office and community building:				
Salaries	32,150	32,272	32,272	-
Fringe benefits	17,140	17,298	16,478	820
Operating expenditures	<u>30,150</u>	<u>30,043</u>	<u>20,733</u>	<u>9,310</u>
Total Kilgore office and community building	<u>79,440</u>	<u>79,613</u>	<u>69,483</u>	<u>10,130</u>
Kilgore South Street building:				
Operating expenditures	<u>250</u>	<u>250</u>	<u>204</u>	<u>46</u>
Total Kilgore South Street building	<u>250</u>	<u>250</u>	<u>204</u>	<u>46</u>
Elderville community building:				
Salaries	4,000	4,160	2,010	2,150
Fringe benefits	860	930	491	439
Operating expenditures	<u>19,917</u>	<u>19,917</u>	<u>13,513</u>	<u>6,404</u>
Total Elderville community building	<u>24,777</u>	<u>25,007</u>	<u>16,014</u>	<u>8,993</u>

**GREGG COUNTY, TEXAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
(Continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Public buildings: (Continued)				
Easton community building:				
Operating expenditures	\$ 250	\$ 250	\$ 209	\$ 41
Total Easton community building	<u>250</u>	<u>250</u>	<u>209</u>	<u>41</u>
Longview Eastman Road building:				
Salaries	2,500	4,160	3,209	951
Fringe benefits	540	930	717	213
Operating expenditures	<u>16,800</u>	<u>14,500</u>	<u>9,184</u>	<u>5,316</u>
Total Longview Eastman Road building	<u>19,840</u>	<u>19,590</u>	<u>13,110</u>	<u>5,316</u>
M. A. Smith Criminal Justice Center:				
Operating expenditures	<u>51,500</u>	<u>51,500</u>	<u>48,039</u>	<u>3,461</u>
Total M. A. Smith Criminal Justice Center	<u>51,500</u>	<u>51,500</u>	<u>48,039</u>	<u>3,461</u>
Youth detention center:				
Operating expenditures	<u>87,750</u>	<u>87,750</u>	<u>33,905</u>	<u>53,845</u>
Total youth detention center	<u>87,750</u>	<u>87,750</u>	<u>33,905</u>	<u>53,845</u>
Total public buildings	<u>2,690,471</u>	<u>2,730,396</u>	<u>2,293,554</u>	<u>436,842</u>
Transportation and road expense:				
Operating expenditures	<u>700,000</u>	<u>3,225,000</u>	<u>3,225,000</u>	<u>-</u>
Total transportation and road expense	<u>700,000</u>	<u>3,225,000</u>	<u>3,225,000</u>	<u>-</u>
Total expenditures	<u>41,757,875</u>	<u>43,875,817</u>	<u>40,533,392</u>	<u>3,342,425</u>

**GREGG COUNTY, TEXAS**

**GENERAL FUND**

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

**(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	\$ 663,950	\$( 1,431,144)	\$ 1,491,123	\$( 3,762,583)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers from other funds:				
Capital projects fund	725,000	3,225,000	3,225,000	-
Total operating transfers from other funds	725,000	3,225,000	3,225,000	-
Operating transfers to other funds:				
Grant fund	( 88,750)	( 88,750)	( 44,775)	43,975
Road and bridge fund	( 100,000)	( 108,325)	( 108,325)	-
Longview community center fund	-	( 93,857)	( 93,857)	-
Capital projects fund	( 6,005,000)	( 6,446,180)	( 6,446,180)	-
Airport special revenue fund	-	( 3,087)	( 3,087)	-
Court security and technology fund	-	( 275)	( 275)	-
Records management and preservation fund	-	( 1,058)	( 1,058)	-
Total operating transfers to other funds	( 6,193,750)	( 6,741,532)	( 6,697,557)	43,975
Sale of capital assets	20,000	20,000	3,680	( 16,320)
Insurance proceeds - loss of fixed assets	-	11,067	11,067	-
Total other financing sources (uses)	( 5,448,750)	( 3,485,465)	( 3,457,810)	27,655
<b>NET CHANGE IN FUND BALANCE</b>	( 4,784,800)	( 4,916,609)	( 1,966,687)	2,949,922
<b>FUND BALANCE, BEGINNING</b>	35,718,102	35,718,102	35,718,102	-
<b>FUND BALANCE, ENDING</b>	\$ 30,933,302	\$ 30,801,493	\$ 33,751,415	\$ 2,949,922

# GREGG COUNTY, TEXAS

## ROAD AND BRIDGE

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

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Current property taxes	\$ 1,012,712	\$ 1,012,712	\$ 999,254	\$( 13,458)
Current penalty and interest	13,500	13,500	2,038	( 11,462)
Delinquent property taxes	94,418	94,418	51,317	( 43,101)
Delinquent penalty and interest	16,000	16,000	14,430	( 1,570)
Motor vehicle sales tax	-	-	274,600	274,600
Total taxes	<u>1,136,630</u>	<u>1,136,630</u>	<u>1,341,639</u>	<u>205,009</u>
Licenses and permits:				
Motor vehicle registration	1,200,000	1,200,000	1,230,517	30,517
Weight permits	17,500	17,500	23,993	6,493
Total licenses and permits	<u>1,217,500</u>	<u>1,217,500</u>	<u>1,254,510</u>	<u>37,010</u>
Intergovernmental:				
Lateral road	18,000	18,000	18,929	929
Donations	-	-	654,363	654,363
Total intergovernmental	<u>18,000</u>	<u>18,000</u>	<u>673,292</u>	<u>655,292</u>
Fines and forfeitures:				
Misdemeanor fines	385,000	385,000	373,195	( 11,805)
Felony fines	118,000	118,000	130,252	12,252
Civil/BF fines	38,000	38,000	26,801	( 11,199)
Total fines and forfeitures	<u>541,000</u>	<u>541,000</u>	<u>530,248</u>	<u>( 10,752)</u>
Investment earnings:				
Interest	10,000	10,000	12,660	2,660
Unrealized gains (losses)	-	-	8,126	8,126
Total investment earnings	<u>10,000</u>	<u>10,000</u>	<u>20,786</u>	<u>10,786</u>
Miscellaneous:				
Miscellaneous	5,000	5,000	6,579	1,579
Total miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>6,579</u>	<u>1,579</u>
Total revenues	<u>2,928,130</u>	<u>2,928,130</u>	<u>3,827,054</u>	<u>898,924</u>
<b>EXPENDITURES</b>				
Transportation and roads:				
Administration:				
Salaries	262,691	262,691	261,693	998
Fringe benefits	89,673	89,753	85,618	4,135
Operating expenses	43,500	49,324	49,324	-
Total administration	<u>395,864</u>	<u>401,768</u>	<u>396,635</u>	<u>5,133</u>



# 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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Transportation and roads: (Continued)				
Road and bridge - general:				
Operating expenses	\$ 4,900	\$ 4,820	\$ -	\$ 4,820
Total road and bridge - general	<u>4,900</u>	<u>4,820</u>	<u>-</u>	<u>4,820</u>
Road and bridge - precinct no. 1:				
Salaries	681,364	681,823	649,720	32,103
Fringe benefits	294,470	294,552	258,330	36,222
Operating expenses	274,000	313,294	163,090	150,204
Capital outlay	-	25,706	25,620	86
Total road and bridge - precinct no. 1	<u>1,249,834</u>	<u>1,315,375</u>	<u>1,096,760</u>	<u>218,615</u>
Road and bridge - precinct no. 2:				
Salaries	35,740	35,869	35,071	798
Fringe benefits	16,580	16,451	15,552	899
Operating expenses	11,845	36,845	22,541	14,304
Total road and bridge - precinct no. 2	<u>64,165</u>	<u>89,165</u>	<u>73,164</u>	<u>16,001</u>
Road and bridge - precinct no. 3:				
Salaries	673,488	674,194	652,200	21,994
Fringe benefits	295,110	295,231	269,966	25,265
Operating expenses	381,085	489,101	392,242	96,859
Total road and bridge - precinct no. 3	<u>1,349,683</u>	<u>1,462,510</u>	<u>1,318,392</u>	<u>144,118</u>
Road and bridge - precinct no. 4:				
Salaries	562,222	563,819	558,956	4,863
Fringe benefits	249,135	248,672	233,202	15,470
Operating expenses	232,150	253,814	161,607	92,207
Capital outlay	-	8,960	8,960	-
Total road and bridge - precinct no. 4	<u>1,043,507</u>	<u>1,075,265</u>	<u>962,725</u>	<u>112,540</u>
Total transportation and roads	<u>4,107,953</u>	<u>4,348,903</u>	<u>3,847,676</u>	<u>501,227</u>

**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, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>EXPENDITURES</b>				
Total expenditures	\$ 4,107,953	\$ 4,348,903	\$ 3,847,676	\$ 501,227
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 1,179,823)	( 1,420,773)	( 20,622)	1,400,151
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers from other funds:				
General fund	100,000	105,824	105,824	-
Capital improvement fund	-	-	12,501	12,501
Total operating transfers to other funds	100,000	105,824	118,325	12,501
Operating transfers to other funds:				
Capital Road & Bridge Projects	-	-	( 482,179)	( 482,179)
Total operating transfers to other funds	-	-	( 482,179)	( 482,179)
Proceeds from capital lease	-	-	-	-
Sale of capital assets	5,000	5,000	90,311	85,311
Insurance proceeds - loss of fixed assets	-	624	10,725	10,101
Total other financing sources and (uses)	105,000	110,824	( 262,818)	( 374,266)
<b>NET CHANGE IN FUND BALANCE</b>	( 1,074,823)	( 1,309,949)	( 283,440)	1,026,509
<b>FUND BALANCE, BEGINNING</b>	6,186,296	6,186,296	6,186,296	-
<b>FUND BALANCE, ENDING</b>	\$ 5,111,473	\$ 4,876,347	\$ 5,902,856	\$ 1,026,509

## GREGG COUNTY, TEXAS

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

SEPTEMBER 30, 2015

<b>Plan Year Ended December 31</b>	<u><b>2014</b></u>
<b>Total Pension Liability</b>	
Service Cost	\$ 3,352,760
Interest total pension liability	8,831,106
Effect of plan changes	-
Effect of assumption changes or inputs	-
Effect of economic/demographic (gains) or losses	( 820,005)
Benefit payments/refunds of contributions	<u>( 4,930,501)</u>
Net change in total pension liability	6,433,360
Total pension liability - beginning	<u>109,799,515</u>
Total pension liability - ending (a)	<u>\$ 116,232,875</u>
<b>Plan Fiduciary Net Position</b>	
Employer contributions	\$ 2,687,677
Member contributions	1,719,683
Investment income net of investment expenses	7,228,206
Benefit payments refunds of contributions	( 4,930,501)
Administrative expenses	( 84,645)
Other	<u>( 155,736)</u>
Net change in plan fiduciary net position	6,464,684
Plan fiduciary net position - beginning	<u>106,674,112</u>
Plan fiduciary net position - ending (b)	<u>\$ 113,138,796</u>
Net pension liability - ending (a) - (b)	<u>\$ 3,094,079</u>
Fiduciary net position as a percentage of total pension liability	97.34%
Pensionable covered payroll	\$ 24,566,896
Net pension liability as a percentage of covered payroll	12.59%

# GREGG COUNTY, TEXAS

## SCHEDULE OF EMPLOYER CONTRIBUTIONS

SEPTEMBER 30, 2015

<b>Fiscal Year Ended September 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Employer Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Pensionable Covered Payroll (1)</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2014	2,661,394	2,661,394	-	24,561,424	10.8%
2015	2,675,491	2,675,491	-	24,456,039	10.9%

(1) Payroll is calculated based on contributions as reported to TCDRS.

# GREGG COUNTY, TEXAS

## NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

SEPTEMBER 30, 2015

<b>Valuation Timing</b>	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
<b>Actuarial Cost Method</b>	Entry age normal
<b>Asset Valuation Method</b>	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
<b>Inflation</b>	3.0%
<b>Salary Increases</b>	Annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
<b>Investment Rate of Return</b>	8.0%
<b>Cost-of Living Adjustments</b>	Cost-of-Living Adjustments are considered to be substantively automatic under GASB 68. Therefore, an annual 100% CPI cost-of-living adjustment is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
<b>Retirement Age</b>	Experience-based table of rates based on a study of the period 2009-2012.
<b>Turnover</b>	New employees are assumed to replace any terminated members and have similar entry ages.
<b>Mortality</b>	
Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.
<b>Other Information</b>	
Disabled retirees	There were no benefit changes during the year. RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.
<b>Other Information</b>	There were no benefit changes during the year.

# GREGG COUNTY, TEXAS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2015

### 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.

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**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, 2015**

	Special Revenue					
	Airport	Law Enforcement	Court Technology and Security	Records Management and Preservation	Voting and Elections	Grant
<b>ASSETS</b>						
Cash and cash equivalents	\$ 90,349	\$ 94,124	\$ 281,995	\$ 782,478	\$ 21,847	\$ 113,428
Investments	1,248,876	-	-	-	-	-
Receivables (net of allowance for uncollectibles):						
Accounts	12,728	-	55,855	158,145	-	-
Taxes	41,687	-	-	-	-	-
Interest	447	-	-	-	-	-
Due from other governments	5,520	-	-	-	3,500	655,921
Inventory	2,006	-	-	-	-	-
<b>Total assets</b>	<u>1,401,613</u>	<u>94,124</u>	<u>337,850</u>	<u>940,623</u>	<u>25,347</u>	<u>769,349</u>
<b>LIABILITIES</b>						
Accounts payable	60,701	78,535	169	2,192	189	232,285
Due to other governments	5,029	-	-	78	-	-
Accrued liabilities	93,762	-	3,579	5,799	-	17,723
Due to other funds	-	-	-	-	-	405,924
<b>Total liabilities</b>	<u>159,492</u>	<u>78,535</u>	<u>3,748</u>	<u>8,069</u>	<u>189</u>	<u>655,932</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	37,617	-	-	-	-	-
Unavailable revenue - court fines	-	-	53,885	151,056	-	-
<b>Total deferred inflows of resources</b>	<u>37,617</u>	<u>-</u>	<u>53,885</u>	<u>151,056</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Inventories	2,006	-	-	-	-	-
Restricted for:						
Public safety operations	-	15,589	-	-	-	93,849
Judicial operations	-	-	-	-	-	9,677
Court technology and security	-	-	280,217	-	-	-
Records management and preservation	-	-	-	781,498	-	-
Voting and Elections	-	-	-	-	25,158	-
Health and human services operations	-	-	-	-	-	9,891
VIT operations	-	-	-	-	-	-
Committed for:						
Airport operations	1,202,498	-	-	-	-	-
Donations to healthcare organizations	-	-	-	-	-	-
Assigned for:						
Other Projects	-	-	-	-	-	-
<b>Total fund balances</b>	<u>1,204,504</u>	<u>15,589</u>	<u>280,217</u>	<u>781,498</u>	<u>25,158</u>	<u>113,417</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,401,613</u>	<u>\$ 94,124</u>	<u>\$ 337,850</u>	<u>\$ 940,623</u>	<u>\$ 25,347</u>	<u>\$ 769,349</u>

Special Revenue

Law Library	Health Care	Code Enforcement	VIT Operating	District Attorney	Sheriff	Total Nonmajor Governmental Funds
\$ 70,511	\$ 852,193 1,999,282	\$ 175,870	\$ 3,557	\$ 27,152	\$ 298,939	\$ 2,812,443 3,248,158
-	-	-	-	-	-	-
32,985	-	-	-	-	-	259,713
-	-	-	-	-	-	41,687
-	5,218	-	-	-	-	5,665
-	-	-	-	-	-	664,941
-	-	-	-	-	-	2,006
<u>103,496</u>	<u>2,856,693</u>	<u>175,870</u>	<u>3,557</u>	<u>27,152</u>	<u>298,939</u>	<u>7,034,613</u>
2,475	-	-	-	-	-	376,546
-	-	-	-	-	-	5,107
1,575	-	-	-	-	-	122,438
-	-	-	884	9,622	-	416,430
<u>4,050</u>	<u>-</u>	<u>-</u>	<u>884</u>	<u>9,622</u>	<u>-</u>	<u>920,521</u>
-	-	-	-	-	-	-
31,485	-	-	-	-	-	37,617
<u>31,485</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,426</u>
-	-	-	-	-	-	274,043
-	-	-	-	-	-	-
-	-	-	-	-	-	2,006
-	-	175,870	-	-	298,939	584,247
67,961	-	-	-	17,530	-	95,168
-	-	-	-	-	-	280,217
-	-	-	-	-	-	781,498
-	-	-	-	-	-	25,158
-	-	-	-	-	-	9,891
-	-	-	2,673	-	-	2,673
-	-	-	-	-	-	1,202,498
-	2,856,693	-	-	-	-	2,856,693
-	-	-	-	-	-	-
<u>67,961</u>	<u>2,856,693</u>	<u>175,870</u>	<u>2,673</u>	<u>17,530</u>	<u>298,939</u>	<u>5,840,049</u>
<u>\$ 103,496</u>	<u>\$ 2,856,693</u>	<u>\$ 175,870</u>	<u>\$ 3,557</u>	<u>\$ 27,152</u>	<u>\$ 298,939</u>	<u>\$ 7,034,613</u>

**GREGG COUNTY, TEXAS**

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

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Special Revenue					Grant
	Airport	Law Enforcement	Court Technology and Security	Records Management and Preservation	Voting and Elections	
<b>REVENUES</b>						
Current property taxes	\$ 1,393,808	\$ -	\$ -	\$ -	\$ -	\$ -
Delinquent property taxes	39,118	-	-	-	-	-
Motor vehicle sales tax	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	20,100	-	-	-	7,468	1,227,633
Charges for services	15,800	-	83,413	202,938	13,399	-
Fines and forfeitures	-	-	-	-	-	-
Interest	2,602	-	-	-	-	-
Rent and commissions	243,170	-	-	-	-	-
Miscellaneous	-	-	-	-	-	162,347
<b>Total revenues</b>	<u>1,714,598</u>	<u>-</u>	<u>83,413</u>	<u>202,938</u>	<u>20,867</u>	<u>1,389,980</u>
<b>EXPENDITURES</b>						
Current:						
General government	1,116,227	-	-	169,764	18,904	-
Judicial	-	-	952	4,332	-	113,053
Public safety	871,533	-	61,765	-	-	29,902
Health and human services	-	-	-	-	-	343,324
Transportation and roads	-	-	-	-	-	86,697
Capital outlay	53,966	-	2,325	23,881	-	1,115,580
<b>Total expenditures</b>	<u>2,041,726</u>	<u>-</u>	<u>65,042</u>	<u>197,977</u>	<u>18,904</u>	<u>1,688,556</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 327,128)</u>	<u>-</u>	<u>18,371</u>	<u>4,961</u>	<u>1,963</u>	<u>( 298,576)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	3,087	-	275	707	-	315,255
Transfers out	( 236,251)	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Insurance proceeds	100	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>( 233,064)</u>	<u>-</u>	<u>275</u>	<u>707</u>	<u>-</u>	<u>315,255</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 560,192)</u>	<u>-</u>	<u>18,646</u>	<u>5,668</u>	<u>1,963</u>	<u>16,679</u>
<b>FUND BALANCES, BEGINNING</b>	<u>1,764,696</u>	<u>15,589</u>	<u>261,571</u>	<u>775,830</u>	<u>23,195</u>	<u>96,738</u>
<b>FUND BALANCES, AS RESTATED</b>	<u>1,764,696</u>	<u>15,589</u>	<u>261,571</u>	<u>775,830</u>	<u>23,195</u>	<u>96,738</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,204,504</u>	<u>\$ 15,589</u>	<u>\$ 280,217</u>	<u>\$ 781,498</u>	<u>\$ 25,158</u>	<u>\$ 113,417</u>

Special Revenues

Law Library	Health Care	Code Enforcement	VIT Operating	District Attorney	Sheriff	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,393,808
-	-	-	-	-	-	39,118
-	-	-	-	-	-	-
-	63,468	-	-	24,192	-	1,342,861
51,511	-	-	7,476	30,259	12,391	417,187
-	-	-	-	-	19,237	19,237
-	3,872	165	4	-	35	6,678
-	-	-	-	-	177,869	421,039
216	-	-	-	862	-	163,425
<u>51,727</u>	<u>67,340</u>	<u>165</u>	<u>7,480</u>	<u>55,313</u>	<u>209,532</u>	<u>3,803,353</u>
-	-	-	6,396	-	-	1,311,291
63,295	-	-	-	82,372	-	264,004
-	-	21,733	-	-	168,818	1,153,751
-	20,000	-	-	-	-	363,324
-	-	-	-	-	-	86,697
-	-	-	-	-	9,600	1,205,352
<u>63,295</u>	<u>20,000</u>	<u>21,733</u>	<u>6,396</u>	<u>82,372</u>	<u>178,418</u>	<u>4,384,419</u>
( 11,568)	47,340	( 21,568)	1,084	( 27,059)	31,114	( 581,066)
351	-	-	-	-	-	319,675
-	-	-	-	-	-	( 236,251)
-	-	-	-	-	-	-
-	-	-	-	-	-	100
<u>351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,524</u>
( 11,217)	47,340	( 21,568)	1,084	( 27,059)	31,114	( 497,542)
<u>79,178</u>	<u>2,809,353</u>	<u>197,438</u>	<u>1,589</u>	<u>44,589</u>	<u>267,825</u>	<u>6,337,591</u>
<u>79,178</u>	<u>2,809,353</u>	<u>197,438</u>	<u>1,589</u>	<u>44,589</u>	<u>267,825</u>	<u>6,337,591</u>
<u>\$ 67,961</u>	<u>\$ 2,856,693</u>	<u>\$ 175,870</u>	<u>\$ 2,673</u>	<u>\$ 17,530</u>	<u>\$ 298,939</u>	<u>\$ 5,840,049</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, 2015

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Current property taxes	\$ 995,990	\$ 995,990	\$ 983,950	\$( 12,040)
Delinquent property taxes	37,768	37,768	22,764	( 15,004)
Investment earnings	60,000	60,000	59,255	( 745)
Total revenues	1,093,758	1,093,758	1,065,969	( 27,789)
<b>EXPENDITURES</b>				
Capital outlay	6,153,214	5,578,877	5,090,050	488,827
Total expenditures	6,153,214	5,578,877	5,090,050	488,827
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	( 5,059,456)	( 4,485,119)	( 4,024,081)	461,038
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,663,430	7,106,620	7,114,610	7,990
Transfers out	( 3,386,514)	( 5,001,720)	( 3,786,778)	1,214,942
Proceeds from capital lease	-	-	390,689	390,689
Total other financing sources (uses)	3,276,916	2,104,900	3,718,521	1,613,621
<b>NET CHANGE IN FUND BALANCE</b>				
	( 1,782,540)	( 2,380,219)	( 305,560)	2,074,659
<b>FUND BALANCE, BEGINNING</b>				
	22,780,472	22,780,472	22,780,472	-
<b>FUND BALANCE, ENDING</b>				
	\$ 20,997,932	\$ 20,400,253	\$ 22,474,912	\$ 2,074,659



**GREGG COUNTY, TEXAS**

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

**AIRPORT IMPROVEMENT FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,850,000	\$ 17,417,754	\$ 3,765,857	\$( 13,651,897)
Charges for services	90,000	90,000	87,142	( 2,858)
Total revenues	<u>2,940,000</u>	<u>17,507,754</u>	<u>3,852,999</u>	<u>( 13,654,755)</u>
<b>EXPENDITURES</b>				
Capital outlay	753,000	4,184,299	4,184,297	2
Total expenditures	<u>753,000</u>	<u>4,184,299</u>	<u>4,184,297</u>	<u>2</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,187,000</u>	<u>13,323,455</u>	<u>( 331,298)</u>	<u>( 13,654,753)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	308,300	1,341,335	331,298	( 1,010,037)
Total other financing sources (uses)	<u>308,300</u>	<u>1,341,335</u>	<u>331,298</u>	<u>( 1,010,037)</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,495,300	14,664,790	-	( 14,664,790)
<b>FUND BALANCE, BEGINNING</b>	<u>170,363</u>	<u>170,363</u>	<u>170,363</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,665,663</u>	<u>\$ 14,835,153</u>	<u>\$ 170,363</u>	<u>\$( 14,664,790)</u>

**GREGG COUNTY, TEXAS**

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

**AIRPORT FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Current property taxes	\$ 1,412,828	\$ 1,412,828	\$ 1,393,808	\$ ( 19,020)
Delinquent property taxes	65,311	65,311	39,118	( 26,193)
Intergovernmental	21,000	21,000	20,100	( 900)
Charges for services	15,500	15,500	15,800	300
Investment earnings	1,500	1,500	2,602	1,102
Rents and commissions	229,100	229,100	243,170	14,070
Miscellaneous	500	500	-	( 500)
Total revenues	<u>1,745,739</u>	<u>1,745,739</u>	<u>1,714,598</u>	<u>( 31,141)</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,313,155	1,290,307	1,116,227	174,080
Public safety	957,979	948,964	871,533	77,431
Capital outlay	-	54,196	53,966	230
Total expenditures	<u>2,271,134</u>	<u>2,293,467</u>	<u>2,041,726</u>	<u>251,741</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 525,395)</u>	<u>( 547,728)</u>	<u>( 327,128)</u>	<u>220,600</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	3,087	3,087	-
Transfers out	( 236,251)	( 236,251)	( 236,251)	-
Insurance proceeds	-	-	100	100
Total other financing sources (uses)	<u>( 236,251)</u>	<u>( 233,164)</u>	<u>( 233,064)</u>	<u>100</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 761,646)</u>	<u>( 780,892)</u>	<u>( 560,192)</u>	<u>220,700</u>
<b>FUND BALANCE, BEGINNING</b>	<u>1,764,696</u>	<u>1,764,696</u>	<u>1,764,696</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 1,003,050</u>	<u>\$ 983,804</u>	<u>\$ 1,204,504</u>	<u>\$ 220,700</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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Total revenues	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>
<b>EXPENDITURES</b>				
Current:				
Judicial	<u>          3,552</u>	<u>          3,552</u>	<u>                  -</u>	<u>          3,552</u>
Total expenditures	<u>          3,552</u>	<u>          3,552</u>	<u>                  -</u>	<u>          3,552</u>
<b>NET CHANGE IN FUND BALANCE</b>	( <u>          3,552</u> )	( <u>          3,552</u> )	<u>                  -</u>	<u>          3,552</u>
<b>FUND BALANCE, BEGINNING</b>	<u>          15,589</u>	<u>          15,589</u>	<u>          15,589</u>	<u>                  -</u>
<b>FUND BALANCE, ENDING</b>	\$ <u>          12,037</u>	\$ <u>          12,037</u>	\$ <u>          15,589</u>	\$ <u>          3,552</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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ <u>93,900</u>	\$ <u>93,900</u>	\$ <u>83,413</u>	\$ ( <u>10,487</u> )
Total revenues	<u>93,900</u>	<u>93,900</u>	<u>83,413</u>	( <u>10,487</u> )
<b>EXPENDITURES</b>				
Current:				
Judicial	53,800	53,800	952	52,848
Public safety	64,906	65,181	61,765	3,416
Capital outlay	<u>56,500</u>	<u>56,500</u>	<u>2,325</u>	<u>54,175</u>
Total expenditures	<u>175,206</u>	<u>175,481</u>	<u>65,042</u>	<u>110,439</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 81,306)</u>	<u>( 81,581)</u>	<u>18,371</u>	<u>99,952</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>275</u>	<u>275</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>275</u>	<u>275</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 81,306)</u>	<u>( 81,306)</u>	<u>18,646</u>	<u>99,952</u>
<b>FUND BALANCE, BEGINNING</b>	<u>261,571</u>	<u>261,571</u>	<u>261,571</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 180,265</u>	<u>\$ 180,265</u>	<u>\$ 280,217</u>	<u>\$ 99,952</u>

**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, 2015**

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 208,350	\$ 208,350	\$ 202,938	\$( 5,412)
Total revenues	<u>208,350</u>	<u>208,350</u>	<u>202,938</u>	<u>( 5,412)</u>
<b>EXPENDITURES</b>				
Current:				
General government	206,104	206,811	169,764	37,047
Judicial	53,090	53,090	4,332	48,758
Capital outlay	<u>26,200</u>	<u>26,200</u>	<u>23,881</u>	<u>2,319</u>
Total expenditures	<u>285,394</u>	<u>286,101</u>	<u>197,977</u>	<u>88,124</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 77,044)</u>	<u>( 77,751)</u>	<u>4,961</u>	<u>82,712</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>707</u>	<u>707</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>707</u>	<u>707</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 77,044)</u>	<u>( 77,044)</u>	<u>5,668</u>	<u>82,712</u>
<b>FUND BALANCE, BEGINNING</b>	<u>775,830</u>	<u>775,830</u>	<u>775,830</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 698,786</u>	<u>\$ 698,786</u>	<u>\$ 781,498</u>	<u>\$ 82,712</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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 4,350	\$ 7,466	\$ 3,116
Charges for services	-	-	13,399	13,399
Total revenues	-	4,350	20,865	16,515
<b>EXPENDITURES</b>				
Current:				
General government	-	16,670	18,902	( 2,232)
Total expenditures	-	16,670	18,902	( 2,232)
<b>NET CHANGE IN FUND BALANCE</b>	-	( 12,320)	1,963	14,283
<b>FUND BALANCE, BEGINNING</b>	<u>23,195</u>	<u>23,195</u>	<u>23,195</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 23,195</u>	<u>\$ 10,875</u>	<u>\$ 25,158</u>	<u>\$ 14,283</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, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 51,000	\$ 51,000	\$ 51,511	\$ 511
Miscellaneous	220	220	216	( 4)
Total revenues	<u>51,220</u>	<u>51,220</u>	<u>51,727</u>	<u>507</u>
<b>EXPENDITURES</b>				
Current:				
Judicial	<u>68,868</u>	<u>69,220</u>	<u>63,295</u>	<u>5,925</u>
Total expenditures	<u>68,868</u>	<u>69,220</u>	<u>63,295</u>	<u>5,925</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 17,648)</u>	<u>( 18,000)</u>	<u>( 11,568)</u>	<u>6,432</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>-</u>	<u>351</u>	<u>351</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>351</u>	<u>351</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 17,648)</u>	<u>( 17,649)</u>	<u>( 11,217)</u>	<u>6,432</u>
<b>FUND BALANCE, BEGINNING</b>	<u>79,178</u>	<u>79,178</u>	<u>79,178</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 61,530</u>	<u>\$ 61,529</u>	<u>\$ 67,961</u>	<u>\$ 6,432</u>

**GREGG COUNTY, TEXAS**

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

**HEALTH CARE FUND**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 63,468	\$ 13,468
Investment earnings	8,500	8,500	3,872	( 4,628)
Total revenues	<u>58,500</u>	<u>58,500</u>	<u>67,340</u>	<u>8,840</u>
<b>EXPENDITURES</b>				
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>
<b>NET CHANGE IN FUND BALANCE</b>	38,500	38,500	47,340	8,840
<b>FUND BALANCE, BEGINNING</b>	<u>2,809,353</u>	<u>2,809,353</u>	<u>2,809,353</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,847,853</u>	<u>\$ 2,847,853</u>	<u>\$ 2,856,693</u>	<u>\$ 8,840</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, 2015**

	<u>Print Shop</u>	<u>Self- Insurance</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 82,111	\$ 1,057,468	\$ 1,139,579
Investments	-	2,149,447	2,149,447
Interest receivable	-	1,060	1,060
Accounts receivable, net of allowance	682	54,768	55,450
Inventory	<u>12,928</u>	<u>-</u>	<u>12,928</u>
Total current assets	<u>95,721</u>	<u>3,262,743</u>	<u>3,358,464</u>
Noncurrent assets:			
Capital assets:			
Equipment	49,288	-	49,288
Less accumulated depreciation	<u>( 23,005)</u>	<u>-</u>	<u>( 23,005)</u>
Total capital assets	<u>26,283</u>	<u>-</u>	<u>26,283</u>
Total noncurrent assets	<u>26,283</u>	<u>-</u>	<u>26,283</u>
Total assets	<u>122,004</u>	<u>3,262,743</u>	<u>3,384,747</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,885	49,974	51,859
Accrued liabilities	<u>3,396</u>	<u>650,527</u>	<u>653,923</u>
Total liabilities	<u>5,281</u>	<u>700,501</u>	<u>705,782</u>
<b>NET POSITION</b>			
Net investment in capital assets	26,283	-	26,283
Unrestricted	<u>90,440</u>	<u>2,562,242</u>	<u>2,652,682</u>
Total net position	<u>\$ 116,723</u>	<u>\$ 2,562,242</u>	<u>\$ 2,678,965</u>

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**GREGG COUNTY, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND NET POSITION**

**INTERNAL SERVICE FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Print Shop</u>	<u>Self- Insurance</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 102,526	\$ 5,586,165	\$ 5,688,691
Total operating revenues	<u>102,526</u>	<u>5,586,165</u>	<u>5,688,691</u>
<b>OPERATING EXPENSES</b>			
Salaries	25,377	-	25,377
Fringe benefits	12,890	-	12,890
Operating expenses	48,822	-	48,822
Insurance consultant	-	22,825	22,825
Claim expenses	-	5,174,503	5,174,503
Administrative	-	649,944	649,944
Depreciation	<u>8,347</u>	<u>-</u>	<u>8,347</u>
Total operating expenses	<u>95,436</u>	<u>5,847,272</u>	<u>5,942,708</u>
<b>OPERATING INCOME</b>	7,090	( 261,107)	( 254,017)
<b>NONOPERATING REVENUES</b>			
Investment earnings	<u>-</u>	<u>6,706</u>	<u>6,706</u>
<b>CHANGE IN NET POSITION</b>	7,090	( 254,401)	( 247,311)
<b>TOTAL NET POSITION, BEGINNING</b>	<u>109,633</u>	<u>2,816,643</u>	<u>2,926,276</u>
<b>TOTAL NET POSITION, ENDING</b>	\$ <u>116,723</u>	\$ <u>2,562,242</u>	\$ <u>2,678,965</u>

**GREGG COUNTY, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Print Shop	Self- Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from interfund charges for print shop services	\$ 102,611	\$ -	\$ 102,611
Cash receipts from interfund charges for self-insurance services	-	5,582,421	5,582,421
Payments to suppliers for goods and services	( 41,576)	( 5,405,397)	( 5,446,973)
Payments to employees for salaries and benefits	( 38,703)	-	( 38,703)
Net cash provided (used) by operating activities	22,332	177,024	199,356
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from maturities of investments	-	46,232	46,232
Investment earnings	-	6,254	6,254
Net cash flows used by investing activities	-	52,486	52,486
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	22,332	229,510	251,842
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	59,779	827,958	887,737
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 82,111	\$ 1,057,468	\$ 1,139,579
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income	\$ 7,090	\$( 261,107)	\$( 254,017)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	8,347	-	8,347
Changes in assets and liabilities:			
(Increase) decrease in assets:			
Inventory	6,640	-	6,640
Accounts receivable	85	( 3,744)	( 3,659)
Increase (decrease) in liabilities:			
Accounts payable	606	49,974	50,580
Accrued liabilities	( 436)	391,901	391,465
Net cash provided (loss) by operating activities	\$ 22,332	\$ 177,024	\$ 199,356

# **AGENCY FUNDS**



**GREGG COUNTY, TEXAS**

**AGENCY FUNDS**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**SEPTEMBER 30, 2015**

	<u>Tax Assessor- Collector</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Sheriff</u>
<b>ASSETS</b>				
Cash and investments	\$ <u>2,934,405</u>	\$ <u>858,623</u>	\$ <u>3,346,974</u>	\$ <u>217,268</u>
Total assets	\$ <u>2,934,405</u>	\$ <u>858,623</u>	\$ <u>3,346,974</u>	\$ <u>217,268</u>
<b>LIABILITIES</b>				
Due to others	\$ <u>2,934,405</u>	\$ <u>858,623</u>	\$ <u>3,346,974</u>	\$ <u>217,268</u>
Total liabilities	\$ <u>2,934,405</u>	\$ <u>858,623</u>	\$ <u>3,346,974</u>	\$ <u>217,268</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>
\$ <u>42,686</u>	\$ <u>81,941</u>	\$ <u>264,670</u>	\$ <u>10,107</u>	\$ <u>1,248,133</u>	\$ <u>9,004,807</u>
\$ <u>42,686</u>	\$ <u>81,941</u>	\$ <u>264,670</u>	\$ <u>10,107</u>	\$ <u>1,248,133</u>	\$ <u>9,004,807</u>
\$ <u>42,686</u>	\$ <u>81,941</u>	\$ <u>264,670</u>	\$ <u>10,107</u>	\$ <u>1,248,133</u>	\$ <u>9,004,807</u>
\$ <u>42,686</u>	\$ <u>81,941</u>	\$ <u>264,670</u>	\$ <u>10,107</u>	\$ <u>1,248,133</u>	\$ <u>9,004,807</u>

**GREGG COUNTY, TEXAS**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>TAX ASSESSOR-COLLECTOR</u></b>				
Assets:				
Cash and investments	\$ <u>2,810,348</u>	\$ <u>218,129,321</u>	\$ <u>218,005,264</u>	\$ <u>2,934,405</u>
Liabilities:				
Due to others	\$ <u>2,810,348</u>	\$ <u>218,129,321</u>	\$ <u>218,005,264</u>	\$ <u>2,934,405</u>
<b><u>COUNTY CLERK</u></b>				
Assets:				
Cash and investments	\$ <u>868,942</u>	\$ <u>1,570,454</u>	\$ <u>1,580,773</u>	\$ <u>858,623</u>
Liabilities:				
Due to others	\$ <u>868,942</u>	\$ <u>1,570,454</u>	\$ <u>1,580,773</u>	\$ <u>858,623</u>
<b><u>DISTRICT CLERK</u></b>				
Assets:				
Cash and investments	\$ <u>2,886,191</u>	\$ <u>2,880,717</u>	\$ <u>2,419,934</u>	\$ <u>3,346,974</u>
Liabilities:				
Due to others	\$ <u>2,886,191</u>	\$ <u>2,880,717</u>	\$ <u>2,419,934</u>	\$ <u>3,346,974</u>
<b><u>SHERIFF</u></b>				
Assets:				
Cash and investments	\$ <u>239,344</u>	\$ <u>1,541,779</u>	\$ <u>1,563,855</u>	\$ <u>217,268</u>
Liabilities:				
Due to others	\$ <u>239,344</u>	\$ <u>1,541,779</u>	\$ <u>1,563,855</u>	\$ <u>217,268</u>
<b><u>DISTRICT ATTORNEY</u></b>				
Assets:				
Cash and investments	\$ <u>276,479</u>	\$ <u>471,904</u>	\$ <u>705,697</u>	\$ <u>42,686</u>
Liabilities:				
Due to others	\$ <u>276,479</u>	\$ <u>471,904</u>	\$ <u>705,697</u>	\$ <u>42,686</u>

**GREGG COUNTY, TEXAS**

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

(Continued)

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<b><u>CODE FORFEITURE PENDING</u></b>				
Assets:				
Cash and investments	\$ <u>45,227</u>	\$ <u>98,545</u>	\$ <u>61,831</u>	\$ <u>81,941</u>
Liabilities:				
Due to others	\$ <u>45,227</u>	\$ <u>98,545</u>	\$ <u>61,831</u>	\$ <u>81,941</u>
 <b><u>STATE FEES</u></b>				
Assets:				
Cash and investments	\$ <u>280,275</u>	\$ <u>1,169,609</u>	\$ <u>1,185,214</u>	\$ <u>264,670</u>
Liabilities:				
Due to others	\$ <u>280,275</u>	\$ <u>1,169,609</u>	\$ <u>1,185,214</u>	\$ <u>264,670</u>
 <b><u>GREGG / HARRISON FIRST CALL WARNING</u></b>				
Assets:				
Cash and investments	\$ <u>10,107</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,107</u>
Liabilities:				
Due to others	\$ <u>10,107</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,107</u>
 <b><u>JUVENILE PROBATION</u></b>				
Assets:				
Cash and investments	\$ <u>1,605,969</u>	\$ <u>4,359,473</u>	\$ <u>4,717,309</u>	\$ <u>1,248,133</u>
Liabilities:				
Due to others	\$ <u>1,605,969</u>	\$ <u>4,359,473</u>	\$ <u>4,717,309</u>	\$ <u>1,248,133</u>
 <b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
Assets:				
Cash and investments	\$ <u>9,022,882</u>	\$ <u>230,221,802</u>	\$ <u>230,239,877</u>	\$ <u>9,004,807</u>
Liabilities:				
Due to others	\$ <u>9,022,882</u>	\$ <u>230,221,802</u>	\$ <u>230,239,877</u>	\$ <u>9,004,807</u>

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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 Position by Component

Table 1.2 - Changes in Net Position

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 POSITION BY COMPONENT  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)**

	Fiscal Year			
	2006	2007	2008	2009
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 33,113,380	\$ 52,493,563	\$ 58,405,677	\$ 64,771,730
Restricted for:				
Debt service	99,244	140,745	265,955	-
Archive restoration	-	-	687,010	682,131
Transportation and road improvements	-	-	-	-
Public safety operations	-	-	-	-
Judicial operations	-	-	-	-
Bail bond board operations	-	-	-	-
Airport operations	-	-	-	-
Court technology and security	-	-	-	-
Records management and preservation	-	-	-	-
Voting and elections	-	-	-	-
Health and human services operations	-	-	-	-
Vehicle inventory tax administration	-	-	-	-
Permanent improvements	-	-	-	-
Unrestricted	<u>28,845,812</u>	<u>39,146,149</u>	<u>49,150,046</u>	<u>56,637,636</u>
<b>Total governmental activities net position</b>	<b><u>\$ 62,058,436</u></b>	<b><u>\$ 91,780,457</u></b>	<b><u>\$ 108,508,688</u></b>	<b><u>\$ 122,091,497</u></b>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total business-type activities net position</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>Primary government:</b>				
Net investment in capital assets	\$ 33,113,380	\$ 52,493,563	\$ 58,405,677	\$ 64,771,730
Restricted for:				
Debt service	99,244	140,745	265,955	-
Archive restoration	-	-	687,010	682,131
Transportation and road improvements	-	-	-	-
Public safety operations	-	-	-	-
Bail bond board operations	-	-	-	-
Judicial operations	-	-	-	-
Airport operations	-	-	-	-
Court technology and security	-	-	-	-
Records management and preservation	-	-	-	-
Voting and elections	-	-	-	-
Health and human services operations	-	-	-	-
Vehicle inventory tax administration	-	-	-	-
Permanent improvements	-	-	-	-
Unrestricted	<u>28,845,812</u>	<u>39,146,149</u>	<u>49,150,046</u>	<u>56,637,636</u>
<b>Total primary government net position</b>	<b><u>\$ 62,058,436</u></b>	<b><u>\$ 91,780,457</u></b>	<b><u>\$ 108,508,688</u></b>	<b><u>\$ 122,091,497</u></b>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 63,282,308	\$ 63,355,158	\$ 59,664,989	\$ 58,814,064	\$ 58,218,734	\$ 63,174,980
-	-	-	-	-	-
766,580	743,251	813,419	475,923	506,979	549,472
-	-	4,789,161	5,447,169	7,664,128	6,608,420
-	-	606,516	527,863	561,196	584,247
-	-	131,596	139,605	164,282	126,653
-	-	-	29,439	34,820	36,169
-	-	170,363	197,781	203,040	170,363
-	-	210,598	239,711	313,465	334,102
-	-	702,052	755,926	919,572	932,554
-	-	35,366	24,643	23,195	25,158
-	-	56,341	71,209	29,250	33,771
-	-	-	-	1,589	2,673
-	-	4,272,310	4,659,594	4,573,899	4,959,943
<u>63,683,421</u>	<u>66,288,684</u>	<u>62,548,344</u>	<u>61,863,595</u>	<u>63,043,040</u>	<u>60,350,642</u>
<u>\$ 127,732,309</u>	<u>\$ 130,387,093</u>	<u>\$ 134,001,055</u>	<u>\$ 133,246,522</u>	<u>\$ 136,257,189</u>	<u>\$ 137,889,147</u>
\$ -	\$ -	\$ 313,158	\$ 298,645	\$ 490,770	\$ -
-	-	49,553	( 6,125)	( 93,857)	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,711</u>	<u>\$ 292,520</u>	<u>\$ 396,913</u>	<u>\$ -</u>
\$ 63,282,308	\$ 63,355,158	\$ 59,978,147	\$ 59,112,709	\$ 58,709,504	\$ 63,174,980
-	-	-	-	-	-
766,580	743,251	813,419	475,923	506,979	549,472
-	-	4,789,161	5,447,169	7,664,128	6,608,420
-	-	606,516	527,863	561,196	584,247
-	-	-	29,439	34,820	36,169
-	-	131,596	139,605	164,282	126,653
-	-	170,363	197,781	203,040	170,363
-	-	210,598	239,711	313,465	334,102
-	-	702,052	755,926	919,572	932,554
-	-	35,366	24,643	23,195	25,158
-	-	56,341	71,209	29,250	33,771
-	-	-	-	1,589	2,673
-	-	4,272,310	4,659,594	4,573,899	4,959,943
<u>63,683,421</u>	<u>66,288,684</u>	<u>62,597,897</u>	<u>61,857,470</u>	<u>62,949,183</u>	<u>60,350,642</u>
<u>\$ 127,732,309</u>	<u>\$ 130,387,093</u>	<u>\$ 134,363,766</u>	<u>\$ 133,539,042</u>	<u>\$ 136,654,102</u>	<u>\$ 137,889,147</u>



## GREGG COUNTY TEXAS

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

	Fiscal Year			
	2006	2007	2008	2009
<b>EXPENSES</b>				
<i>Governmental activities:</i>				
General government	\$ 8,390,812	\$ 8,542,001	\$ 9,543,171	\$ 10,545,040
Judicial	5,081,639	5,493,674	5,931,707	6,506,628
Public safety	9,828,994	11,597,098	13,189,470	14,596,497
Health and human services	2,154,018	2,707,724	2,363,996	2,780,822
Public buildings	2,767,706	2,806,514	2,941,860	2,440,792
Transportation and roads	4,397,210	5,386,309	6,259,955	8,604,974
Interest on long-term debt	47,954	38,178	28,459	22,629
Total expenses, governmental activities	<u>32,668,333</u>	<u>36,571,498</u>	<u>40,258,618</u>	<u>45,497,382</u>
<i>Business-type activities:</i>				
Longview community center	-	-	-	-
Total expenses, business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses, primary government	<u>\$ 32,668,333</u>	<u>\$ 36,571,498</u>	<u>\$ 40,258,618</u>	<u>\$ 45,497,382</u>
<b>PROGRAM REVENUES</b>				
<i>Governmental activities</i>				
Charges for services:				
General government	\$ 3,040,048	\$ 3,056,985	\$ 2,870,400	\$ 3,125,963
Judicial	2,037,259	1,889,671	1,924,753	1,872,257
Public safety	1,125,363	1,169,268	1,485,239	1,527,640
Health and human services	30,844	39,854	81,403	60,446
Public buildings	723,396	2,217,764	3,810,197	3,577,124
Transportation and roads	1,815,739	1,848,874	2,089,882	2,235,650
Operating grants and contributions	1,619,853	1,287,135	1,578,343	1,410,235
Capital grants and contributions	3,130,111	5,205,230	5,937,901	7,301,696
Total program revenue, governmental activities	<u>13,522,613</u>	<u>16,714,781</u>	<u>19,778,118</u>	<u>21,111,011</u>
<i>Business-type activities</i>				
Charges for services:				
Longview community center	-	-	-	-
Total program revenue, business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total program revenue, primary government	<u>\$ 13,522,613</u>	<u>\$ 16,714,781</u>	<u>\$ 19,778,118</u>	<u>\$ 21,111,011</u>
<b>NET (EXPENSE) REVENUE</b>				
Governmental activities	\$( 19,145,720)	\$( 19,856,717)	\$( 20,480,500)	\$( 24,386,371)
Business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government net expense	<u>\$( 19,145,720)</u>	<u>\$( 19,856,717)</u>	<u>\$( 20,480,500)</u>	<u>\$( 24,386,371)</u>

		Fiscal Year									
		2010	2011	2012	2013	2014	2015				
\$	11,102,197	\$	12,066,388	\$	11,829,723	\$	12,874,593	\$	12,848,089	\$	12,705,059
	6,485,552		6,926,043		7,263,692		7,604,265		7,554,982		7,775,332
	14,826,537		14,857,301		15,617,020		15,872,926		16,931,848		16,649,033
	2,952,009		3,566,125		2,938,243		2,828,937		2,771,049		3,026,687
	2,864,443		2,921,703		3,021,237		3,244,751		3,273,248		3,399,292
	7,531,204		10,119,148		6,551,074		13,154,752		7,929,120		9,132,170
	18,506		12,105		1,250		590		74		5,242
	<u>45,780,448</u>		<u>50,468,813</u>		<u>47,222,239</u>		<u>55,580,815</u>		<u>51,308,410</u>		<u>52,692,815</u>
	-		-		111,194		148,929		159,406		-
	-		-		111,194		148,929		159,406		-
\$	<u>45,780,448</u>	\$	<u>50,468,813</u>	\$	<u>47,333,433</u>	\$	<u>55,729,744</u>	\$	<u>51,467,816</u>	\$	<u>52,692,815</u>
\$	2,795,666	\$	2,867,886	\$	2,787,306	\$	2,812,045	\$	2,825,010	\$	2,767,426
	1,837,417		1,788,901		1,706,448		1,548,149		1,630,996		1,415,001
	1,444,761		1,306,073		1,393,005		1,157,352		1,239,998		1,177,427
	175,972		124,161		196,892		193,902		178,194		38,970
	3,349,981		3,341,469		2,773,416		2,680,598		2,118,869		1,880,943
	2,018,074		1,752,571		2,079,088		1,841,454		2,040,208		1,920,942
	1,514,592		1,981,326		1,245,358		1,052,759		1,014,974		1,785,205
	1,099,734		1,263,850		380,331		2,312,910		3,274,049		4,647,778
	<u>14,236,197</u>		<u>14,426,237</u>		<u>12,561,844</u>		<u>13,599,169</u>		<u>14,322,298</u>		<u>15,633,692</u>
	-		-		54,936		63,738		50,633		-
	-		-		54,936		63,738		50,633		-
\$	<u>14,236,197</u>	\$	<u>14,426,237</u>	\$	<u>12,616,780</u>	\$	<u>13,662,907</u>	\$	<u>14,372,931</u>	\$	<u>15,633,692</u>
\$	( 31,544,251)	\$	( 36,042,576)	\$	( 34,660,395)	\$	( 41,981,646)	\$	( 36,986,112)	\$	( 37,059,123)
	-		-		( 56,258)		( 85,191)		( 108,773)		-
\$	<u>( 31,544,251)</u>	\$	<u>( 36,042,576)</u>	\$	<u>( 34,716,653)</u>	\$	<u>( 42,066,837)</u>	\$	<u>( 37,094,885)</u>	\$	<u>( 37,059,123)</u>

## GREGG COUNTY TEXAS

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

	Fiscal Year			
	2006	2007	2008	2009
<b>General revenue and other changes in net position</b>				
<i>Governmental activities</i>				
Property taxes	\$ 16,553,242	\$ 17,995,408	\$ 18,953,528	\$ 20,864,871
Sales taxes	15,060,036	15,288,500	16,392,118	15,831,322
Alcoholic beverage taxes	174,379	187,869	205,875	211,389
Other taxes	83,588	99,547	64,489	104,844
Unrestricted investment earnings	1,291,587	1,898,174	1,339,856	1,052,855
Gain on sale of assets	17,638	227,854	236,282	-
Gain on insurance settlement	9,242	11,807	86,227	8,730
Miscellaneous	-	-	-	-
Transfers	-	( 90,000)	( 90,000)	( 83,500)
Total governmental activities	<u>33,189,712</u>	<u>35,619,159</u>	<u>37,188,375</u>	<u>37,990,511</u>
<i>Business-type activities</i>				
Transfers	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>33,189,712</u>	<u>35,619,159</u>	<u>37,188,375</u>	<u>37,990,511</u>
<b>Changes in net position</b>				
Governmental activities	14,043,992	15,762,442	16,707,875	13,604,140
Business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 14,043,992</u>	<u>\$ 15,762,442</u>	<u>\$ 16,707,875</u>	<u>\$ 13,604,140</u>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 21,372,685	\$ 21,302,750	\$ 21,177,159	\$ 21,660,737	\$ 21,899,820	\$ 22,016,974
15,129,279	16,912,110	16,902,274	18,981,037	17,854,086	16,542,149
214,451	203,001	189,867	190,613	234,572	245,031
86,280	77,913	112,333	116,369	91,337	98,421
250,028	260,974	177,938	137,628	130,130	236,805
205,243	-	37,865	98,775	-	87,374
7,097	25,612	-	-	-	-
-	-	95,890	56,954	-	21,892
( 80,000)	( 85,000)	( 418,969)	( 15,000)	( 213,166)	396,913
<u>37,185,063</u>	<u>38,697,360</u>	<u>38,274,357</u>	<u>41,227,113</u>	<u>39,996,779</u>	<u>39,645,559</u>
-	-	418,969	15,000	213,166	( 396,913)
-	-	418,969	15,000	213,166	( 396,913)
<u>37,185,063</u>	<u>38,697,360</u>	<u>38,693,326</u>	<u>41,242,113</u>	<u>40,209,945</u>	<u>39,248,646</u>
5,640,812	2,654,784	3,613,962	( 754,533)	3,010,667	2,586,436
-	-	362,711	( 70,191)	104,393	( 396,913)
<u>\$ 5,640,812</u>	<u>\$ 2,654,784</u>	<u>\$ 3,976,673</u>	<u>\$ ( 824,724)</u>	<u>\$ 3,115,060</u>	<u>\$ 2,189,523</u>

## GREGG COUNTY, TEXAS

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

	Fiscal Year			
	2006*	2007*	2008*	2009*
General fund				
Unreserved	\$ 18,287,075	\$ 27,085,477	\$ 23,155,150	\$ 29,560,305
Reserved	65,455	37,452	752,131	760,327
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>18,352,530</u>	<u>27,122,929</u>	<u>23,907,281</u>	<u>30,320,632</u>
All other governmental funds				
Reserved	196,464	274,276	500,492	322,089
Unreserved reported in:				
Special revenue funds	6,218,927	6,415,571	7,990,568	6,828,868
Capital projects fund	1,190,478	2,098,595	14,053,088	14,708,331
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>7,605,869</u>	<u>8,788,442</u>	<u>22,544,148</u>	<u>21,859,288</u>
Total governmental funds	<u>\$ 25,958,399</u>	<u>\$ 35,911,371</u>	<u>\$ 46,451,429</u>	<u>\$ 52,179,920</u>

Extracted from Balance Sheet - Governmental Funds

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

*\*The fund balances reported prior to the GASB Statement 54 implementation are reported with reservations and designations as they were reported in those years.*

Fiscal Year

2010*	2011	2012	2013	2014	2015
\$ 20,726,797	\$ -	\$ -	\$ -	\$ -	\$ -
849,537	-	-	-	-	-
-	41,219	27,517	23,827	7,216	3,260
-	770,646	832,926	591,407	583,839	629,028
-	29,136	256,442	217,040	450,410	598,796
-	<u>27,494,970</u>	<u>32,672,039</u>	<u>38,422,086</u>	<u>34,676,637</u>	<u>32,520,331</u>
<u>21,576,334</u>	<u>28,335,971</u>	<u>33,788,924</u>	<u>39,254,360</u>	<u>35,718,102</u>	<u>33,751,415</u>
210,891	-	-	-	-	-
10,265,799	-	-	-	-	-
27,172,920	-	-	-	-	-
-	103,010	112,030	134,282	133,327	896,741
-	9,326,086	10,724,171	11,883,420	12,428,031	11,631,632
-	2,687,276	1,399,986	4,357,002	4,569,024	4,059,191
-	21,271,834	20,033,666	13,029,616	18,344,340	17,800,616
-	-	( 718)	-	-	-
<u>37,649,610</u>	<u>33,388,206</u>	<u>32,269,135</u>	<u>29,404,320</u>	<u>35,474,722</u>	<u>34,388,180</u>
\$ <u>59,225,944</u>	\$ <u>61,724,177</u>	\$ <u>66,058,059</u>	\$ <u>68,658,680</u>	\$ <u>71,192,824</u>	\$ <u>68,139,595</u>

## GREGG COUNTY, TEXAS

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

	Fiscal Year			
	2006	2007	2008	2009
<b>REVENUES</b>				
Taxes	\$ 31,936,653	\$ 33,629,304	\$ 35,625,377	\$ 36,962,804
Licenses and permits	1,268,757	1,296,641	1,302,467	1,339,496
Intergovernmental	5,176,316	6,906,239	8,123,597	9,323,668
Charges for services	4,287,972	4,315,165	4,033,578	3,935,251
Fines and forfeitures	1,130,345	1,147,893	1,121,854	1,196,596
Investment earnings	1,218,619	1,794,201	1,265,171	1,001,794
Rents and commissions	654,938	726,786	788,573	1,081,838
Miscellaneous	851,251	2,217,380	4,148,033	3,704,754
Total revenues	<u>46,524,851</u>	<u>52,033,609</u>	<u>56,408,650</u>	<u>58,546,201</u>
<b>EXPENDITURES</b>				
General government	8,079,901	7,941,151	8,721,700	9,024,350
Judicial	5,184,329	5,507,797	6,090,503	6,600,583
Public safety	10,283,176	11,631,436	13,535,782	15,132,278
Health and human services	2,182,786	2,789,852	2,488,704	2,766,474
Public buildings	2,141,922	2,123,898	2,213,314	2,782,000
Transportation and roads	4,422,556	5,362,341	5,532,873	8,087,017
Debt service				
Principal	869,277	860,000	949,404	391,117
Interest	43,978	26,143	19,390	25,883
Capital outlay	4,097,017	6,535,229	7,010,064	8,635,325
Total expenditures	<u>37,304,942</u>	<u>42,777,847</u>	<u>46,561,734</u>	<u>53,445,027</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>9,219,909</u>	<u>9,255,762</u>	<u>9,846,916</u>	<u>5,101,174</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,801,454	2,960,170	13,232,941	3,026,651
Transfers out	( 1,801,454)	( 2,960,170)	( 13,232,941)	( 3,026,651)
Issuance of notes payable	-	274,230	-	-
Issuance of capital lease	-	-	288,628	319,632
Sale of capital assets	44,573	441,172	267,941	298,955
Sale of right-of-way	-	-	-	-
Insurance recoveries	9,242	11,808	86,227	8,730
Total other financing sources and uses	<u>53,815</u>	<u>727,210</u>	<u>642,796</u>	<u>627,317</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 9,273,724</u>	<u>\$ 9,982,972</u>	<u>\$ 10,489,712</u>	<u>\$ 5,728,491</u>
<b>DEBT SERVICES AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	2.618%	2.373%	2.400%	0.873%

Fiscal Year						
2010	2011	2012	2013	2014	2015	
\$ 37,149,062	\$ 38,362,150	\$ 38,594,743	\$ 40,895,686	\$ 40,075,700	\$ 38,883,763	
1,291,763	1,237,844	1,398,039	1,342,638	1,391,051	1,318,187	
3,135,838	3,731,436	2,061,285	3,755,376	4,716,379	6,706,941	
3,810,630	3,774,549	3,713,143	3,754,191	3,675,306	3,657,872	
1,156,767	1,168,021	1,444,602	1,217,869	1,237,949	1,020,076	
237,182	251,352	171,354	137,628	128,868	230,099	
965,940	1,033,682	3,352,952	3,273,148	2,694,410	2,468,488	
3,301,639	3,327,129	359,238	255,947	285,407	288,464	
<u>51,048,821</u>	<u>52,886,163</u>	<u>51,095,356</u>	<u>54,632,483</u>	<u>54,205,070</u>	<u>54,573,890</u>	
8,667,764	9,404,049	9,325,778	10,270,374	10,139,547	10,242,264	
6,503,219	6,887,259	7,285,879	7,563,512	7,870,174	7,996,962	
14,677,211	14,585,933	15,429,054	16,140,745	16,782,174	16,404,214	
2,837,450	3,630,641	2,944,827	2,816,765	2,779,179	3,035,557	
2,029,427	2,082,011	2,130,553	2,214,203	2,220,231	2,283,921	
8,469,360	10,272,011	4,924,912	11,348,421	6,690,923	7,120,809	
408,879	507,108	6,478	5,619	2,216	-	
19,711	20,810	1,250	590	74	-	
1,426,316	3,037,040	1,823,401	4,752,119	5,312,160	10,956,107	
<u>45,039,337</u>	<u>50,426,862</u>	<u>43,872,132</u>	<u>55,112,348</u>	<u>51,796,678</u>	<u>58,039,834</u>	
<u>6,009,484</u>	<u>2,459,301</u>	<u>7,223,224</u>	<u>( 479,865)</u>	<u>2,408,392</u>	<u>( 3,465,944)</u>	
20,571,490	5,658,471	569,510	7,232,851	9,447,050	11,108,908	
( 20,571,490)	( 5,667,406)	( 669,510)	( 7,247,851)	( 9,447,050)	( 11,202,765)	
-	-	-	-	-	-	
495,976	-	-	-	-	390,689	
513,467	22,255	44,658	108,642	64,243	93,991	
20,000	-	-	-	-	-	
7,097	25,612	95,890	56,954	61,408	21,892	
<u>1,036,540</u>	<u>38,932</u>	<u>40,548</u>	<u>150,596</u>	<u>125,651</u>	<u>412,715</u>	
\$ <u>7,046,024</u>	\$ <u>2,498,233</u>	\$ <u>7,263,772</u>	\$ <u>( 329,269)</u>	\$ <u>2,534,043</u>	\$ <u>( 3,053,229)</u>	
0.938%	1.070%	0.015%	0.011%	0.005%	0.000%	



**GREGG COUNTY, TEXAS**

**Table 2.1 ASSESSED VALUE AND ESTIMATED TAXABLE VALUE OF PROPERTY**

**LAST TEN FISCAL YEARS**

Fiscal Year	Real Property		Personal Property	All Other	Total Assessed Value	Total Direct Tax Rate	Total Estimated Adjusted Taxable Value	Ratio of Assessed to Taxable Value
	Residential	Commercial and Industrial						
2015	\$ 4,557,346,032	\$ 1,646,063,178	\$ 2,426,246,461	\$ 1,238,924,358	\$ 9,868,580,029	0.2625	\$ 8,651,079,813	87.66%
2014	4,465,741,722	1,558,361,232	2,510,554,165	1,345,006,507	9,879,663,626	0.2625	8,668,365,415	87.74%
2013	4,350,648,888	1,496,395,216	2,598,610,843	1,303,433,696	9,749,088,643	0.2625	8,551,471,159	87.72%
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%

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Direct rates</b>										
Gregg County general rate	0.2747	0.2647	0.2622	0.2622	0.2622	0.2597	0.2572	0.2572	0.2572	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
<b>Total direct debt</b>	<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>	<u>0.2625</u>	<u>0.2625</u>	<u>0.2625</u>
<b>Overlapping debt:</b>										
<b>City rates</b>										
Clarksville City	0.3754	0.4333	0.3678	0.4471	0.4649	0.4886	0.4196	0.4501	0.4501	0.5999
East Mountain	0.0000	0.0000	0.0903	0.8529	0.1000	0.1000	0.1000	0.1000	0.1200	0.1200
Easton	0.0778	0.0840	0.1000	0.1000	0.0820	0.0794	0.0913	0.2500	0.2500	0.2500
Gladewater	0.5654	0.5860	0.5831	0.5831	0.6123	0.6426	0.6426	0.6445	0.6414	0.6563
Kilgore	0.5074	0.4600	0.4000	0.3924	0.3994	0.3900	0.4000	0.4200	0.4500	0.4731
Lakeport	0.2889	0.3244	0.2975	0.4011	0.6299	0.5915	0.6023	0.6275	0.6145	0.5820
Longview	0.4834	0.4840	0.4840	0.4840	0.4840	0.5009	0.5009	0.5009	0.5099	0.5099
Warren City	0.4122	0.4599	0.4560	0.5000	0.5000	0.5000	0.2500	0.2500	0.2500	0.2500
White Oak	0.5100	0.4800	0.4800	0.4800	0.5200	0.5200	0.5200	0.5201	0.5317	0.5469
<b>School districts</b>										
Gladewater ISD	1.3352	1.1203	1.0400	1.0400	1.1700	1.1700	1.1700	1.1700	1.4900	1.5650
Kilgore ISD	1.4667	1.1331	1.1210	1.1092	1.1092	1.3092	1.3092	1.3092	1.3092	1.3092
Longview ISD	1.4680	1.1381	1.2980	1.4202	1.5130	1.5130	1.5130	1.5130	1.5130	1.5130
Pine Tree ISD	1.6139	1.3469	1.3485	1.3785	1.3785	1.5110	1.5110	1.5500	1.5550	1.5550
Sabine ISD	1.3700	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.2928	1.2730	1.3014
Spring Hill ISD	1.5150	1.1850	1.5400	1.5400	1.5400	1.5400	1.6700	1.6700	1.6700	1.6700
White Oak ISD	1.4437	1.1900	1.2426	1.2457	1.2408	1.2439	1.2333	1.2432	1.2460	1.2360
<b>Special district rates</b>										
Gregg Co. ESD #1	0.1000	0.0983	0.0983	0.0983	0.0983	0.0983	0.0983	0.0983	0.0983	0.0983
Gregg Co. ESD #2	0.1740	0.1640	0.1640	0.1540	0.1540	0.1540	0.1540	0.1540	0.1540	0.1000
Kilgore Junior College										
<b>Total direct and overlapping rates</b>	<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>	<u>14.0261</u>	<u>14.3886</u>	<u>14.7735</u>

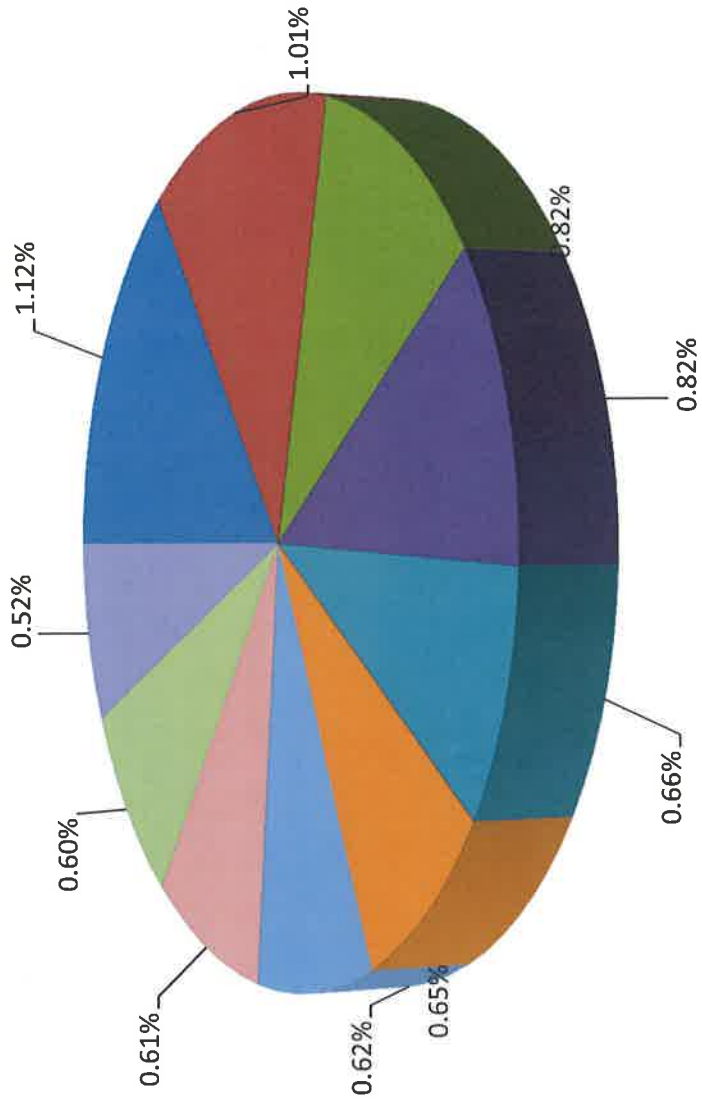
## GREGG COUNTY, TEXAS

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

Taxpayer	2015			2006		
	Total Assessed Value	Rank	Percentage of Total Assessed Value	Total Assessed Value	Rank	Percentage of Total Assessed Value
AEP Southwestern Elec Power Co./ AEP/SWEPCO/Southwestern Electric Power Co.	\$ 110,370,030	1	1.12%	\$ 98,381,930	3	1.32%
Joy Global Longview Operations LLC	99,529,240	2	1.01%			
Longview Medical Center/Longview Regional Hospital/Texas HCP Holding/ Longview Regional Business	81,230,060	3	0.82%	63,108,130	7	0.84%
Wal-Mart / Sam's	81,022,640	4	0.82%	64,807,650	6	0.87%
Halliburton Co./Halliburton Energy Services/Halliburton Services - Wellnight	65,559,780	5	0.66%	56,718,420	8	0.76%
Trinity Industries/Trinity Tankcar/ Trinity Tankcar Plant	63,896,910	6	0.65%	\$ 53,392,490	9	0.71%
Weatherford Artifical Lift/Weatherford KOP/Weatherford US LP/ Weatherford- Petco Inc	61,162,170	7	0.62%			
Cudd Pumping Service/Cudd Pressure Control (CPS)	60,519,120	8	0.61%			
Breitburn Operating LP	58,794,400	9	0.60%			
Good Shepherd/GAHC3 Longview TX Outpatient Mob II LLC/GSHS Inc.	51,602,830	10	0.52%			
Letoruneau Inc.				114,861,940	1	1.54%
XTO Energy Inc				109,626,250	2	1.47%
TXOK Tex Energy Res LP				95,120,910	4	1.27%
Chinn Exploration				69,979,900	5	0.94%
Exxonmobil Corporation				43,614,080	10	0.58%
<b>Total</b>	<b>\$ 733,687,180</b>		<b>7.43%</b>	<b>\$ 769,611,700</b>		<b>10.29%</b>

# 2015 TOP TEN TAXPAYERS

- SOUTHWESTERN ELEC.
- JOY GLOBAL
- LONGVIEW MEDICAL CENTER
- WALMART/SAMS
- HALLIBURTON ENGERY SVS.
- TRINITY INDUSTRIES
- WEATHERFORD
- CUDD PUMPING SVS.
- BREITBURN OPERATING LP
- GOOD SHEPHERD



Source: Gregg County Appraisal District

**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	to Levy in Subsequent Years	Subsequent Years		Total Collections To Date	Percent of Adjusted Levy	Delinquent Taxes 9/30/2015			
2006	\$ 16,560,421	\$ 16,365,917	98.83%	\$ 45,874	\$ 200,329	\$ 16,606,295	\$ 200,329	\$ 16,566,247	99.76%	\$ 40,048	0.24%	
2007	18,216,072	17,962,462	98.61%	( 15,542)	192,229	18,200,530	192,229	18,154,691	99.75%	45,839	0.25%	
2008	19,129,114	18,863,462	98.61%	26,355	226,471	19,155,469	226,471	19,089,933	99.66%	65,536	0.34%	
2009	21,017,998	20,727,939	98.62%	49,546	271,108	21,067,544	271,108	20,999,047	99.67%	68,498	0.33%	
2010	21,713,885	21,571,949	99.35%	187,805	269,945	21,901,690	269,945	21,841,894	99.73%	59,795	0.27%	
2011	21,259,861	21,016,555	98.86%	52,424	229,395	21,312,285	229,395	21,245,950	99.69%	66,335	0.31%	
2012	21,541,094	21,294,083	98.85%	51,023	225,631	21,592,117	225,631	21,519,715	99.66%	72,402	0.34%	
2013	22,022,808	21,567,906	97.93%	( 21,223)	270,708	22,001,585	270,708	21,838,614	99.26%	162,971	0.74%	
2014	22,067,295	21,783,376	98.71%	33,990	128,340	22,101,285	128,340	21,911,715	99.14%	189,570	0.86%	
2015	22,365,509	22,035,855	98.53%	11,272	-	22,376,781	-	22,035,855	98.48%	340,926	1.52%	

- (1) Taxes are levied on assessed property values on January 1 of prior calendar year (i.e., in 2015, taxes are levied on calendar year 2014)
- (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**

Fiscal Year	Licenses and Permits							Totals	
	Taxes	Inter-Governmental	Charges for Services	Fines and Forfeitures	Investment Earnings	Rents and Commissions	Miscellaneous		
2015	\$ 38,883,763	\$ 1,318,187	\$ 6,706,941	\$ 3,657,872	\$ 1,020,076	\$ 230,099	\$ 2,468,488	\$ 288,464	\$ 54,573,890
2014	40,075,700	1,391,051	4,716,379	3,675,306	1,237,949	128,868	2,694,410	285,407	54,205,070
2013	40,895,684	1,342,638	3,744,387	3,784,071	1,217,868	137,629	3,273,148	226,012	54,621,437
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

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 <sup>1</sup>	Per Capita <sup>1</sup>
2015	\$ -	\$ 390,689	\$ -	\$ -	\$ 390,689	0.00%	3.17
2014	-	-	-	-	-	0.00%	-
2013	-	2,216	-	-	2,216	0.04%	0.02
2012	-	7,833	-	-	7,833	0.14%	0.06
2011	-	13,658	-	-	13,658	0.26%	0.11
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

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

<sup>1</sup> 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 <sup>1</sup>	Per Capita <sup>2</sup>
2015	\$ -	\$ -	\$ -	N/A	N/A
2014	-	-	-	N/A	N/A
2013	-	-	-	N/A	N/A
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

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

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

<sup>2</sup> 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, 2015**

Government Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
<b>Direct Debt:</b>			
Gregg County	\$ 390,689	100.00%	\$ 390,689
<b>Overlapping Debt:</b>			
Clarksville City, City of	1,383,000	99.97%	1,382,585
Gladewater, City of	1,999,544	61.65%	1,232,719
Kilgore College	1,205,048	62.56%	753,878
Kilgore, City of	4,320,000	98.49%	4,254,768
Kilgore Independent School District	54,180,000	71.95%	38,982,510
Lakeport, City of	1,530,000	100.00%	1,530,000
Longview, City of	72,440,000	95.28%	69,020,832
Gladewater Independent School District	35,299,706	64.64%	22,817,730
Longview Independent School District	248,172,453	100.00%	248,172,453
Pine Tree Independent School District	73,782,123	100.00%	73,782,123
Sabine Independent School District	18,930,000	100.00%	18,930,000
Spring Hill Independent School District	39,575,000	100.00%	39,575,000
White Oak Independent School District	<u>4,223,942</u>	100.00%	<u>4,223,942</u>
<b>Total Direct and Overlapping Debt</b>	<b>\$ <u>557,431,505</u></b>		<b>\$ <u>525,049,229</u></b>

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

Source: Outstanding Debt as of September 30, 2015

**GREGG COUNTY, TEXAS**

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 1,637,700,558	\$ 1,790,794,063	\$ 1,994,477,890	\$ 2,089,930,203
Total net debt applicable to limit	<u>1,620,756</u>	<u>719,255</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	\$ <u>1,636,079,802</u>	\$ <u>1,790,074,808</u>	\$ <u>1,994,477,890</u>	\$ <u>2,089,930,203</u>
 Total Net Debt applicable to the limit as a percent of debt limit	 0.10%	 0.04%	 0.00%	 0.00%

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 2,023,484,071	\$ 2,068,576,145	\$ 2,132,856,856	\$ 2,137,867,790	\$ 2,167,091,354	\$ 2,467,145,007
-	-	-	-	-	-
<u>\$ 2,023,484,071</u>	<u>\$ 2,068,576,145</u>	<u>\$ 2,132,856,856</u>	<u>\$ 2,137,867,790</u>	<u>\$ 2,167,091,354</u>	<u>\$ 2,467,145,007</u>
0.00%	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>
2015	*	*	*	5.0
2014	123,204	\$ 6,149,459	\$ 49,913	4.3
2013	123,024	5,897,052	47,934	5.5
2012	122,658	5,759,320	46,954	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

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	2015		2006	
	Employees	Percentage of Total County Employees	Employees	Percentage of Total County Employees
Good Shepherd Medical Center	3,260	4.9%	-	0.0%
Trinity Rail, LLC	1,856	2.8%	-	0.0%
Eastman Chemical	1,500	2.2%	-	0.0%
Longview ISD	1,170	1.7%	-	0.0%
Wal-Mart	1,162	1.7%	-	0.0%
Longview Regional Medical Center	940	1.4%	-	0.0%
City of Longview	808	1.2%	-	0.0%
Pine Tree ISD	680	1.0%	-	0.0%
Diagnostic Clinic of Longview	648	1.0%	-	0.0%
Joy Global	617	0.9%	-	-
Total	<u>12,641</u>	<u>18.9%</u>	<u>-</u>	<u>0.0%</u>

Sources: Longview Economic Development Corporation;

Notes: Percentage of total County employment based on County employment of 66,905  
Information for 9 years prior was not available

**GREGG COUNTY, TEXAS**

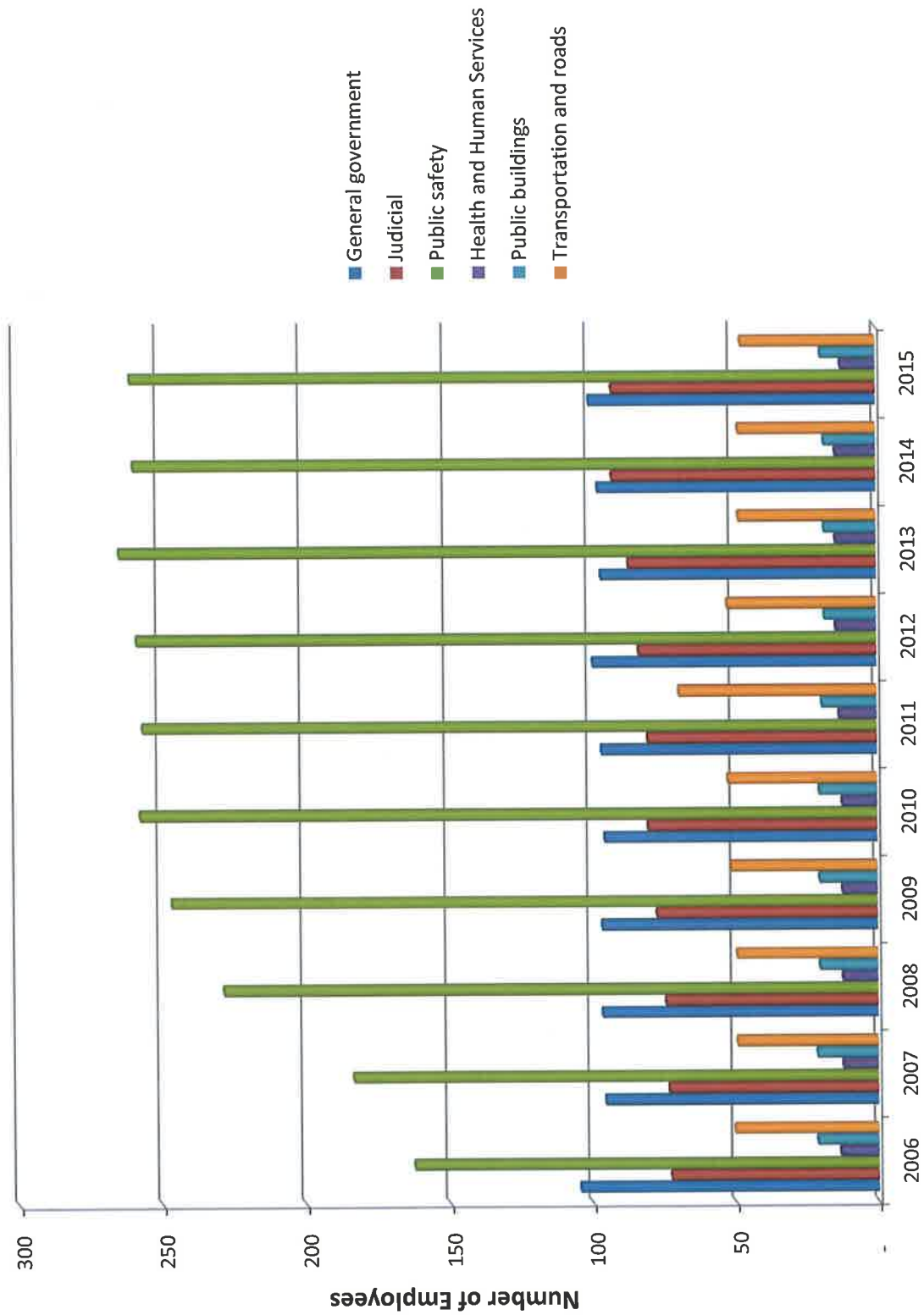
**Table 5.1 COUNTY EMPLOYEES BY FUNCTION**

LAST TEN FISCAL YEARS  
SEPTEMBER 30, 2015

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	95	96	96	95	96	99	96	97	100	102
Judicial	73	74	77	80	80	83	87	92	92	92
Public safety	183	228	246	257	256	258	264	259	260	262
Health and Human Services	12	12	12	12	13	14	14	14	12	12
Public buildings	21	20	20	20	19	18	18	18	19	18
Transportation and roads	49	49	51	52	69	52	48	48	47	48
Totals	<u>433</u>	<u>479</u>	<u>502</u>	<u>516</u>	<u>533</u>	<u>524</u>	<u>527</u>	<u>528</u>	<u>530</u>	<u>534</u>

Source: Gregg County Budget

# County Employees by Function



Source: Gregg County Budget



# GREGG COUNTY, TEXAS

## Table 5.2 OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS SEPTEMBER 30, 2015

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government</b>										
County Finance										
Accounts Payable Checks Processed	8,875	9,552	9,627	10,560	8,321	7,845	8,409	8,789	8,493	8,365
Tax Office (1)										
Motor vehicle registrations	125,254	131,438	128,732	128,189	127,751	129,604	133,481	133,761	134,302	131,334
Motor vehicle titles issued	44,968	47,734	47,626	39,293	39,992	45,622	49,178	49,411	48,757	47,843
Elections Office										
Registered Voters	70,349	73,680	71,799	67,977	68,612	64,458	66,464	65,680	66,146	65,678
Number of Elections Held	6	3	13	7	13	5	11	10	11	6
<b>Judicial</b>										
District Court level										
Civil cases filed	4,646	3,984	3,838	3,583	4,076	3,319	3,064	3,417	3,297	3,091
Criminal cases filed	1,749	1,364	1,467	1,604	1,751	1,304	1,266	1,389	1,519	1,266
County Court level										
Probate/Mental Health cases filed	466	530	488	449	528	591	629	525	516	542
Statutory County Court level (2)										
Civil cases filed	656	611	564	469	413	1,181	1,174	1,180	1,117	1,195
Criminal cases filed	6,349	6,131	5,631	5,168	4,895	4,328	4,005	4,129	3,684	3,541
<b>Law Enforcement/Corrections (3)</b>										
Jail facilities										
Jail Book-ins	10,896	12,492	12,125	11,320	10,519	10,556	10,696	10,282	9,419	9,098
<b>Law Enforcement</b>										
Warrants executed	5,543	5,157	3,417	3,041	4,358	4,462	4,340	5,770	4,496	4,461
Civil process served	4,795	4,142	5,222	5,341	4,853	4,585	4,165	3,523	4,629	4,314
<b>Health &amp; Human Services</b>										
Patients seen by Doctor	1,115	1,193	836	847	769	841	757	646	477	603
Patients seen by Nurse	1,633	1,688	1,583	2,584	2,266	2,501	2,848	2,354	2,032	2,433
Immunizations	12,637	13,301	6,346	7,781	7,142	11,158	7,504	5,440	5,254	5,077
Welfare Applicants	1,348	1,302	1,277	1,686	1,359	1,444	1,377	1,004	820	1,274
<b>Transportation &amp; Roads</b>										
Miles of County Roads	n/a	279	279	281	281	281	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, 2015**

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Vehicles	6	5	7	6	6	6	6	10	9	10
Judicial										
Vehicles	0	0	2	2	3	3	3	4	5	6
Video/sound system	1	1	1	2	2	2	2	2	2	2
Law enforcement/corrections										
Vehicles	60	47	57	73	77	91	93	99	88	97
Transportation and roads										
Road and bridge vehicles	30	30	28	33	34	34	36	29	31	32
Road and bridge equipment	125	114	113	120	113	113	116	111	111	109
Public buildings										
Vehicles	5	4	5	4	4	4	4	4	4	3
Health and human services										
Vehicles	3	3	3	3	2	2	2	2	2	2

Source: Gregg County depreciation schedules

## GREGG COUNTY, TEXAS

**Table 5.4 SCHEDULE OF INSURANCE**

**SEPTEMBER 30, 2015**

(UNAUDITED)

Insuring Company	Type of Coverage	Policy From	Policy To	Summary of Coverage	Liability Limits
Texas Public Entity Group Agent: Rooker Downing & Booth	Property	10/01/14	10/01/15	Buildings Personal Property Valuable Papers	\$ 87,055,483 50,000 250,000
Texas Public Entity Group Agent: Rooker Downing & Booth	Commerical Crime	10/01/14	10/01/15	Employee Theft - per loss Computer Crime Funds Transfer Fraud Forgery	600,000 600,000 600,000 600,000
Texas Public Entity Group Agent: Rooker Downing & Booth	Auto	10/01/14	10/01/15	Liability Comprehensive  Collision	1,000,000 Actual cash value or cost of repair (lessor of)  Actual cash value or cost of repair (lessor of)
Agent: Rooker Downing & Booth				Crisis Management Security Breach Notification	50,000 50,000
Texas Public Entity Group Agent: Rooker Downing & Booth	Commercial General Liability	10/01/14	10/01/15	General Aggregate	400,000
Texas Public Entity Group Agent: Rooker Downing & Booth	Employee Benefits Liability	10/01/14	10/01/15	Aggregate Limit	3,000,000
Tac Risk Management Pool	Public Officials Liability	10/01/14	10/01/15	Aggregate	2,000,000
JamisonPro	State Judges Professional Liability	01/01/15	01/01/16	Damages / Claims Exp.	1,000,000
Tac Risk Management Pool	Law Enforcement Liability	10/01/14	10/01/15	Aggregate	2,000,000
Evanston Insurance Company Agent: Rooker Downing & Booth	Gregg Co. Jail/Medical Services	12/15/14	12/15/15	Liability	1,000,000
Admiral Insurance Company Agent: Rooker Downing & Booth	Health Department	10/01/14	10/01/15	Aggregate	1,000,000
Old Republic Insurance Company Agent: Rooker Downing & Booth	East Texas Regional Airport	10/01/14	10/01/15	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	10/01/14	10/01/15	Liability / each loss	1,000,000
Nautilus Insurance Company	Storage Tank Systems	08/04/15	08/04/16	Clean up costs, Third Party Liability, Property damage Liability	1,000,000

# **COMPLIANCE SECTION**

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P A T T I L L O , B R O W N & H I L L , L . L . P .  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' 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, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gregg County, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Gregg County, Texas' basic financial statements, and have issued our report thereon dated March 31, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Gregg County, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness Gregg County, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of Gregg County, Texas' internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gregg County, Texas' financial statements are free from 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*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Waco, Texas  
March 31, 2016



P A T T I L L O , B R O W N & H I L L , L . L . P .  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited Gregg County, Texas' (the "County") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the State of Texas *Uniform Grant Management Standards* that could have a direct and material effect on each of Gregg County, Texas' major federal and state programs for the year ended September 30, 2015. Gregg County, Texas' major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Gregg County, Texas' major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and the State of Texas *Uniform Grant Management Standards*. Those standards and OMB Circular A-133 and the State of Texas *Uniform Grant Management Standards* 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 or state program occurred. An audit includes examining, on a test basis, evidence about Gregg County, Texas' 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of Gregg County, Texas' compliance.



## **Opinion on Each Major Federal and State Program**

In our opinion, Gregg County, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2015.

## **Report on Internal Control Over Compliance**

Management of Gregg County, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Gregg County, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas *Uniform Grant Management Standards*, 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 Gregg County, Texas' 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 or state 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 or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the State of Texas *Uniform Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.

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

Waco, Texas  
March 31, 2016

# GREGG COUNTY, TEXAS

## SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Pass-through Grantor's Number	Federal Grantor/ Pass-through Grantor/Program Title	Federal CFDA Number	Total Expenditures
<b>FEDERAL AWARDS</b>			
<u>U. S. Department of Justice</u>			
	Direct Programs		
FY 2015	DEA 2015 State and Local Task Force Agreement	16.001	\$ 10,563
	Passed through the Criminal Justice Council:		
WF-15-V30-28165-02	Violence Against Women	16.588	10,042
WF-14-V30-28165-01	Violence Against Women	16.588	<u>58,236</u>
	Total Passed through the Criminal Justice Council		<u>68,278</u>
	Passed through the Office of the Governor:		
2014-AP-BX-0083	State Criminal Alien Assistance Program	16.606	<u>17,313</u>
	Total Passed through the Office of the Governor		<u>17,313</u>
	Total U. S. Department of Justice		<u>96,154</u>
<u>U. S. Department of Transportation</u>			
	Passed through Federal Aviation Administration:		
3-48-0137-038-2012	Airport Improvement Program	20.106	734,695
3-48-0137-039-2013	Airport Improvement Program	20.106	723,326
3-48-0137-040-2014	Airport Improvement Program	20.106	2,015,806
3-48-0137-040-2015	Airport Improvement Program	20.106	99,771
	Total Passed through Federal Aviation Administration		<u>3,573,598</u>
	Total U. S. Department of Transportation		<u>3,573,598</u>
<u>U. S. Department of Health and Human Services</u>			
	Direct Programs		
MRCSG101005-04-00	Medical Reserve Corps	93.008	<u>3,500</u>
	Passed through Texas Department of State Health Services:		
2016-001080-00	Immunization Branch - Locals	93.268	15,571
2015-001080-00	Immunization Branch - Locals	93.268	<u>161,270</u>
	Total Passed through Texas Department of State Health Services		<u>176,841</u>
	Passed through Texas Department of Family and Protective Services:		
23938981	Title IV-E Legal Reimbursement	93.658	<u>20,979</u>
	Total Passed through Texas Department of Family and Protective Services		<u>20,979</u>
	Total U. S. Department of Health and Human Services		<u>201,320</u>

**GREGG COUNTY, TEXAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
(Continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<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:		
EMW2014-SS-0029	State Homeland Security Grant program	97.067	\$ 29,903
	Total Passed through the Texas Department of Public Safety		<u>29,903</u>
	Passed through Transportation Security Administration:		
HSTS0213HSLR255	TSA-OSSA-LEO Reimbursement Program	97.090	<u>21,900</u>
	Total Passed through Transportation Security Administration		<u>21,900</u>
	Total U. S. Department of Homeland Security		<u>51,803</u>
	Total Federal Awards		<u>\$ 3,922,875</u>
<b>STATE AWARDS</b>			
	<u>Texas Commission on Environmental Quality</u>		
	Passed through East Texas Council of Governments:		
N/A	State Tobacco Settlement	N/A	\$ 63,468
	Total Passed through East Texas Council of Governments		<u>63,468</u>
	Total Texas Commission on Environmental Quality		<u>63,468</u>
	<u>Texas Department of Transportation:</u>		
M1510LNGV	Routine Airport Maintenance Grant (RAMP)	N/A	49,877
CTIF-01-093	County Energy Transp. Reinvest. Zone (CERTZ)	N/A	<u>881,921</u>
	Total Texas Department of Transportation		<u>931,798</u>
	<u>Texas Health and Human Services</u>		
	Passed through Texas Task Force on Indigent Defense		
212-14-092	State Indigent Defense Funding	N/A	<u>133,904</u>
	Total Passed through Texas Task Force on Indigent Defense		<u>133,904</u>
	Total Texas Health and Human Services		<u>133,904</u>
	<u>Texas Secretary of State</u>		
N/A	Chapter 19 Voter Registration	N/A	<u>7,468</u>
	Total Texas Secretary of State		<u>7,468</u>
	Total State Awards		<u>\$ 1,136,638</u>
	Total Expenditures of Federal and State Awards		<u>\$ 5,059,513</u>

# **GREGG COUNTY, TEXAS**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

**SEPTEMBER 30, 2015**

### **1. GENERAL**

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

### **2. BASIS OF ACCOUNTING**

The Schedule of Expenditures of Federal and State 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, 2015**

**Summary of Auditors' Results**

**Financial Statements:**

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	None

**Federal and State Awards:**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Type of auditors' report issued on compliance for major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 or State of Texas Uniform Grant Management Standards	None
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**Identification of major programs:**

CFDA Number(s) #20.106 State	Name of Federal/State Program or Cluster: Airport Improvement Program County Energy Transp. Reinvest. Zone (CERTZ)
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Dollar threshold used to distinguish between type A and type B federal programs	\$300,000
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Dollar threshold used to distinguish between type A and type B state programs	\$300,000
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Auditee qualified as low-risk auditee under Section 510(a) of OMB Circular A-133?	No
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Auditee qualified as low-risk auditee under State of Texas Uniform Grant Management Standards?	No
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**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 and State Awards**

None

**GREGG COUNTY, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<b><u>Item 2014-001:</u></b>	Davis-Bacon Act
<b>Federal Grantor:</b>	U.S. Department of Transportation
<b>Award Number:</b>	3-48-0137-038-2012
<b>Program:</b>	Airport Improvement Program, CFDA 20.106
<b>Criteria:</b>	Entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations. This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls). This reporting is often done using Optional Form WH-347, which includes the required statement of compliance (OMB No. 1215-0149).
<b>Condition:</b>	The County used grant funding to pay for construction expenditures exceeding \$2,000 and controls were not in place to ensure that contractors were in compliance with the Davis-Bacon Act.
<b>Context:</b>	The total expenditures paid to this contractor were \$1,004,014 of the total program expenditures of \$3,274,049.
<b>Effect:</b>	Grant funds could be paid to contractors that are not meeting the Department of Labor's requirements, which would make the expenditures unallowable. Specifically, payrolls were not monitored throughout the fiscal year for one specific contractor. Once it was determined that the County had not received the payroll documentation, as a part of the audit, the County was able to get the appropriate documentation and ensure that the requirements of the Davis-Bacon Act had been followed throughout the year.
<b>Recommendation:</b>	The County should implement policies and procedures that will ensure that the requirements of the Davis-Bacon Act are met.
<b>Views of Responsible Officials and Corrective Action Plan:</b>	The County agrees with the finding. Procedures have been implemented at two stages of the contractor payment process to ensure that the requirements of the Davis Bacon Act are met. At the department level, the request for payment will only be transmitted to the accounts payable department once a copy of the certified payrolls and statement of compliance for each week in which any contract work is performed is received. Additionally, accounts payable procedures now include the requirement that a copy of the payroll and a statement of compliance (certified payrolls) must be attached to the payment request prior to approval for payment. Reporting is acceptable using Optional Form WH-347, which includes the required statement of compliance (OMB No. 1215-0149).
<b>Current Status:</b>	This matter has been resolved.

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