



# **GREGG COUNTY, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2019**

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## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2019**

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

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## **INTRODUCTORY SECTION**





March 27, 2020

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, 2019. 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 Henry & Peters, PC. The goal of the independent audit was to provide reasonable assurance that the financial statements of Gregg County for the year ended September 30, 2019 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 slacked 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 had 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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, 2019 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 FY19 budget increased from \$8.61 billion to \$8.80 billion.

The 2018 population estimate is 123,707. Median household income, 2014-2018 is \$49,287. Housing units for 2018 were 52,103 compared with 51,829 in 2017. Homeownership rate, 2014-2018 is 59.3%, up from 58.8% the prior year. The median value of owner-occupied housing units for the same time period is \$132,000 compared to \$130,000 the prior year. The 2019 unemployment rate is 3.7%, below the 3.9% rate in 2018.

**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 in the past and plans to continue this policy if any future debt service is required, which is not foreseen in the near future with the exception of discussion of a shared cash/debt for the costs of construction of a Parking Garage with possible office space in the next two years. Otherwise, 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The auditor's report on the general-purpose financial statements is included in the financial section of this report. The auditor's reports related 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, 2018. This was the seventh 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.

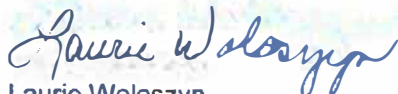
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another year.

Gregg County continues to demonstrate a high level of transparency. The County strives 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 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, 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, 2018**

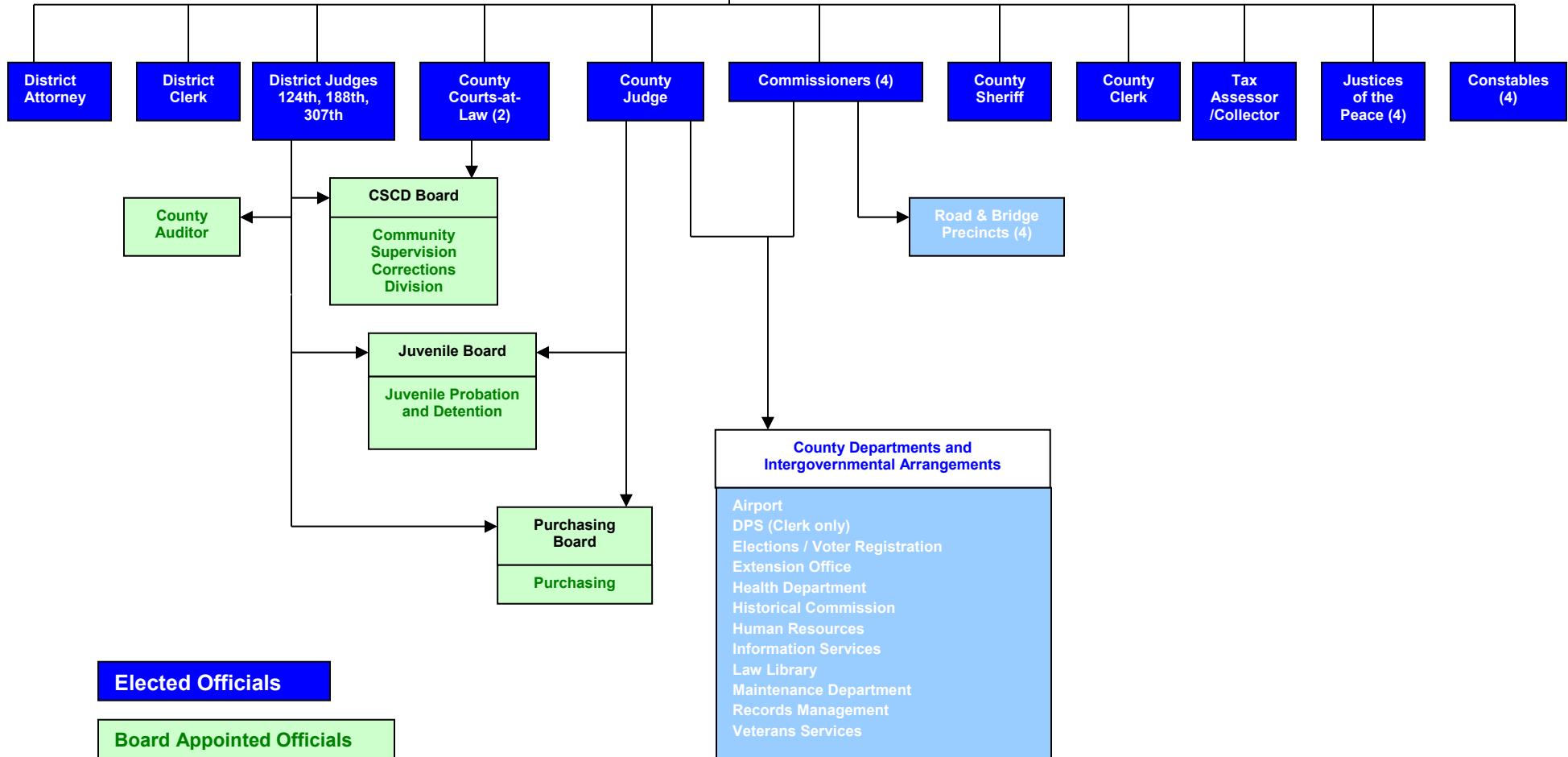
*Christopher P. Morill*

Executive Director/CEO

# Gregg County Organization Chart



**Gregg County Citizens**



**Elected Officials**

**Board Appointed Officials**

**Comm. Court Oversight**

Direction of Authority →



**Gregg County, Texas  
Directory of Officials  
September 30, 2019**

**Elected:**

**Bill Stoudt  
Ronnie McKinney  
Darryl Primo  
Gary Boyd  
Shannon Brown  
Tom Watson  
Trey Hattaway  
Michelle Gilley  
Kirk Shields  
Maxey Cerliano  
Mike Grisham  
Billy Fort  
John Slagle  
Danny Craig, Jr**

**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**

**Scott Novy  
Alfonso Charles  
Tim Womack  
Kent Phillips  
Vincent Dulweber  
B. H. Jameson  
Tim Bryan  
Talyna Carlson  
Robby Cox**

**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**

**Kevin Marshall  
Mandy Patrick  
Linda Bailey  
Kathryn Nealy  
Roy Miller  
Lewis Browne  
Rita Fyffe  
Derold Miller**

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

## **FINANCIAL SECTION**





**INDEPENDENT AUDITOR'S 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Gregg County, Texas (the "County"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2019, 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 and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual 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 required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and is also not a required part of the basic financial statements.

The combining and individual 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 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 27, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Henry E. Peters, PC

Longview, Texas  
March 27, 2020



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**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Gregg County (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2019. 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 the County's finances.

### FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2019 by \$130,012,846 (*net position*). Of this amount, \$55,859,382 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.

- The County's total net position decreased by \$866,259.
- The County's total assets and deferred outflows increased by \$722,683 and total liabilities and deferred inflows of resources increased by \$1,588,942 during the current fiscal year.
- As of September 30, 2019, the County's governmental funds reported combined ending fund balances of \$66,557,672, an increase of \$2,238,721 or 3.5% in comparison with the prior year. \$41,665,065 (63%) is *available for spending* at the County's discretion (*unassigned fund balance*). \$12,115,706 (18%) 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 2019, total unassigned fund balance for the General Fund was \$41,665,065 or 106% of total General Fund expenditures, compared to \$34,153,891 or 90% in 2018 and \$29,882,152 or 74% in 2017.
- Total revenue for governmental activities increased 6.6%.
- Total expenses for the County increased by \$3,760,618 or 7.02%. The program to have the largest increase in expenses was public safety at \$2,292,869 or 12.24%.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for

some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, judicial, health and human services, public buildings and transportation and roads. The County does not report any business-type activities.

The government-wide financial statements can be found on pages 13 – 15 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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The 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 Capital 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 16 – 21 of this report.

**Proprietary Funds:** Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The 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 governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 22 – 24 of this report.

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

The basic fiduciary fund financial statement can be found on page 25 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 26 – 45 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County’s progress in funding its obligation to provide pension benefits to its employees. Additionally, the County adopts an annual appropriated budget for its General Fund and for the Road and Bridge Fund. Budgetary comparison schedules 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 46 – 64 of this report.

The combining and individual statements and schedules referred to earlier are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 68 – 88 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 the County, assets exceeded liabilities by \$130,012,846 at the close of the most recent fiscal year.

The 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 49% of net position, similarly to the last fiscal year. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County’s net position (\$10,553,106) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$56,027,411 (43%) may be used to meet the County’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position.

**Gregg County's Net Position**

	Governmental Activities	
	2019	2018
Current and other assets	\$ 88,870,029	\$ 94,320,400
Capital assets	63,602,690	65,184,347
Total assets	<u>152,472,719</u>	<u>159,504,747</u>
Deferred outflows of resources	11,123,928	3,369,217
Long-term liabilities	16,332,276	6,373,687
Other liabilities	15,455,202	23,390,877
Total liabilities	<u>31,787,478</u>	<u>29,764,564</u>
Deferred inflows of resources	1,796,323	2,230,295
Net position:		
Net investment in capital assets	63,600,358	64,668,350
Restricted	10,553,106	12,369,754
Unrestricted	<u>55,859,382</u>	<u>53,841,001</u>
Total net position	<u>\$ 130,012,846</u>	<u>\$ 130,879,105</u>

**Governmental Activities:** Governmental activities decreased the County's net position by \$866,259 for a 0.7% decrease of the total net position of the County similarly to last fiscal year.

**Gregg County's Changes in Net Position**

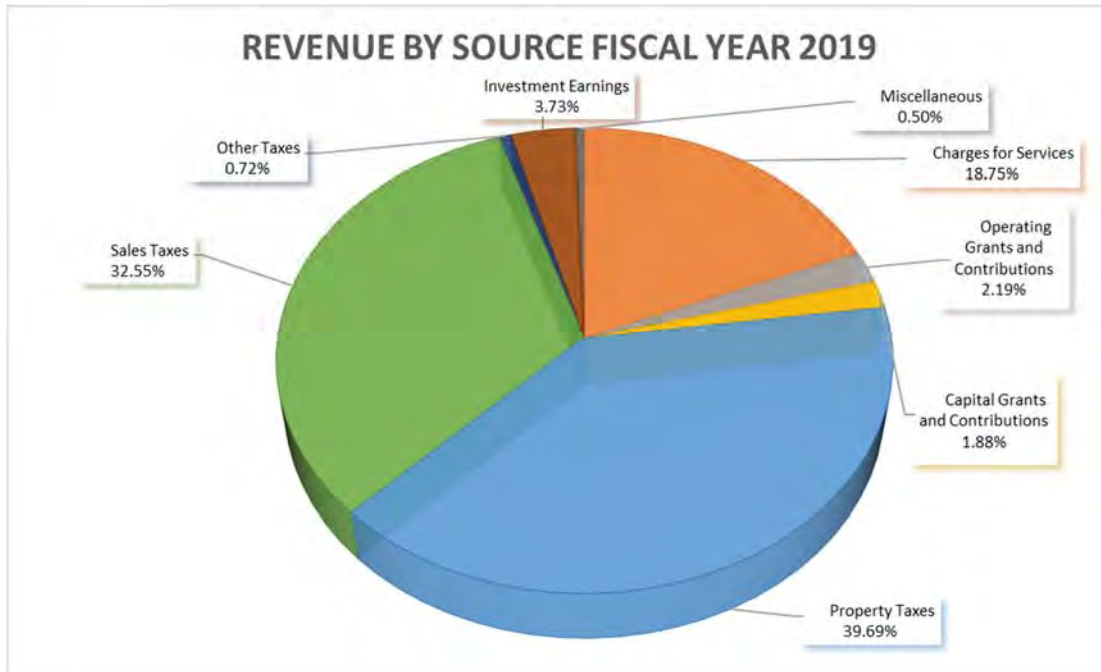
	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Charges for services	\$ 10,587,601	\$ 10,214,661
Operating grants and contributions	1,236,127	1,612,051
Capital grants and contributions	1,059,468	573,426
General revenues:		
Property taxes	22,412,596	21,963,195
Sales taxes	18,380,283	17,484,152
Other taxes	406,809	365,965
Investment earnings	2,109,272	629,133
Miscellaneous	282,213	141,117
Total revenues	<u>56,474,369</u>	<u>52,983,700</u>
Expenses:		
General government	14,797,092	13,927,884
Judicial	8,900,412	8,526,064
Public safety	21,021,882	18,729,013
Health and human services	2,188,647	2,033,655
Public buildings	3,778,985	3,684,481
Transportation and roads	6,642,772	6,665,651
Interest on long-term debt	10,838	13,262
Total expenses	<u>57,340,628</u>	<u>53,580,010</u>
Change in net position	(866,259)	(596,310)
Net position, beginning	<u>130,879,105</u>	<u>131,475,415</u>
Net position, ending	<u>\$ 130,012,846</u>	<u>\$ 130,879,105</u>

The net cost of County services increased \$3,760,618 or 7% compared to a 6% decrease in fiscal year 2018.

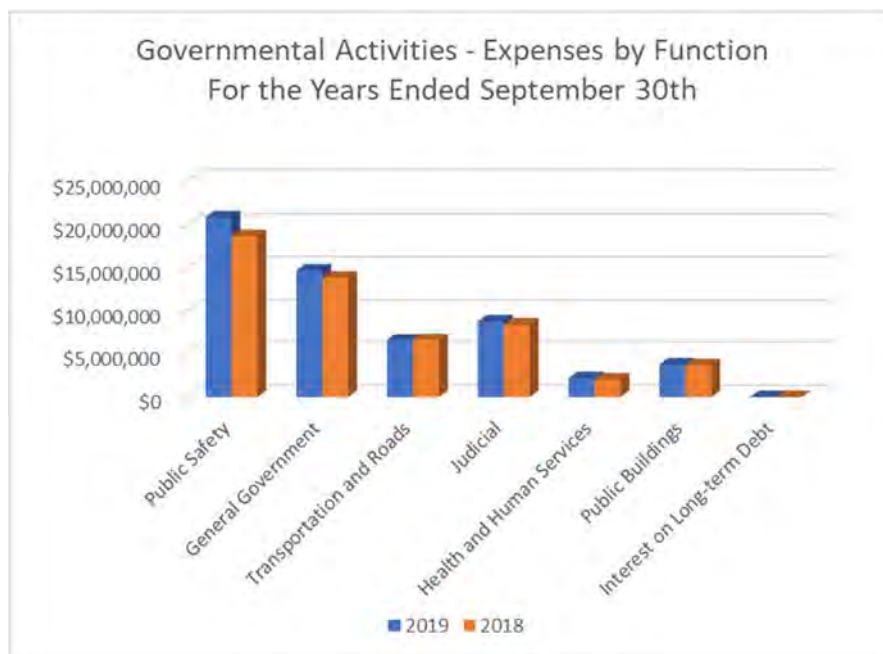
**Net Cost of Governmental Activities for Gregg County  
By Function for the Fiscal Years Ended September 30**

Function/Program	Net Cost of Services	
	2019	2018
General Government	\$ (10,531,106)	\$ (10,086,111)
Judicial	(6,663,301)	(6,375,005)
Public Safety	(19,118,034)	(16,451,528)
Health and Human Services	(1,724,966)	(1,607,070)
Public Buildings	(2,163,152)	(2,593,055)
Transportation and Roads	(4,246,035)	(4,053,841)
Interest on long-term debt	(10,838)	(13,262)
<b>Total</b>	<u>\$ (44,457,432)</u>	<u>\$ (41,179,872)</u>





Comparison of government-wide expenses by function. Total expenses increased by \$3,277,560 or 8%.



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

- Program revenues for governmental activities of \$12,883,196 equaled 22% of total governmental activities expenses of \$57,340,628. As expected, general revenues of \$43,591,173 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 37% of the expenses are for public safety (\$21,021,882) reflecting the continuing demands

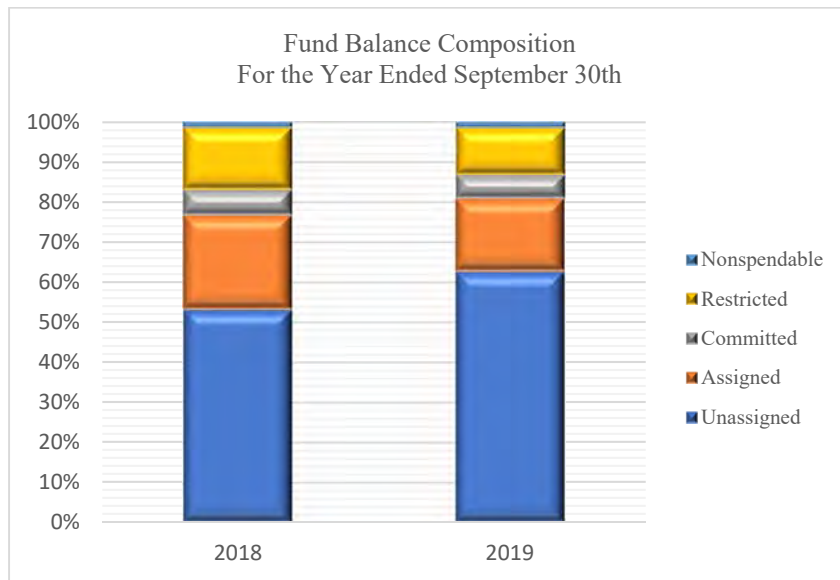
on law enforcement. This program provided 15% (\$1,903,848) of the total governmental activities revenues and 3% of the total of all revenues for the year.

- The next largest category of expenses for governmental activities is general government which equals \$14,797,092 or 26% of total expenses. General government provided 33% or \$4,265,986 of the government activity revenue and 8% of the total of all revenues for the year.
- Judicial expenses for the County for the year accounted for 16% or \$8,900,412 of the expenses while this category provided for 17% or \$2,237,111 of the governmental activities revenue and 4% of the total of all revenues for the year.
- Transportation and Roads accounted for \$6,642,772 or 12% of the governmental activities expenses while this category provided for 19% or \$2,396,737 of government activities revenue and 4% of the total of all revenues.
- Capital Grant Revenues and Contributions comprised 8% of the general government activity revenue and 2% of the total government activities revenue, 100% of which was in the general government program. Operating grants and contributions accounts for 2% of total governmental revenue distributed throughout most programs above.

### FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

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

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



At the end of fiscal year 2019, the County’s *governmental funds* reported combined ending fund balances of \$66,557,672, an increase of \$2,238,722 (3%) in comparison with the prior year. Unassigned fund balance accounts for 63% or \$41,665,065 of the total. An additional \$12,115,708 (18%) is assigned fund balance and is constituted mostly of CIP funds. Committed fund balance total is \$3,914,918 or 6% of total fund balance and would require a Commissioners’ Court order to use for any other purpose. \$7,879,751 or 12% of the total ending fund balance is

reported as restricted fund balance. The remainder of fund balance is nonspendable to indicate it is not available for new spending because it has already been used to purchase inventories (\$961,130) and prepaids (\$21,100).

### **General Fund**

The General Fund is the chief operating fund of the County. At the end of fiscal year 2019, the General Fund had an ending fund balance of \$42,331,359 with 1% restricted for certain purposes.

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 \$41,665,065 represents 106% of total General Fund expenditures

The General Fund balance increased by \$7,591,289 (22%) during the 2019 fiscal year as detailed below.

### **General Fund Highlights:**

- Property tax revenue increased \$1,290,635, 7% due to the increase in the distribution of the tax rate from \$0.2242/\$100 to \$0.2369/\$100 and the valuation increase from \$8.50 billion to \$8.61 billion.
- Sales tax revenues increased 5% or \$896,132 compared to FY18 collections. Last year the sales tax increase from the prior year was \$1,972,113.
- Actual total expenditures of \$39,211,760 were \$2,761,852, or 6.5% under final budget appropriations and are \$1,402,707 or 3.7% higher than FY18 expenditures.
- Actual total revenues of \$47,291,314 were 8% or \$3,623,349 above the estimated revenues for FY19.
- Total General Fund revenues increased by \$3,833,777, a 9% increase from FY18. This is due to the increase in property tax and sales tax collections, and an increase in Rents and Commissions of \$520,637.
- Total other financing sources and uses were (\$488,265) due to transfers primarily to fund grant capital project matches and non Road and Bridge projects.
- Differences between the original budget and the final amended budget can be briefly summarized as follows:
  - An increase of \$71,537 in expenditure appropriations mostly due to transfers between funds.
  - An increase of \$12,700 in revenue amendments.

### **Road and Bridge Fund Highlights:**

- The Road and Bridge Fund had an ending fund balance of \$2,929,940, a decrease of \$1,229,219. Of the ending fund balance, \$937,200 or 32% is nonspendable for inventories and \$2,428 or .08% is assigned for other projects. The remaining balance of \$1,990,312 or 68% is restricted for use on road and bridge projects.
- Road and Bridge FY19 revenue decreased 25% or \$955,714 from the prior year. The decrease can be attributed mostly to the redistribution of the tax rate from \$0.009/\$100 to \$0.0023/\$100 due to Road and Bridge funding of projects over \$100,000 are accounted for in capital account 420.
- Total FY19 Road and Bridge operating expenditures decreased \$201,910 or 4%.
- Other financing sources totaled \$440,631 and include transfers in from the Capital Fund for road maintenance that did not meet the capitalization threshold or from the General Fund for non-road

and bridge projects, the sale of capital assets for \$16,317 and insurance recoveries of \$4,124. Other financing uses were for \$23,500 transferred to the capital acquisition fund to purchase capital equipment.

- Road projects when costs are over \$100,000 are capitalized and accounted for in the Road and Bridge Capital Projects Fund instead of the Road and Bridge Fund. Both funds should be reviewed for the proper analysis of all road and bridge expenditures.
- Final expenditures of \$4,556,573 were \$277,279 under the final budget appropriations at year end.

**Capital Improvement Fund Highlights:**

The County adopts a five-year Capital Improvement Plan (CIP) annually designating funds for major facility and infrastructure improvements. Only individual projects adopted by the 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.

- During FY19 Road and Bridge infrastructure upgrades totaled to \$841,270.
- Capitalized road and bridge projects completed this year include the following:
  - Access Road
  - Harvey Road
  - Old Hwy 135
  - Goforth/West Goforth Road

**Airport Capital Improvement Fund Highlights:**

- Major infrastructure project completions for the year include the following:
  - South Public Apron Improvements Non FAA
  - Construct Apron GA Phase I
  - Completion of Master Plan
  - Lucy Road Fencing Project

**CAPITAL ASSET AND DEBT ADMINISTRATION**

The County adopted its Capital Asset Policy in 2003. Depreciation policies were adopted to include useful life and classification by function. In fiscal year 2017 the Court approved the increase in the infrastructure threshold from \$25,000 to \$100,000. Standard capitalization thresholds are established for each major class of asset and are as follows:

Building/improvements	\$ 25,000
Improvements other than building	25,000
Infrastructure	100,000
Machinery, equipment and other assets	5,000
Construction in progress	25,000

**Capital Assets:** As of September 30, 2019, the County’s investment in capital assets amounts to \$63,602,690 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements, machinery and equipment, construction in progress and airport infrastructure.

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Land	\$ 2,670,667	\$ 2,670,667
Construction in progress	3,359,399	1,252,839
Buildings and improvements	25,088,729	26,786,583
Machinery and equipment	4,338,735	3,291,545
Infrastructure	<u>28,145,160</u>	<u>31,182,713</u>
Total	<u>\$ 63,602,690</u>	<u>\$ 65,184,347</u>

**Capital Improvements and Asset Acquisitions**

Major capital assets acquired during fiscal year 2019 include the following:

- Various vehicle replacements for law enforcement and other departments
- Crew Cab Truck, New Holland Tractor, Backhoe, and Excavator.
- IT computer replacements
- County Wide Voting System

Construction in Progress at year-end includes:

- Juvenile Detention and Building renovations
- South Jail Security Control
- North Jail Roofing Project

Other than Building Improvements include:

- Courthouse Flag Pole
- Hugh Camp Memorial Park Playground
- Olivia Hilburn Playground
- Precinct 4 Fuel Station

Additional information on the County’s capital assets can be found in Note 4 on page 36 of this report.

**Long-term Debt:** The County has no bonded indebtedness at this time. Long-term liabilities at the end of the fiscal year total \$16,332,276, which is for an accrual for compensated absences of \$1,176,541 (7%), capital lease payables of \$2,332 (.01%) and a net pension liability of \$15,153,403 (93%).

**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 fiscal year 2020, the Court considered the following:

- An increase in the tax base valuation was realized from \$8.8 billion in the prior year to \$9.3 billion. As of December 2019, the county unemployment rate was 3.7%.
- Sales tax revenue is expected to level out.
- There is no plan to issue debt in the fiscal year 2020 budget year although discussions continue on

options for the financing of the potential Parking Garage structure. The County's debt position continues to remain favorable.

- The tax rate approved to fund the FY19 budget was .2625 per \$100 valuation, the same as the prior year. This rate has been adopted since 2012. This rate will adequately fund the FY20 budget.
- Budgeted revenue adopted County-wide for FY20 is \$54,435,791 and the budgeted expenditures are \$58,051,699. Total ending fund balance for all funds is estimated at \$56,778,573.
- Reserves continue to fund capital projects on the “pay-as-you-go” the Commissioners Court encourages. Additionally, other financing sources are budgeted at \$7,421,345 and other financing uses are budgeted at \$42,951,031. These sources and uses consist mainly for transfers into or out of funds for large capital projects.
- Major new capital infrastructure improvements budgeted for FY20 for Road and Bridge include Bar K Ranch West, Mount Pisgah Road, Crews Road, Sheppard, Stanley, Pleasant Green and Hiawatha. The Airport has budgeted, funded mostly with grant funds, a design project for Runway 13/31 and completion of the Apron GA Area.
- Capital Equipment planned include heavy equipment for Road and Bridge operations, several vehicle replacements, mostly in law enforcement, and a tractor for the Airport.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the County’s finances for all those with an interest in the County’s finances 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).

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**BASIC  
FINANCIAL STATEMENTS**



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**GREGG COUNTY, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	Primary Governmental Activities	Component Unit Child Welfare
<b>ASSETS</b>		
Cash and cash equivalents	\$ 16,835,176	\$ 228,660
Investments	60,240,760	-
Receivables (net of allowances for uncollectibles):		
Taxes	605,733	-
Accounts	6,646,761	-
Interest	282,179	-
Due from other governments	3,268,755	-
Inventory	969,565	-
Prepays	21,100	-
Capital assets (net of accumulated depreciation):		
Land	2,670,667	-
Buildings and improvements	57,111,483	-
Equipment	21,522,845	-
Infrastructure	96,214,000	-
Construction in progress	3,359,399	-
Less: accumulated depreciation	<u>(117,275,704)</u>	<u>-</u>
Total capital assets	63,602,690	-
Total assets	<u>152,472,719</u>	<u>228,660</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	<u>11,123,928</u>	<u>-</u>
Total deferred outflows of resources	11,123,928	-
<b>LIABILITIES</b>		
Accounts payable	13,428,513	10,975
Due to other governments	81,240	-
Accrued liabilities	1,945,449	-
Noncurrent liabilities:		
Due within one year	971,655	-
Due in more than one year	207,218	-
Net pension liability	<u>15,153,403</u>	<u>-</u>
Total liabilities	31,787,478	10,975
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	<u>1,796,323</u>	<u>10,975</u>
Total deferred inflows of resources	<u>1,796,323</u>	<u>10,975</u>
<b>NET POSITION</b>		
Net investment in capital assets	63,600,358	-
Restricted for:		
Archive restoration	263,928	-
Transportation and roads	4,326,763	-
Public safety operations	816,293	-
Bail bond board	46,313	-
Judicial operations	139,507	-
Airport operations	286,758	-
Court technology and security	563,116	-
Records management and preservation	977,970	-
Voting and elections	41,013	-
Health and human services operations	39,193	-
Vehicle inventory tax administration	5,853	-
Water system improvements	6,800	-
Permanent improvements	3,039,599	-
Unrestricted	<u>55,859,382</u>	<u>217,685</u>
Total net position	<u>\$ 130,012,846</u>	<u>\$ 217,685</u>

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

**GREGG COUNTY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 14,797,092	\$ 3,112,835	\$ 93,683	\$ 1,059,468
Judicial	8,900,412	1,739,059	498,052	-
Public safety	21,021,882	1,785,996	117,852	-
Health and human services	2,188,647	41,469	422,212	-
Public buildings	3,778,985	1,615,833	-	-
Transportation and roads	6,642,772	2,292,409	104,328	-
Interest on long-term debt	10,838	-	-	-
Total governmental activities	<u>57,340,628</u>	<u>10,587,601</u>	<u>1,236,127</u>	<u>1,059,468</u>
Total primary government	<u>57,340,628</u>	<u>10,587,601</u>	<u>1,236,127</u>	<u>1,059,468</u>
Component unit:				
Child Welfare Board	94,916	19,243	85,000	-
Total component unit	<u>\$ 94,916</u>	<u>\$ 19,243</u>	<u>\$ 85,000</u>	<u>\$ -</u>
General revenues:				
Taxes:				
Property				
Sales				
Alcoholic beverage				
Other				
Unrestricted investment earnings				
Miscellaneous				
Total general revenues				
Change in net position				
Net position, beginning				
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	Component Unit Child Welfare
\$ (10,531,106)	\$ -
(6,663,301)	-
(19,118,034)	-
(1,724,966)	-
(2,163,152)	-
(4,246,035)	-
(10,838)	-
<u>(44,457,432)</u>	<u>-</u>
<u>(44,457,432)</u>	<u>-</u>
-	9,327
<u>\$ -</u>	<u>\$ 9,327</u>
22,412,596	-
18,380,283	-
314,175	-
92,634	-
2,109,272	-
282,213	-
<u>43,591,173</u>	<u>-</u>
(866,259)	9,327
<u>130,879,105</u>	<u>208,358</u>
<u>\$ 130,012,846</u>	<u>\$ 217,685</u>

**GREGG COUNTY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	General	Road and Bridge	Capital Improvement
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,675,165	\$ 393,293	\$ 1,610,510
Investments	39,667,594	1,822,329	14,842,154
Receivables (net of allowance for uncollectibles):			
Accounts	3,911,863	2,320,497	42,428
Taxes	517,353	32,998	6,923
Interest	199,639	8,772	55,378
Due from other funds	114,170	-	-
Due from other governments	2,991,854	-	-
Inventories	4,567	937,200	-
Prepaid expenses	21,100	-	-
Total assets	<u>59,103,305</u>	<u>5,515,089</u>	<u>16,557,393</u>
<b>LIABILITIES</b>			
Accounts payable	11,400,615	148,912	1,700,309
Due to other governments	68,599	364	-
Accrued liabilities	1,009,655	118,929	-
Due to other funds	-	-	-
Total liabilities	<u>12,478,869</u>	<u>268,205</u>	<u>1,700,309</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	513,215	32,866	6,923
Unavailable revenue - court fines	3,779,862	2,284,078	-
Total deferred inflows of resources	<u>4,293,077</u>	<u>2,316,944</u>	<u>6,923</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	4,567	937,200	-
Prepays	21,100	-	-
Restricted for:			
Archive restoration	263,928	-	-
Transportation and road improvements	19,507	1,990,312	-
Public safety operations	-	-	-
Bail bond board operations	46,313	-	-
Judicial operations	-	-	-
Airport operations	-	-	-
Court technology and security	-	-	-
Records management and preservation	-	-	-
Voting and elections	-	-	-
Health and human services operations	15,084	-	-
Vehicle inventory tax administration	-	-	-
Water system Improvements	-	-	-
Permanent improvements	-	-	3,032,676
Committed for:			
Airport operations	-	-	-
Donations to healthcare organizations	-	-	-
Assigned for:			
Capital projects	-	-	11,817,485
Transportation and road improvements	5,952	-	-
Public safety	208,358	-	-
Drug court operations	81,485	-	-
Other projects	-	2,428	-
Unassigned	41,665,065	-	-
Total fund balances	<u>42,331,359</u>	<u>2,929,940</u>	<u>14,850,161</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,103,305</u>	<u>\$ 5,515,089</u>	<u>\$ 16,557,393</u>

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

Airport Capital Improvement	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 137,650	\$ 2,431,387	\$ 16,248,005
-	3,908,683	60,240,760
-	325,275	6,600,063
-	48,459	605,733
-	18,390	282,179
-	-	114,170
165,974	110,927	3,268,755
-	19,363	961,130
-	-	21,100
<u>303,624</u>	<u>6,862,484</u>	<u>88,341,895</u>
65,012	101,149	13,415,997
-	12,277	81,240
-	77,816	1,206,400
-	114,170	114,170
<u>65,012</u>	<u>305,412</u>	<u>14,817,807</u>
-	48,146	601,150
-	301,326	6,365,266
<u>-</u>	<u>349,472</u>	<u>6,966,416</u>
-	19,363	961,130
-	-	21,100
-	-	263,928
-	-	2,009,819
-	816,293	816,293
-	-	46,313
-	106,927	106,927
238,612	-	238,612
-	492,614	492,614
-	779,710	779,710
-	41,013	41,013
-	24,109	39,193
-	5,853	5,853
-	6,800	6,800
-	-	3,032,676
-	737,204	737,204
-	3,177,714	3,177,714
-	-	11,817,485
-	-	5,952
-	-	208,358
-	-	81,485
-	-	2,428
-	-	41,665,065
<u>238,612</u>	<u>6,207,600</u>	<u>66,557,672</u>
<u>\$ 303,624</u>	<u>\$ 6,862,484</u>	<u>\$ 88,341,895</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, 2019**

Total fund balances - governmental funds balance sheet		\$ 66,557,672
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.		63,602,690
Certain receivables will not be collected soon enough to pay for the current periods expenditures and are therefore deferred in the funds		
Property taxes	601,150	
Court fines and fees	<u>6,365,266</u>	
		6,966,416
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,176,541)	
Capital leases	(2,332)	
Net pension liability	<u>(15,153,403)</u>	
		(16,332,276)
An Internal Service Fund is used by management to charge the cost 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.		(109,261)
Deferred outflows related to pension are not recognized as an outflow of resources until a future period of the statement on financial position.		11,123,928
Deferred inflows related to pensions are not recognized as an inflow of resources until a future period on the statement of financial position		<u>(1,796,323)</u>
Net position of governmental activities		<u><u>\$ 130,012,846</u></u>



**GREGG COUNTY, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	General	Road and Bridge	Capital Improvement
<b>REVENUES</b>			
Taxes:			
Current property	\$ 19,598,161	\$ 616,616	\$ -
Delinquent property	504,810	32,209	1,655
Sales	16,560,691	-	-
Motor vehicle sales	1,819,592	-	-
Alcoholic beverage	314,175	-	-
Bingo	92,634	-	-
Licenses and permits	105,980	1,565,713	-
Intergovernmental	933,776	104,328	-
Charges for services	3,323,843	-	-
Fines and forfeitures	550,825	485,886	-
Investment earnings	1,475,298	80,086	400,219
Rents and commissions	1,725,109	-	-
Miscellaneous	286,420	1,885	-
Total revenues	<u>47,291,314</u>	<u>2,886,723</u>	<u>401,874</u>
<b>EXPENDITURES</b>			
Current:			
General government	9,460,786	-	-
Judicial	8,302,541	-	-
Public safety	17,321,961	-	-
Health and human services	1,738,900	-	-
Public buildings	2,251,114	-	-
Transportation and roads	-	4,511,345	-
Debt service:			
Principal	916	-	512,749
Interest and fiscal charges	222	-	16,631
Capital outlay	135,320	45,228	3,706,901
Total expenditures	<u>39,211,760</u>	<u>4,556,573</u>	<u>4,236,281</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	<u>8,079,554</u>	<u>(1,669,850)</u>	<u>(3,834,407)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	443,690	309,484
Transfers out	(542,492)	(23,500)	(563,916)
Sale of capital assets	50,593	16,317	76,631
Insurance recoveries	3,634	4,124	75,438
Total other financing sources (uses)	<u>(488,265)</u>	<u>440,631</u>	<u>(102,363)</u>
<b>NET CHANGE IN FUND BALANCES</b>			
	<u>7,591,289</u>	<u>(1,229,219)</u>	<u>(3,936,770)</u>
<b>FUND BALANCES, BEGINNING</b>			
	<u>34,740,070</u>	<u>4,159,159</u>	<u>18,786,931</u>
<b>FUND BALANCES, ENDING</b>			
	<u>\$ 42,331,359</u>	<u>\$ 2,929,940</u>	<u>\$ 14,850,161</u>

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

Airport Capital Improvement	Total Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,485,913	\$ 21,700,690
-	47,282	585,956
-	-	16,560,691
-	-	1,819,592
-	-	314,175
-	-	92,634
-	-	1,671,693
1,059,468	569,771	2,667,343
122,032	452,523	3,898,398
-	360,272	1,396,983
-	134,662	2,090,265
-	688,452	2,413,561
-	123,111	411,416
<u>1,181,500</u>	<u>3,861,986</u>	<u>55,623,397</u>
-	1,545,814	11,006,600
-	309,017	8,611,558
-	1,934,527	19,256,488
-	389,133	2,128,033
-	-	2,251,114
-	-	4,511,345
-	-	513,665
-	-	16,853
<u>1,373,482</u>	<u>59,035</u>	<u>5,319,966</u>
<u>1,373,482</u>	<u>4,237,526</u>	<u>53,615,622</u>
<u>(191,982)</u>	<u>(375,540)</u>	<u>2,007,775</u>
260,226	166,508	1,179,908
-	(50,000)	(1,179,908)
-	4,209	147,750
-	-	83,196
<u>260,226</u>	<u>120,717</u>	<u>230,946</u>
68,244	(254,823)	2,238,721
<u>170,368</u>	<u>6,462,423</u>	<u>64,318,951</u>
<u>\$ 238,612</u>	<u>\$ 6,207,600</u>	<u>\$ 66,557,672</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, 2019**

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

Net change in fund balances- total governmental funds	\$ 2,238,721
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 asset additions recorded in the current period.	5,515,194
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	(7,061,375)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-in's, and donations) is to decrease net position.	(34,233)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	771,855
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 the 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 treatment of long term debt and related items.	
Principal payment on capital leases	513,665
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	
Compensated absences liability	(15,434)
Certain pension expenditures are not expensed in the government-wide financial statements	(2,268,136)
Accrued interest reported as an expense in the statement of activities does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.	6,015
Internal Service Funds are used by management to change the cost of certain capital assets to individual funds. The net revenue of certain activities of Internal Service Funds is reported with governmental activities.	(532,531)
Change in net position of governmental activities	<u>\$ (866,259)</u>

**GREGG COUNTY, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2019**

	Governmental Activities
	Internal Service Funds
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 587,171
Accounts receivable, net of allowances	46,698
Inventory	8,435
Total current assets	642,304
Noncurrent assets:	
Capital assets:	
Equipment	49,288
Less: accumulated depreciation	(49,288)
Total capital assets	-
Total noncurrent assets	-
Total assets	642,304
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	12,516
Accrued liabilities	739,049
Total current liabilities	751,565
Total liabilities	751,565
<b>NET POSITION</b>	
Unrestricted	(109,261)
Total net position	\$ (109,261)

**GREGG COUNTY, TEXAS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Governmental Activities
	Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for services	\$ 7,162,007
Total operating revenues	7,162,007
<b>OPERATING EXPENSES</b>	
Salaries	27,476
Fringe benefits	16,114
Materials and supplies	21,624
Insurance consultant	65,000
Claims	6,820,717
Administrative	761,370
Depreciation	1,243
Total operating expenses	7,713,544
<b>OPERATING LOSS</b>	(551,537)
<b>NONOPERATING REVENUES:</b>	
Interest and investment revenue	19,006
Total nonoperating revenues	19,006
<b>CHANGE IN NET POSITION</b>	(532,531)
<b>TOTAL NET POSITION, BEGINNING</b>	423,270
<b>TOTAL NET POSITION, ENDING</b>	\$ (109,261)

**GREGG COUNTY, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED SEPTEMBER 30, 2019**

	Governmental Activities
	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash receipts from interfund charges for print shop services	\$ 43,104
Cash receipts from interfund charges for self-insurance services	6,972,354
Payments to suppliers for goods and services	(7,640,964)
Payments to employees for salaries and benefits	(43,138)
Net cash used in operating activities	(668,644)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Payments from other funds	4,723
Payments to other funds	(4,723)
Net cash provided by noncapital financing activities	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale and maturities of securities	1,204,900
Earnings on investments	21,573
Net cash provided by investing activities	1,226,473
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	557,829
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	29,342
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 587,171
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	
Operating loss	\$ (551,537)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:	
Depreciation	1,243
Changes in assets and liabilities:	
Decrease (increase) in assets:	
Inventory	714
Accounts receivable	(45,076)
Increase (decrease) in liabilities:	
Accounts payable	5,559
Accrued liabilities	(79,547)
Net cash used in operations	\$ (668,644)

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

**GREGG COUNTY, TEXAS**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR YEARS ENDED SEPTEMBER 30, 2019**

**ASSETS**

Cash and cash equivalents

\$ 10,378,383

Total assets

\$ 10,378,383

**LIABILITIES**

Due to others

\$ 10,378,383

Total liabilities

\$ 10,378,383



**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**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 unit. 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. 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 a 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. Exceptions to this general rule are interfund services provided and used that would distort the direct costs and program revenues reported for the various functions concerned.

**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**C. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the County’s funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental, each displayed in a separate column. All remaining governmental are aggregated and reported as nonmajor funds. Major individual governmental 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 Capital Improvement Fund*** accounts for federal grant funding used for capital improvements for the East Texas Regional Airport.

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

**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**D. Measurement Focus and Basis of Accounting - Continued**

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 County 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 County'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 County 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."

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 58% of the uncollected balance at September 30, 2019.

**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.

**GREGG COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported 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, \$25,000 for buildings, and \$100,000 for infrastructure and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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	10 - 40
Improvements	10 - 20
Equipment	3 - 20
Infrastructure (streets and drainage)	10 - 35

**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, 2019, 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:

**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Deferred Outflows/Inflows of Resources – Continued**

- Pension contributions after the measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in expected and actual actuarial assumptions in the pension plan – This difference is deferred and amortized over the average remaining service life for all active, inactive, and retired members.
- The difference in expected and actual economic experience in the pension plan is deferred and recognized over the average remaining service life for all active, inactive, and retired members.

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 the following items that qualify for reporting in this category:

- The difference in expected and actual economic experience in the pension plan is deferred and recognized over the average remaining service life for all active, inactive, and retired members.
- Difference in projected and actual investment earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- The County has one type of item that arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Fund Balance Classification**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Fund Balance Flow Assumption**

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance are available, the County considers unrestricted funds to have been spent first. When expenditures are 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.

**Minimum Fund Balance**

The County's policy is to budget to maintain a minimum fund balance of 25% of the County's General Fund annual budgeted operating expenditures.

**Net Position**

Net position represents the difference between assets, deferred inflows/outflows, and liabilities. Net position invested in capital assets, net of accumulated depreciation, is reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is 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.

**Net Position Flow Assumption**

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

**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.

**F. 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.

**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**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 internal service funds are charges to other funds for services. Operating expenses for internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Accounting Pronouncements**

The GASB has issued the following statements which will be effective in future years as described below:

Statement No. 84 ("GASB 84"), *Fiduciary Activities* is effective for reporting periods beginning after December 15, 2018. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Statement No. 87 ("GASB 87"), *Leases* is effective for reporting periods beginning after December 15, 2019. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

Statement No. 89 ("GASB 89"), *Accounting for Interest Cost Incurred before the End of a Construction Period* is effective for reporting periods beginning after December 15, 2019. The objectives of this statement are to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Statement No. 90 ("GASB 90"), *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61* is effective for reporting periods beginning after December 15, 2018. The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

The County will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The County believes that the above listed new GASB pronouncements will not have a significant financial impact to the County or in issuing its financial statements.

**2. DEPOSITS AND INVESTMENTS**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**2. DEPOSITS AND INVESTMENTS - CONTINUED**

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Following is a description of the valuation methodologies used for assets measured at fair value:

- Certificates of deposit categorized as Level 2 are valued by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.
- Debt securities classified as Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on a securities' relationship to benchmark quoted prices.

Investment pools are not categorized as to investment risk since specific securities relating to the County cannot be identified. The County's investment pool is TexPool, 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. 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 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 the 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, 2019. 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, 2019.



**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**2. DEPOSITS AND INVESTMENTS - CONTINUED**

As of September 30, 2019, the County held the following fair value measurements:

	9/30/2019	Fair Value Measurement Using			Percent of Total Portfolio	Weighted Average Maturity (Days)
		(Level 1)	(Level 2)	(Level 3)		
<b>Primary government</b>						
<b>Cash and cash equivalents</b>						
Cash deposits - County	\$ 16,835,176					
Cash deposits - Agency funds	10,378,383					
<b>Total cash and cash equivalents</b>	<b>27,213,559</b>					
<b>Investments measured at net asset value per share:</b>						
Investment pools:						
TexPool	8,510,500				14%	28
<b>Investments by fair value level:</b>						
Ally Bank	250,822	-	250,822	-	0.42%	606
American Express Natl Bk	249,715	-	249,715	-	0.41%	309
BMO Harris Bank NA	247,611	-	247,611	-	0.41%	245
BMW Bank North America	252,723	-	252,723	-	0.42%	820
Citibank NA	250,886	-	250,886	-	0.42%	616
Federal Farm Credit Bank	16,183,721	-	16,183,721	-	26.87%	549
Federal Home Loan Bank	14,258,797	-	14,258,797	-	23.67%	270
Federal Home Loan Mortgage Corporation	5,299,997	-	5,299,997	-	8.80%	537
Federal National Mortgage Association	11,203,756	-	11,203,756	-	18.60%	107
First Technology Federal Credit CD	251,132	-	251,132	-	0.42%	497
Fort Lauderdale FL	1,003,475	-	1,003,475	-	1.67%	93
Neighbors Federal Credit	248,669	-	248,669	-	0.41%	364
Safra National Bank NY	247,296	-	247,296	-	0.41%	198
Tulsa Cnty OK ISD #5 Taxable	1,532,334	-	1,532,334	-	2.54%	975
UBS Bank USA	249,326	-	249,324	-	0.41%	92
<b>Total investments</b>	<b>60,240,760</b>	<b>-</b>	<b>51,730,258</b>	<b>-</b>		
<b>Total cash and investments of the primary government</b>	<b>\$ 87,454,319</b>	<b>\$ -</b>	<b>\$ 51,730,258</b>	<b>\$ -</b>		

Portfolio weighted average maturity (days)

**Component unit**

Cash deposits	\$ 228,660
<b>Total cash and investments of the reporting entity</b>	<b>\$ 87,682,979</b>

**GREGG COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**2. DEPOSITS AND INVESTMENTS - CONTINUED**

*Interest Rate Risk.* As a means of minimizing risk of loss due to interest rate fluctuations, the investment policy limits investment maturities. The maximum pre-approved maturity should not exceed three years. The portfolio should include at least three months anticipated expenses in highly liquid securities.

*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, 2019 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 counterparty 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, 2019, 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, 2019, were rated as follows:

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>
TexPool	AAAm	Standard & Poor's
Municipal securities	AA+	Standard & Poor's
U. S. Agency Securities:		
Federal Farm Credit Bank	AA+	Standard & Poor's
Federal Home Loan Bank	AA+	Standard & Poor's
Federal Home Loan Mtg Corp	AA+	Standard & Poor's
Federal Natl Mtg Assn	AA+	Standard & Poor's
Fort Lauderdale FL	AA+	Standard & Poor's

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.

**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**3. 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 Capital Improvement	Nonmajor Funds	Internal Service	Total
Receivables:							
Taxes	\$ 1,217,383	\$ 77,648	\$ 16,291	\$ -	\$ 114,029	\$ -	\$ 1,425,351
Accounts	9,119,389	3,509,212	42,428	-	612,103	46,698	13,329,830
Interest	199,639	8,772	55,378	-	18,390	-	282,179
Due from other governments	2,991,854	-	-	165,974	110,927	-	3,268,755
Gross receivables	13,528,265	3,595,632	114,097	165,974	855,449	46,698	18,306,115
Less: allowance for uncollectibles	(5,907,556)	(1,233,365)	(9,368)	-	(352,398)	-	(7,502,687)
Net total receivables	<u>\$ 7,620,709</u>	<u>\$ 2,362,267</u>	<u>\$ 104,729</u>	<u>\$ 165,974</u>	<u>\$ 503,051</u>	<u>\$ 46,698</u>	<u>\$ 10,803,428</u>

**4. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,670,667	\$ -	\$ -	\$ 2,670,667
Construction in progress	1,252,839	3,428,870	(1,322,310)	3,359,399
Total assets not being depreciated	3,923,506	3,428,870	(1,322,310)	6,030,066
Capital assets, being depreciated:				
Buildings and improvements	56,806,262	305,221	-	57,111,483
Equipment	20,593,119	2,086,323	(1,156,597)	21,522,845
Infrastructure	95,196,910	1,017,090	-	96,214,000
Total capital assets being depreciated	172,596,291	3,408,634	(1,156,597)	174,848,328
Accumulated depreciation:				
Buildings and improvements	(30,019,679)	(2,003,075)	-	(32,022,754)
Equipment	(17,301,574)	(1,004,900)	1,122,364	(17,184,110)
Infrastructure	(64,014,197)	(4,054,643)	-	(68,068,840)
Total accumulated depreciation	(111,335,450)	(7,062,618)	1,122,364	(117,275,704)
Total capital assets being depreciated, net	61,260,841	(3,653,984)	(34,233)	57,572,624
Governmental activities capital assets, net	<u>\$ 65,184,347</u>	<u>\$ (225,114)</u>	<u>\$ (1,356,543)</u>	<u>\$ 63,602,690</u>

**GREGG COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**4. CAPITAL ASSETS - CONTINUED**

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

Governmental activities:	
General government	\$ 3,210,037
Health and human services	2,683
Judicial	7,413
Public buildings	1,459,826
Public safety	354,195
Transportation and roads	<u>2,028,464</u>
Total depreciation expense - governmental activities	<u>\$ 7,062,618</u>

**5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of September 30, 2019, is as follows:

**Due To/From Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Grant	\$ 86,068
General	VIT Operating	2,035
General	District Attorney	<u>26,067</u>
		<u>\$ 114,170</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:**

	<u>Transfer In</u>				<u>Total</u>
	<u>Road and Bridge</u>	<u>Capital Improvement</u>	<u>Airport Capital Improvement</u>	<u>Nonmajor Governmental</u>	
Transfer out:					
General	\$ 140,000	\$ 285,984	\$ -	\$ 116,508	\$ 542,492
Road and Bridge	-	23,500	-	-	23,500
Capital Improvement	303,690	-	260,226	-	563,916
Nonmajor governmental	-	-	-	50,000	50,000
Total transfers out	<u>\$ 443,690</u>	<u>\$ 309,484</u>	<u>\$ 260,226</u>	<u>\$ 166,508</u>	<u>\$ 1,179,908</u>

**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – CONTINUED**

**Interfund Transfers: - Continued**

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) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**6. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Capital leases payable	\$ 515,997	\$ -	\$ 513,665	\$ 2,332	\$ 987
Compensated absences	1,161,107	914,389	898,955	1,176,541	970,668
Net pension liability	<u>4,696,583</u>	<u>13,243,183</u>	<u>2,786,363</u>	<u>15,153,403</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 6,373,687</u>	<u>\$ 14,157,572</u>	<u>\$ 4,198,983</u>	<u>\$ 16,332,276</u>	<u>\$ 971,655</u>

For compensated absences and the 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.

**7. 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 full and part time non-temporary employees participate in the plan, regardless of the number of hours they work in a year. Employees in a temporary position are not eligible for membership.

**Benefits Provided.** TCDRS provides retirement, disability and survivor benefits for all eligible employees. Benefit terms are established by the TCDRS Act. The benefit terms may be amended as of January 1, each year, but must remain in conformity with the Act.

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. By law, employee accounts earn 7% interest. At retirement, death or disability, the benefit is calculated by converting the sum of the employee’s accumulated

**GREGG COUNTY, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2019**

**7. DEFINED BENEFIT PENSION PLAN - CONTINUED**

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, 2018, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	392
Inactive employees entitled to but not yet receiving benefits	574
Active employees	<u>612</u>
	<u>1,578</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 10.98% in calendar year 2018 and 11.46% in calendar year 2019. The County’s contributions to TCDRS for the year ended September 30, 2019, were \$2,982,090, and were equal to the required contributions.

**Net Pension Liability.** The County’s Net Pension Liability (NPL) was measured as of December 31, 2018, 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, 2018, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Overall payroll growth	4.9% per year
Investment rate of return	8.0%, net of pension plan investment expense, including inflation

**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**7. DEFINED BENEFIT PENSION PLAN - CONTINUED**

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

Depositing members	90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.
Service retirees, beneficiaries and non-depositing members	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.
Disabled retirees	130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014

The actuarial assumptions that determined the total pension liability as of December 31, 2018, were based on the results of an actuarial experience study for the period January 1, 2013 through December 31, 2016, except for mortality assumptions. Mortality assumptions were updated for the 2018 valuation to reflect projected improvements.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2019 information for a 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 2017.

**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
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**7. DEFINED BENEFIT PENSION PLAN - CONTINUED**

The target allocation and best estimates of geometric real rates return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Benchmark</u>	<u>Target Allocation</u> <sup>(1)</sup>	<u>Geometric Real Rate of Return (Expected minus Inflation)</u> <sup>(2)</sup>
US Equities	Dow Jones U.S. Total Stock Market Index	10.5%	5.40%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index <sup>(3)</sup>	18.0%	8.40%
Global Equities	MSCI World (net) Index	2.5%	5.70%
International Equities - Developed	MSCI World Ex USA (net)	10.0%	5.40%
International Equities - Emerging	MSCI EM Standard (net) Index	7.0%	5.90%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.0%	1.60%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.0%	4.39%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.0%	7.95%
Distressed Debt	Cambridge Associates Real Estate Index <sup>(4)</sup>	2.0%	7.20%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% Global Real Estate (net) Index	2.0%	4.15%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.0%	5.35%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index <sup>(5)</sup>	6.0%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	13.0%	3.90%

<sup>(1)</sup> Target asset allocation adopted at the April 2019 TCDRS Board meeting.

<sup>(2)</sup> Geometric real rates of return equal the expected return minus the assumed inflation rate of 1.70%, per Cliffwater's 2019 capital market assumptions.

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

<sup>(4)</sup> Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

<sup>(5)</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%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 8%, net of all expenses, increased by 0.1% to be gross of administrative expenses.



**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**7. DEFINED BENEFIT PENSION PLAN - CONTINUED**

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the employer is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB 68 purposes.

*Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	\$ 139,545,281	\$ 134,848,697	\$ 4,696,584
Changes for the year:			
Service cost	3,314,571	-	3,314,571
Interest on total pension liability <sup>(1)</sup>	11,288,323	-	11,288,323
Effect of economic/demographic gains or losses	( 2,291,235)	-	( 2,291,235)
Effect of assumptions changes or inputs	-	-	-
Refund of contributions	( 531,921)	( 531,921)	-
Benefit payments	( 6,602,653)	( 6,602,653)	-
Administrative expenses	-	( 104,070)	104,070
Member contributions	-	1,776,371	( 1,776,371)
Net investment income	-	( 2,540,927)	2,540,927
Employer contributions	-	2,786,539	( 2,786,539)
Other <sup>(2)</sup>	-	( 63,073)	63,073
Balance at 12/31/2018	<u>\$ 144,722,366</u>	<u>\$ 129,568,963</u>	<u>\$ 15,153,403</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.

**GREGG COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**7. DEFINED BENEFIT PENSION PLAN - CONTINUED**

*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	\$ 162,936,325	\$ 144,722,366	\$ 129,377,812
Fiduciary net position	129,568,963	129,568,963	129,568,963
Net pension liability/(asset)	\$ 33,367,362	\$ 15,153,403	\$ (191,151)

*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 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, 2019, the County recognized pension expense of \$5,250,400. At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 1,796,323	\$ 22,666
Changes in actuarial assumptions	-	563,654
Difference between projected and actual investment earnings	-	8,200,217
Contributions subsequent to the measurement date	-	2,337,391
Total	\$ 1,796,323	\$ 11,123,928

**GREGG COUNTY, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**7. DEFINED BENEFIT PENSION PLAN - CONTINUED**

Of the deferred outflows of resources \$2,337,391 was related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2020. 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>	
2020	\$ 2,848,356
2021	933,319
2022	537,561
2023	<u>2,670,978</u>
Total	<u>\$ 6,990,214</u>

**8. COMMITMENTS AND CONTINGENCIES**

**Construction Commitments**

The County is committed under various contracts, including construction contracts for County facilities and buildings, in the amount of \$2,734,295.

**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 County expects such amounts, if any, to be immaterial.

**9. 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.

The 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 2019, 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, property and employee life, accident insurance, and law enforcement liability. There were no significant reductions in insurance coverage, nor did any settlement exceed coverage in the past three years.

**10. TAX ABATEMENTS**

The County enters into property tax abatement agreements with local businesses under the provisions of the Property Redevelopment and Tax Abatement Act found in Chapter 312 of the Texas Tax Code. The Property Redevelopment and Tax Abatement Act provides governing bodies the power to establish Enterprise Zones and Reinvestment Zones for the abatement of ad valorem taxes assessed against real property or tangible personal property located on the real property provided that certain conditions as detailed in the law are met. The goal of tax abatement is to provide long term significant positive impact on the community and to utilize area contractors and work force to the maximum extent feasible by developing, redeveloping and improving real property.

**GREGG COUNTY, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**10. TAX ABATEMENTS – CONTINUED**

For the year ended September 30, 2019, the County abated property taxes totaling \$8,619 under this program, including the following tax abatement agreement:

<u>Type of Business</u>	<u>Purpose</u>	<u>Percent Abated</u>	<u>Amount Abated</u>
Skeeter Products, Inc.	Construction and improvement to real property; personal property investment; jobs creation	100%	\$ 8,619

**11. SUBSEQUENT EVENTS**

The County entered into a tax abatement agreement with Dollar General for construction and improvement to real property, personal property investment, and creation of jobs. Effective October 1, 2019, the County estimates abatement of property taxes in the amount of \$245,197.

In 2020, the COVID-19 virus pandemic has disrupted businesses and markets world-wide. The long term effects are unknown but the County reasonably expects a decrease in its sales tax revenue, interest income, and potential budget amendments for unanticipated expenditures in response to this pandemic.

Subsequent events have been evaluated for potential recognition or disclosure in the combined financial statements through March 27, 2020, the date which the combined financial statements were available to be issues.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Current property	\$ 19,717,607	\$ 19,717,607	\$ 19,531,116	\$ (186,491)
Current penalty and interest	88,000	88,000	67,045	(20,955)
Delinquent property	379,661	379,661	387,051	7,390
Delinquent penalty and interest	91,000	91,000	117,759	26,759
Alcoholic beverage	260,000	260,000	314,175	54,175
Bingo	95,000	95,000	92,634	(2,366)
Sales	15,200,000	15,200,000	16,560,691	1,360,691
Motor vehicle sales	1,550,000	1,550,000	1,819,592	269,592
Total taxes	<u>37,381,268</u>	<u>37,381,268</u>	<u>38,890,063</u>	<u>1,508,795</u>
Licenses and permits:				
Alcoholic beverage licenses	34,000	34,000	46,580	12,580
Sexually oriented businesses	16,500	16,500	25,000	8,500
Bail bond applications	1,000	1,000	2,000	1,000
Sewage disposal systems	26,000	26,000	32,400	6,400
Total licenses and permits	<u>77,500</u>	<u>77,500</u>	<u>105,980</u>	<u>28,480</u>
Intergovernmental:				
Juvenile salary supplement	10,000	10,000	10,000	-
State supplement - court at law	150,000	150,000	168,000	18,000
State supplement - assistant prosecutors	30,000	30,000	20,486	(9,514)
State - indigent defense	125,000	125,000	105,445	(19,555)
State - juror reimbursement	36,500	36,500	65,722	29,222
State - commercial waste management fees	200	200	190	(10)
State supplement - district attorney	4,317	4,317	3,967	(350)
10th Judicial Region Reimbursement	-	-	64,327	64,327
City of Lakeport - sewer fees	1,200	1,200	1,100	(100)
Fiscal service fee	15,156	15,156	16,166	1,010
Social security incentive payment	32,000	32,000	21,000	(11,000)
Drug enforcement task force	8,000	8,000	18,151	10,151
Sabine ISD resource officer	46,318	46,318	46,319	1
City of Longview - prisoner care	350,000	350,000	350,000	-
State - Title IV-E Legal Reimbursement	13,000	13,000	22,533	9,533
Child welfare board reimbursement	8,200	8,200	7,903	(297)
ATF Task Force	8,000	8,000	12,467	4,467
Total intergovernmental	<u>837,891</u>	<u>837,891</u>	<u>933,776</u>	<u>95,885</u>

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES (Continued)</b>				
Charges for services:				
Sheriff	\$ 345,000	\$ 345,000	\$ 323,533	\$ (21,467)
Constable # 1	54,000	54,000	54,445	445
Constable # 2	54,500	54,500	70,545	16,045
Constable # 3	30,500	30,500	31,498	998
Constable # 4	62,000	62,000	62,700	700
County clerk	762,000	762,000	813,317	51,317
County clerk - bond administrative fee	7,000	7,000	8,143	1,143
County clerk - archival fee	94,000	94,000	98,996	4,996
County clerk - electronic trans fee	-	-	6,412	6,412
Sheriff - bond administrative fee	3,500	3,500	800	(2,700)
District clerk - bond administrative fee	100	100	100	-
District clerk - archival fee	20,300	20,300	21,603	1,303
District clerk - electronic trans fee	-	-	31,829	31,829
Tax assessor - collector	715,000	735,000	717,715	(17,285)
Tax collection contract fees	260,000	260,000	234,996	(25,004)
District attorney	23,750	23,750	24,124	374
District clerk	342,000	342,000	346,835	4,835
Justice of the Peace # 1	34,000	34,000	36,562	2,562
Justice of the Peace # 2	22,000	22,000	26,404	4,404
Justice of the Peace # 3	13,750	13,750	17,305	3,555
Justice of the Peace # 4	16,800	16,800	21,161	4,361
Jury	9,700	9,700	10,434	734
Probate judge education fees	2,650	2,650	2,640	(10)
Other arrest fees	70,000	70,000	85,508	15,508
Judges fee - probate	3,300	3,300	3,052	(248)
State fees	74,000	74,000	89,567	15,567
State fees - TP - judicial efficiency	2,750	2,750	2,481	(269)
State fee - drug court program	18,750	18,750	22,176	3,426
Court reporter service fees	38,000	38,000	39,798	1,798
DRO fees	100	100	137	37
Guardianship fee	11,000	11,000	10,880	(120)
Parking lot fees	5,000	5,000	5,852	852
Computer services	6,500	6,500	6,163	(337)
Family protection fees	7,300	-	7,780	7,780
Defensive driving fees	36,500	36,500	59,489	22,989
Child safety fees	2,700	2,700	4,437	1,737
Traffic fees	5,500	5,500	6,830	1,330
Video fees	5,550	5,550	5,456	(94)
Inmate reimbursement	12,000	12,000	12,140	140
Total charges for services	3,171,500	3,184,200	3,323,843	139,643



**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES (Continued)</b>				
Fines and forfeitures:				
Justice court fines - JP 1	\$ 90,000	\$ 90,000	\$ 114,549	\$ 24,549
Justice court fines - JP 2	67,500	67,500	74,877	7,377
Justice court fines - JP 3	170,000	170,000	233,135	63,135
Justice court fines - JP 4	101,000	101,000	128,264	27,264
Total fines and forfeitures	<u>428,500</u>	<u>428,500</u>	<u>550,825</u>	<u>122,325</u>
Investment earnings:				
Interest	360,000	360,000	1,028,779	668,779
Unrealized gains (losses)	-	-	446,519	446,519
Total investment earnings	<u>360,000</u>	<u>360,000</u>	<u>1,475,298</u>	<u>1,115,298</u>
Rent and commissions:				
BorgWarner Automotive	33,806	33,806	33,806	-
A & M Tower, Inc.	12,300	12,300	13,597	1,297
Community buildings	19,700	19,700	30,020	10,320
Other rent	11,800	11,800	10,500	(1,300)
Royalties	13,500	13,500	6,036	(7,464)
Telephone coin stations	260,000	260,000	317,301	57,301
Federal - jail lease	915,000	915,000	1,225,224	310,224
Concession sales	-	-	45,826	45,826
Vending machine sales	-	-	5,364	5,364
Longview Community Center	32,500	32,500	37,435	4,935
Total rent and commissions	<u>1,298,606</u>	<u>1,298,606</u>	<u>1,725,109</u>	<u>426,503</u>
Miscellaneous:				
Miscellaneous	100,000	100,000	286,420	186,420
Total miscellaneous	<u>100,000</u>	<u>100,000</u>	<u>286,420</u>	<u>186,420</u>
 Total revenues	 <u>\$ 43,655,265</u>	 <u>\$ 43,667,965</u>	 <u>\$ 47,291,314</u>	 <u>\$ 3,623,349</u>

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
General government:				
County clerk - administration:				
Salaries	\$ 702,576	\$ 702,576	\$ 700,921	\$ 1,655
Fringe benefits	399,361	399,361	372,005	27,356
Operating	67,301	73,156	72,115	1,041
Total county clerk - administration	<u>1,169,238</u>	<u>1,175,093</u>	<u>1,145,041</u>	<u>30,052</u>
County clerk - archive restoration:				
Salaries	61,457	61,569	56,388	5,181
Fringe benefits	22,715	22,604	21,472	1,132
Operating	70,600	70,600	31,325	39,275
Total county clerk - archive restoration	<u>154,772</u>	<u>154,773</u>	<u>109,185</u>	<u>45,588</u>
Telecommunications:				
Salaries	51,450	51,450	46,522	4,928
Fringe benefits	9,770	9,770	7,299	2,471
Operating	350	350	65	285
Total telecommunications	<u>61,570</u>	<u>61,570</u>	<u>53,886</u>	<u>7,684</u>
Purchasing:				
Salaries	217,922	222,927	212,904	10,023
Fringe benefits	96,270	96,265	80,995	15,270
Operating	28,480	28,480	23,057	5,423
Total purchasing	<u>342,672</u>	<u>347,672</u>	<u>316,956</u>	<u>30,716</u>
Human resources:				
Salaries	160,698	154,098	146,617	7,481
Fringe benefits	63,580	64,180	56,708	7,472
Operating	14,008	20,008	15,948	4,060
Total human resources	<u>238,286</u>	<u>238,286</u>	<u>219,273</u>	<u>19,013</u>
Nondepartmental - general government:				
Salaries	-	85,781	35	85,746
Fringe benefits	234,901	70,000	600,000	(530,000)
Operating	3,349,980	2,726,199	2,061,913	664,286
Capital outlay	20,000	9,044	-	9,044
Total nondepartmental - general government	<u>3,604,881</u>	<u>2,891,024</u>	<u>2,661,948</u>	<u>229,076</u>

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
General government: (Continued)				
County judge:				
Salaries	\$ 193,083	\$ 192,872	\$ 189,265	\$ 3,607
Fringe benefits	69,870	70,081	65,579	4,502
Operating	18,210	18,210	8,780	9,430
Total county judge	<u>281,163</u>	<u>281,163</u>	<u>263,624</u>	<u>17,539</u>
Postal services:				
Operating	31,000	31,000	11,014	19,986
Total postal services	<u>31,000</u>	<u>31,000</u>	<u>11,014</u>	<u>19,986</u>
Concession operations:				
Operating	-	-	29,775	(29,775)
Capital outlay	-	-	-	-
Total concession operations	<u>-</u>	<u>-</u>	<u>29,775</u>	<u>(29,775)</u>
Elections:				
Salaries	186,780	196,528	196,224	304
Fringe benefits	94,605	84,858	82,154	2,704
Operating	105,672	105,672	105,437	235
Capital outlay	2,000	2,000	-	2,000
Total elections	<u>389,057</u>	<u>389,058</u>	<u>383,815</u>	<u>5,243</u>
County auditor:				
Salaries	600,278	600,278	592,134	8,144
Fringe benefits	273,950	273,950	224,258	49,692
Operating	26,110	26,110	25,878	232
Total county auditor	<u>900,338</u>	<u>900,338</u>	<u>842,270</u>	<u>58,068</u>
Tax assessor-collector:				
Salaries	1,052,023	1,052,031	1,033,545	18,486
Fringe benefits	530,810	530,802	507,649	23,153
Operating	193,940	185,451	175,819	9,632
Capital outlay	-	53,500	50,949	2,551
Total tax assessor-collector	<u>1,776,773</u>	<u>1,821,784</u>	<u>1,767,962</u>	<u>53,822</u>

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
General government: (Continued)				
Information services:				
Salaries	\$ 425,640	\$ 425,640	\$ 424,554	\$ 1,086
Fringe benefits	191,375	191,375	186,414	4,961
Operating	1,057,125	1,056,519	988,099	68,420
Capital outlay	25,000	35,606	10,606	25,000
Total information services	<u>1,699,140</u>	<u>1,709,140</u>	<u>1,609,673</u>	<u>99,467</u>
Agricultural extension service:				
Salaries	85,562	85,562	72,510	13,052
Fringe benefits	20,820	20,820	19,571	1,249
Operating	21,355	21,355	15,838	5,517
Total agricultural extension service	<u>127,737</u>	<u>127,737</u>	<u>107,919</u>	<u>19,818</u>
Total general government	<u>10,776,627</u>	<u>10,128,638</u>	<u>9,522,341</u>	<u>606,297</u>
Judicial:				
Court of civil appeals:				
Salaries	16,008	16,008	16,070	(62)
Fringe benefits	1,230	1,230	1,229	1
Total court of civil appeals	<u>17,238</u>	<u>17,238</u>	<u>17,299</u>	<u>(61)</u>
County court-at-law no. 1:				
Salaries	284,573	284,823	280,411	4,412
Fringe benefits	93,880	93,630	88,592	5,038
Operating	12,569	12,569	12,020	549
Total county court-at-law no. 1	<u>391,022</u>	<u>391,022</u>	<u>381,023</u>	<u>9,999</u>
County court-at-law no. 2:				
Salaries	266,093	267,713	268,252	(539)
Fringe benefits	90,230	90,758	85,374	5,384
Operating	10,595	10,595	10,037	558
Capital outlay	-	8,000	7,880	120
Total county court-at-law no. 2	<u>366,918</u>	<u>377,066</u>	<u>371,543</u>	<u>5,523</u>

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Judicial: (Continued)				
Attorney general master:				
Operating	\$ 1,050	\$ 1,050	\$ -	\$ 1,050
Total attorney general master	<u>1,050</u>	<u>1,050</u>	<u>-</u>	<u>1,050</u>
124th district court:				
Salaries	114,247	118,847	117,765	1,082
Fringe benefits	43,500	43,772	43,330	442
Operating	14,544	14,544	10,296	4,248
Total 124th district court	<u>172,291</u>	<u>177,163</u>	<u>171,391</u>	<u>5,772</u>
188th district court:				
Salaries	109,667	111,970	111,970	-
Fringe benefits	42,585	42,805	42,373	432
Operating	13,760	15,834	8,352	7,482
Capital outlay	-	2,310	2,310	-
Total 188th district court	<u>166,012</u>	<u>172,919</u>	<u>165,005</u>	<u>7,914</u>
307th district court:				
Salaries	101,026	101,246	100,334	912
Fringe benefits	40,865	40,645	40,018	627
Operating	12,080	12,080	6,682	5,398
Total 307th district court	<u>153,971</u>	<u>153,971</u>	<u>147,034</u>	<u>6,937</u>
Judicial:				
Operating expenditures	<u>2,362,000</u>	<u>2,388,865</u>	<u>2,030,596</u>	<u>358,269</u>
Total judicial	<u>2,362,000</u>	<u>2,388,865</u>	<u>2,030,596</u>	<u>358,269</u>
District clerk:				
Salaries	644,833	644,833	543,391	101,442
Fringe benefits	360,600	360,600	286,395	74,205
Operating	62,950	62,534	59,892	2,642
Capital outlay	-	4,933	4,933	-
Total district clerk	<u>1,068,383</u>	<u>1,072,900</u>	<u>894,611</u>	<u>178,289</u>

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Judicial: (Continued)				
Justice of the peace no. 1:				
Salaries	\$ 280,847	\$ 280,883	\$ 268,263	\$ 12,620
Fringe benefits	145,450	145,414	127,848	17,566
Operating	69,447	69,447	60,064	9,383
Total justice of the peace no. 1	<u>495,744</u>	<u>495,744</u>	<u>456,175</u>	<u>39,569</u>
Justice of the peace no. 2:				
Salaries	138,153	138,436	136,766	1,670
Fringe benefits	72,510	72,226	57,801	14,425
Operating	35,175	35,175	28,231	6,944
Total justice of the peace no. 2	<u>245,838</u>	<u>245,837</u>	<u>222,798</u>	<u>23,039</u>
Justice of the peace no. 3:				
Salaries	170,332	170,368	161,304	9,064
Fringe benefits	76,355	76,319	72,369	3,950
Operating	34,180	34,180	32,362	1,818
Total justice of the peace no. 3	<u>280,867</u>	<u>280,867</u>	<u>266,035</u>	<u>14,832</u>
Justice of the peace no. 4:				
Salaries	145,000	145,000	139,984	5,016
Fringe benefits	71,405	71,405	61,978	9,427
Operating	52,190	72,780	68,782	3,998
Total justice of the peace no. 4	<u>268,595</u>	<u>289,185</u>	<u>270,744</u>	<u>18,441</u>
District attorney:				
Salaries	1,907,747	1,951,310	1,787,257	164,053
Fringe benefits	724,800	745,575	630,896	114,679
Operating	109,985	181,484	177,025	4,459
Capital outlay	-	10,133	10,133	-
Total district attorney	<u>2,742,532</u>	<u>2,888,502</u>	<u>2,605,311</u>	<u>283,191</u>
10th Admin Judicial Region:				
Salaries	-	58,000	53,204	4,796
Fringe benefits	-	12,000	10,007	1,993
Operating	-	2,250	1,117	1,133
Total 10th Admin Judicial Region	<u>-</u>	<u>72,250</u>	<u>64,328</u>	<u>7,922</u>

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Judicial: (Continued)				
Bail bond board:				
Salaries	\$ 3,000	\$ 3,000	\$ -	\$ 3,000
Fringe benefits	580	580	-	580
Operating	1,605	1,605	20	1,585
Total bail bond board	<u>5,185</u>	<u>5,185</u>	<u>20</u>	<u>5,165</u>
Collections office:				
Salaries	158,088	158,692	158,692	-
Fringe benefits	84,415	83,811	83,088	723
Operating	27,085	27,085	22,104	4,981
Total collections office	<u>269,588</u>	<u>269,588</u>	<u>263,884</u>	<u>5,704</u>
Total judicial	<u>9,007,234</u>	<u>9,299,352</u>	<u>8,327,797</u>	<u>971,555</u>
Public safety:				
Constable no. 1:				
Salaries	46,565	46,565	45,848	717
Fringe benefits	20,780	20,780	18,670	2,110
Operating	3,025	4,525	3,695	830
Total constable no. 1	<u>70,370</u>	<u>71,870</u>	<u>68,213</u>	<u>3,657</u>
Constable no. 2:				
Salaries	46,445	46,445	46,141	304
Fringe benefits	20,755	20,755	20,134	621
Operating	10,385	10,385	3,901	6,484
Total constable no. 2	<u>77,585</u>	<u>77,585</u>	<u>70,176</u>	<u>7,409</u>
Constable no. 3:				
Salaries	68,765	68,765	62,947	5,818
Fringe benefits	24,540	24,540	21,854	2,686
Operating	13,376	13,376	11,126	2,250
Total constable no. 3	<u>106,681</u>	<u>106,681</u>	<u>95,927</u>	<u>10,754</u>

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Public safety: (Continued)				
Constable no. 4:				
Salaries	\$ 45,965	\$ 45,965	\$ 46,141	\$ (176)
Fringe benefits	20,660	20,660	19,999	661
Operating	10,030	12,376	10,905	1,471
Total constable no. 4	<u>76,655</u>	<u>79,001</u>	<u>77,045</u>	<u>1,956</u>
Sheriff - corrections:				
Salaries	3,594,373	3,634,089	3,593,877	40,212
Fringe benefits	1,697,650	1,607,237	1,493,663	113,574
Operating	565,500	574,531	482,249	92,282
Capital outlay	45,000	45,000	44,600	400
Total sheriff - corrections	<u>5,902,523</u>	<u>5,860,857</u>	<u>5,614,389</u>	<u>246,468</u>
Contract jail operations:				
Salaries	6,177,244	6,252,608	6,243,100	9,508
Fringe benefits	2,964,390	2,916,722	2,772,380	144,342
Operating	1,538,600	1,638,600	1,717,909	(79,309)
Total contract jail operations	<u>10,680,234</u>	<u>10,807,930</u>	<u>10,733,389</u>	<u>74,541</u>
Criminal Justice Center operations:				
Salaries	264,368	290,168	284,679	5,489
Fringe benefits	140,930	138,130	134,370	3,760
Operating	74,860	74,860	48,276	26,584
Total Criminal Justice Center operations	<u>480,158</u>	<u>503,158</u>	<u>467,325</u>	<u>35,833</u>
Department of Public Safety:				
Operating	15,700	15,700	14,589	1,111
Total Department of Public Safety	<u>15,700</u>	<u>15,700</u>	<u>14,589</u>	<u>1,111</u>
Parks and wildlife:				
Operating	1,800	1,800	1,800	-
Total parks and wildlife	<u>1,800</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
Texas alcoholic beverage commissions				
Operating	225	225	-	225
Total alcoholic beverage commissions	<u>225</u>	<u>225</u>	<u>-</u>	<u>225</u>



**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Public safety: (Continued)				
Community Supervision				
Operating	\$ 11,645	\$ 11,645	\$ 11,645	\$ -
Total new	11,645	11,645	11,645	-
Pre-trial services:				
Salaries	27,862	27,862	26,548	1,314
Fringe benefits	16,150	16,150	13,383	2,767
Operating	1,260	1,260	1,202	58
Total pre-trial services	45,272	45,272	41,133	4,139
Social security incentive:				
Operating	55,000	55,000	-	55,000
Total social security incentive	55,000	55,000	-	55,000
Juvenile board:				
Salaries	116,613	116,613	117,062	(449)
Fringe benefits	55,410	55,410	53,868	1,542
Total juvenile board	172,023	172,023	170,930	1,093
Total public safety	17,695,871	17,808,747	17,366,561	442,186
Health and human services:				
Veterans services:				
Salaries	69,284	69,549	69,549	-
Fringe benefits	34,975	34,710	34,562	148
Operating	13,845	14,743	13,799	944
Total veterans services	118,104	119,002	117,910	1,092
Civil defense:				
Operating	23,150	29,150	28,982	168
Total civil defense	23,150	29,150	28,982	168
911 Addressing:				
Salaries	58,500	58,725	58,725	-
Fringe benefits	23,040	22,815	12,156	10,659
Operating	14,115	14,115	11,629	2,486
Total 911 addressing	95,655	95,655	82,510	13,145

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Health:				
Salaries	\$ 330,172	\$ 330,172	\$ 322,485	\$ 7,687
Fringe benefits	191,290	191,290	165,498	25,792
Operating	512,282	814,783	420,168	394,615
Total health	<u>1,033,744</u>	<u>1,336,245</u>	<u>908,151</u>	<u>428,094</u>
Historical commission:				
Operating	13,500	13,500	1,240	12,260
Total historical commission	<u>13,500</u>	<u>13,500</u>	<u>1,240</u>	<u>12,260</u>
Family Protection:				
Operating	7,200	7,200	7,200	-
Total family protection	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Contributions:				
Operating	632,858	632,858	592,907	39,951
Total contributions	<u>632,858</u>	<u>632,858</u>	<u>592,907</u>	<u>39,951</u>
Total health and human services	<u>1,924,211</u>	<u>2,233,610</u>	<u>1,738,900</u>	<u>494,710</u>
Public buildings:				
ADA Compliance				
Operating	50,000	50,000	-	50,000
Total courthouse building	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Courthouse building:				
Salaries	407,523	406,821	403,566	3,255
Fringe benefits	195,515	196,217	185,049	11,168
Operating	620,900	621,092	567,231	53,861
Total courthouse building	<u>1,223,938</u>	<u>1,224,130</u>	<u>1,155,846</u>	<u>68,284</u>
Jail building:				
Operating	370,800	370,800	359,043	11,757
Total jail building	<u>370,800</u>	<u>370,800</u>	<u>359,043</u>	<u>11,757</u>
CSCD annex:				
Operating expenditures	-	23	23	-
Total service center building	<u>-</u>	<u>23</u>	<u>23</u>	<u>-</u>

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Service center building:				
Operating	\$ 81,350	\$ 81,350	\$ 55,612	\$ 25,738
Total service center building	81,350	81,350	55,612	25,738
Longview Whaley Street community building				
Salaries	82,741	75,584	69,557	6,027
Fringe benefits	27,590	34,747	28,340	6,407
Operating	39,417	45,917	37,037	8,880
Total Longview Whaley Street community building	149,748	156,248	134,934	21,314
Judson community building:				
Operating	5,750	5,750	5,099	651
Total Judson community building	5,750	5,750	5,099	651
Greggton community building:				
Operating	38,640	38,640	20,268	18,372
Total Greggton community building	38,640	38,640	20,268	18,372
Gladewater Commerce Street building				
Operating	14,450	9,450	7,024	2,426
Total Gladewater Commerce street building	14,450	9,450	7,024	2,426
Liberty City office/community building:				
Operating	4,575	4,575	3,930	645
Total Liberty City office/ community building	4,575	4,575	3,930	645
Hugh Camp Memorial Park:				
Operating	45,210	33,791	28,227	5,564
Total Hugh Camp Memorial Park	45,210	33,791	28,227	5,564
Olivia R. Hilburn community building:				
Operating	14,690	23,490	17,809	5,681
Total Olivia R. Hilburn community building	14,690	23,490	17,809	5,681
Kilgore office and community building:				
Salaries	34,694	34,824	34,824	-
Fringe benefits	18,420	18,527	18,360	167
Operating	21,950	24,450	23,655	795
Total Kilgore office and community building	75,064	77,801	76,839	962

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Public buildings: (Continued)				
Kilgore South Street building:				
Operating	\$ 250	\$ 250	\$ 234	\$ 16
Total Kilgore South Street building	<u>250</u>	<u>250</u>	<u>234</u>	<u>16</u>
Elderville community building:				
Operating	22,060	22,060	18,799	3,261
Total Elderville community building	<u>22,060</u>	<u>22,060</u>	<u>18,799</u>	<u>3,261</u>
Longview Eastman Road building:				
Operating	18,400	18,400	17,189	1,211
Total Longview Easton Road building	<u>18,400</u>	<u>18,400</u>	<u>17,189</u>	<u>1,211</u>
Purchasing Surplus Building				
Operating	2,155	2,155	1,537	618
Total Longview Easton Road building	<u>2,155</u>	<u>2,155</u>	<u>1,537</u>	<u>618</u>
M. A. Smith Criminal Justice Center:				
Operating	44,000	47,300	47,096	204
Total M. A. Smith Criminal Justice Center	<u>44,000</u>	<u>47,300</u>	<u>47,096</u>	<u>204</u>
Courthouse housekeeping:				
Salaries	172,162	172,162	162,555	9,607
Fringe benefits	112,740	112,740	106,690	6,050
Operating	36,150	36,150	32,360	3,790
Capital outlay	4,000	4,000	3,909	91
Total courthouse housekeeping	<u>325,052</u>	<u>325,052</u>	<u>305,514</u>	<u>19,538</u>
Civil Air Patrol Building:				
Operating	10,500	10,500	-	10,500
Total Civil Air Patrol Building	<u>10,500</u>	<u>10,500</u>	<u>-</u>	<u>10,500</u>
Total public buildings	<u>2,496,632</u>	<u>2,501,765</u>	<u>2,255,023</u>	<u>246,742</u>
Debt service - principal:				
Capital lease	1,000	1,000	916	84
Total debt service - principal	<u>1,000</u>	<u>1,000</u>	<u>916</u>	<u>84</u>
Debt service - interest:				
Capital lease	500	500	222	278
Total debt service - interest	<u>500</u>	<u>500</u>	<u>222</u>	<u>278</u>
Total expenditures	<u>\$ 41,902,075</u>	<u>\$ 41,973,612</u>	<u>\$ 39,211,760</u>	<u>\$ 2,761,852</u>

**GREGG COUNTY, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ 1,753,190	\$ 1,694,353	\$ 8,079,554	\$ 6,385,201
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:				
Grant fund	(38,750)	(38,750)	(32,199)	6,551
Road and bridge fund	(100,000)	(100,000)	(140,000)	(40,000)
Capital improvement fund	(265,000)	(265,000)	(265,000)	-
Records management and preservation fund	(25,000)	(38,359)	(38,359)	-
Violence against women	(57,000)	(57,000)	(45,950)	11,050
Renovations & capital acquisitions	-	(20,984)	(20,984)	-
Community healthcare grant	(121,000)	(121,000)	-	121,000
Total transfers out	<u>(606,750)</u>	<u>(641,093)</u>	<u>(542,492)</u>	<u>98,601</u>
Sale of capital assets	1,000	1,000	50,593	49,593
Insurance recoveries	-	3,634	3,634	-
Total other financing sources (uses)	<u>(605,750)</u>	<u>(636,459)</u>	<u>(488,265)</u>	<u>148,194</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,147,440	1,057,894	7,591,289	6,533,395
<b>FUND BALANCE, BEGINNING</b>	<u>34,740,070</u>	<u>34,740,070</u>	<u>34,740,070</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 35,887,510</u>	<u>\$ 35,797,964</u>	<u>\$ 42,331,359</u>	<u>\$ 6,533,395</u>

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**GREGG COUNTY, TEXAS  
ROAD AND BRIDGE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Current property	\$ 629,652	\$ 629,652	\$ 618,190	\$ (11,462)
Current penalty and interest	5,350	5,350	(1,574)	(6,924)
Delinquent property	24,154	24,154	24,696	542
Delinquent penalty and interest	5,600	5,600	7,513	1,913
Total taxes	<u>664,756</u>	<u>664,756</u>	<u>648,825</u>	<u>(15,931)</u>
Licenses and permits:				
Motor vehicle registration	1,450,000	1,450,000	1,541,676	91,676
Weight permits	12,000	12,000	24,037	12,037
Total licenses and permits	<u>1,462,000</u>	<u>1,462,000</u>	<u>1,565,713</u>	<u>103,713</u>
Intergovernmental:				
Lateral road	23,500	23,500	18,928	(4,572)
Donation of RAP	-	-	85,400	85,400
Total intergovernmental	<u>23,500</u>	<u>23,500</u>	<u>104,328</u>	<u>80,828</u>
Fines and forfeitures:				
Misdemeanor fines	275,000	275,000	334,005	59,005
Felony fines	135,000	135,000	96,945	(38,055)
Civil/BF fines	31,000	31,000	54,936	23,936
Total fines and forfeitures	<u>441,000</u>	<u>441,000</u>	<u>485,886</u>	<u>44,886</u>
Investment earnings:				
Interest	34,000	34,000	70,559	36,559
Unrealized gains (losses)	-	-	9,527	9,527
Total investment earnings	<u>34,000</u>	<u>34,000</u>	<u>80,086</u>	<u>46,086</u>
Miscellaneous:				
Miscellaneous	2,000	2,000	1,885	(115)
Total miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>1,885</u>	<u>(115)</u>
Total revenues	<u>\$ 2,627,256</u>	<u>\$ 2,627,256</u>	<u>\$ 2,886,723</u>	<u>\$ 259,467</u>
<b>EXPENDITURES</b>				
Transportation and roads:				
Administration:				
Salaries	266,684	272,496	268,021	4,475
Fringe benefits	102,240	96,428	89,770	6,658
Operating	62,000	61,672	1,039	60,633
Total administration	<u>430,924</u>	<u>430,596</u>	<u>358,830</u>	<u>71,766</u>

The accompanying notes are an integral part of this schedule.

**GREGG COUNTY, TEXAS  
ROAD AND BRIDGE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
(Continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	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	\$ 51,600	\$ 49,150	\$ (18,561)	\$ 67,711
Total road and bridge - general	<u>51,600</u>	<u>49,150</u>	<u>(18,561)</u>	<u>67,711</u>
Road and bridge - precinct no. 1:				
Salaries	692,384	677,384	643,257	34,127
Fringe benefits	333,189	333,189	278,003	55,186
Operating	399,225	418,153	467,877	(49,724)
Capital outlay	-	14,867	14,867	-
Total road and bridge - precinct no. 1	<u>1,424,798</u>	<u>1,443,593</u>	<u>1,404,004</u>	<u>39,589</u>
Road and bridge - precinct no. 2:				
Salaries	37,521	37,657	36,588	1,069
Fringe benefits	17,890	17,754	17,555	199
Operating	47,900	47,900	22,590	25,310
Total road and bridge - precinct no. 2	<u>103,311</u>	<u>103,311</u>	<u>76,733</u>	<u>26,578</u>
Road and bridge - precinct no. 3:				
Salaries	699,914	699,914	664,851	35,063
Fringe benefits	313,885	313,885	292,867	21,018
Operating	421,280	555,346	565,966	(10,620)
Capital outlay	-	27,863	27,760	103
Total road and bridge - precinct no. 3	<u>1,435,079</u>	<u>1,597,008</u>	<u>1,551,444</u>	<u>45,564</u>
Road and bridge - precinct no. 4:				
Salaries	582,754	603,873	595,790	8,083
Fringe benefits	284,520	265,850	262,624	3,226
Operating	236,655	337,973	323,108	14,865
Capital outlay	-	2,601	2,601	-
Total road and bridge - precinct no. 4	<u>1,103,929</u>	<u>1,210,297</u>	<u>1,184,123</u>	<u>26,174</u>
Total transportation and roads	<u>4,549,641</u>	<u>4,833,955</u>	<u>4,556,573</u>	<u>277,382</u>
Total expenditures	<u>\$ 4,549,641</u>	<u>\$ 4,833,955</u>	<u>\$ 4,556,573</u>	<u>\$ 277,382</u>

The accompanying notes are an integral part of this schedule.



**GREGG COUNTY, TEXAS  
ROAD AND BRIDGE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
(Continued)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (1,922,385)	\$ (2,206,699)	\$ (1,669,850)	\$ 536,849
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
General fund	100,000	100,000	140,000	40,000
Capital road & bridge projects	-	288,823	288,823	-
Building renovations	-	14,867	14,867	-
Total transfers in	<u>100,000</u>	<u>403,690</u>	<u>443,690</u>	<u>40,000</u>
Transfers out:				
Renovations & capital acquisitions	-	(23,500)	(23,500)	-
Total transfers out	<u>-</u>	<u>(23,500)</u>	<u>(23,500)</u>	<u>-</u>
Sale of capital assets	1,200	1,200	16,317	15,117
Insurance recoveries	-	4,124	4,124	-
Total other financing sources	<u>101,200</u>	<u>385,514</u>	<u>440,631</u>	<u>55,117</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,229,219)	(1,821,185)	(1,229,219)	591,966
<b>FUND BALANCE, BEGINNING</b>	<u>4,159,159</u>	<u>4,159,159</u>	<u>4,159,159</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,929,940</u>	<u>\$ 2,337,974</u>	<u>\$ 2,929,940</u>	<u>\$ 591,966</u>

The accompanying notes are an integral part of this schedule.

**GREGG COUNTY, TEXAS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –**  
**BUDGETARY SCHEDULES**  
**SEPTEMBER 30, 2019**

**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. Revenues are budgeted at the account level and expenditures are budgeted at the category/department level with the following categories: salaries, fringe benefits, and operating, and capital outlay.

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 Capital Improvement Fund (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, Grant 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: Code Enforcement Fund, VIT Operating Fund, District Attorney Fund, and Sheriff Fund.

**GREGG COUNTY, TEXAS**  
**SCHEDULE OF CHANGES IN NET POSITION LIABILITY**  
**AND RELATED RATIOS**  
**SEPTEMBER 30, 2019**

Plan Year Ended December 31	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>					
Service Cost	\$ 3,314,571	\$ 3,503,561	\$ 3,531,610	\$ 3,307,965	\$ 3,352,760
Interest total pension liability	11,288,323	10,628,971	9,867,996	9,364,860	8,831,106
Effect of plan changes	-	-	-	( 483,308)	-
Effect of assumption changes or inputs	-	1,127,308	-	1,346,961	-
Effect of economic/demographic (gains) or losses	( 2,291,235)	( 155,792)	90,665	( 1,630,892)	( 820,005)
Benefit payments/refunds of contributions	<u>( 7,134,574)</u>	<u>( 6,428,980)</u>	<u>( 5,327,748)</u>	<u>( 5,430,771)</u>	<u>( 4,930,501)</u>
Net change in total pension liability	5,177,085	8,675,068	8,162,523	6,474,815	6,433,360
Total pension liability - beginning	<u>139,545,281</u>	<u>130,870,213</u>	<u>122,707,690</u>	<u>116,232,875</u>	<u>109,799,515</u>
Total pension liability - ending (a)	<u>\$ 144,722,366</u>	<u>\$ 139,545,281</u>	<u>\$ 130,870,213</u>	<u>\$ 122,707,690</u>	<u>\$ 116,232,875</u>
<b>Plan Fiduciary Net Position</b>					
Employer contributions	\$ 2,786,539	\$ 2,813,979	\$ 2,833,558	\$ 2,700,427	\$ 2,687,677
Member contributions	1,776,371	1,800,635	1,836,277	1,727,961	1,719,683
Investment income (loss) net of investment expenses	( 2,540,927)	17,396,356	8,259,029	( 264,690)	7,228,206
Benefit payments refunds of contributions	( 7,134,574)	( 6,428,980)	( 5,327,747)	( 5,430,771)	( 4,930,501)
Administrative expenses	( 104,070)	( 89,679)	( 89,748)	( 80,839)	( 84,645)
Other	<u>( 63,073)</u>	<u>( 25,162)</u>	<u>202,729</u>	<u>( 123,434)</u>	<u>( 155,736)</u>
Net change in plan fiduciary net position	( 5,279,734)	15,467,149	7,714,098	( 1,471,346)	6,464,684
Plan fiduciary net position - beginning	<u>134,848,697</u>	<u>119,381,548</u>	<u>111,667,450</u>	<u>113,138,796</u>	<u>106,674,112</u>
Plan fiduciary net position - ending (b)	<u>129,568,963</u>	<u>134,848,697</u>	<u>119,381,548</u>	<u>111,667,450</u>	<u>113,138,796</u>
Net pension liability - ending (a) - (b)	<u>\$ 15,153,403</u>	<u>\$ 4,696,584</u>	<u>\$ 11,488,665</u>	<u>\$ 11,040,240</u>	<u>\$ 3,094,079</u>
Fiduciary net position as a percentage of total pension liability	89.53%	96.63%	91.22%	91.00%	97.34%
Pensionable covered payroll	\$ 25,376,729	\$ 25,723,351	\$ 25,900,948	\$ 24,685,154	\$ 24,566,896
Net pension liability as a percentage of covered payroll	59.71%	18.26%	44.36%	44.72%	12.59%

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**GREGG COUNTY, TEXAS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<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</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2014	\$ 2,661,394	\$ 2,661,394	\$ -	\$ 24,561,424	10.84%
2015	2,675,491	2,675,491	-	24,456,039	10.94%
2016	2,756,645	2,756,645	-	25,197,850	10.94%
2017	2,805,690	2,805,690	-	25,773,377	10.89%
2018	2,779,766	2,779,766	-	25,337,881	10.97%
2019	2,982,090	2,982,090	-	25,337,881	11.77%

This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**GREGG COUNTY, TEXAS  
NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

**Methods and assumptions used to determine contributions rates:**

<b>Actuarial Cost Method</b>	Entry age
<b>Amortization Method</b>	Level percentage of payroll, closed
<b>Remaining Amortization Period</b>	12.0 years (based on contribution rate calculated in 12/31/2018 valuation)
<b>Asset Valuation Method</b>	5-year smoothed market
<b>Inflation</b>	2.75%
<b>Salary Increases</b>	Varies by age and service. 4.9% average over career including inflation.
<b>Investment Rate of Return</b>	8.0%, net of investment expenses, including inflation.
<b>Retirement Age</b>	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
<b>Mortality</b>	130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

**Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions\*** 2015: New inflation, mortality and other assumptions were reflected.

2017: New mortality assumptions were reflected.

**Changes in Plan Provisions Reflected in the Schedule of Employer Contributions** 2015: No changes in plan provisions were reflected in the Schedule.

2016: No changes in plan provisions were reflected in the Schedule.

2017: New Annuity Purchase Rates were reflected for benefits earned after 2017.

2019: No changes in plan provisions were reflected in the Schedule.

\*Only changes that affect the benefit amount and that are effective 2015 and later are shown in the these notes.

**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 Fund** – 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 the statute.



**GREGG COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

	Special Revenue				
	Airport	Law Enforcement	Court Technology and Security	Records Management and Preservation	Voting and Elections
<b>ASSETS</b>					
Cash and cash equivalents	\$ 128,616	\$ 33,400	\$ 492,598	\$ 580,661	\$ 41,700
Investments	713,084	-	-	200,000	-
Receivables (net of allowance for uncollectibles):					
Accounts	15,301	-	72,170	203,124	-
Taxes	48,459	-	-	-	-
Interest	1,523	-	-	363	-
Due from other governments	5,520	-	-	-	-
Inventory	19,363	-	-	-	-
<b>Total assets</b>	<b>931,866</b>	<b>33,400</b>	<b>564,768</b>	<b>984,148</b>	<b>41,700</b>
<b>LIABILITIES</b>					
Accounts payable	53,568	17,811	1,652	1,349	687
Due to other governments	11,279	-	-	998	-
Accrued liabilities	62,306	-	-	3,830	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>127,153</b>	<b>17,811</b>	<b>1,652</b>	<b>6,177</b>	<b>687</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	48,146	-	-	-	-
Unavailable revenue - court fines	-	-	70,502	198,261	-
<b>Total deferred inflows of resources</b>	<b>48,146</b>	<b>-</b>	<b>70,502</b>	<b>198,261</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	19,363	-	-	-	-
Restricted for:					
Public safety operations	-	15,589	-	-	-
Judicial operations	-	-	-	-	-
Court technology and security	-	-	492,614	-	-
Records management and preservation	-	-	-	779,710	-
Voting and elections	-	-	-	-	41,013
Health and human services operations	-	-	-	-	-
VIT operations	-	-	-	-	-
Water system improvements	-	-	-	-	-
Committed for:					
Airport operations	737,204	-	-	-	-
Donations to healthcare organizations	-	-	-	-	-
<b>Total fund balances</b>	<b>756,567</b>	<b>15,589</b>	<b>492,614</b>	<b>779,710</b>	<b>41,013</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 931,866</b>	<b>\$ 33,400</b>	<b>\$ 564,768</b>	<b>\$ 984,148</b>	<b>\$ 41,700</b>

Special Revenue

Grant	Law Library	Health Care	Code Enforcement	VIT Operating	District Attorney	Sheriff	Total Nonmajor Governmental Funds
\$ 155,856	\$ 98,429	\$ 165,611	\$ 164,573	\$ 7,888	\$ 26,409	\$ 535,646	\$ 2,431,387
-	-	2,995,599	-	-	-	-	3,908,683
-	34,680	-	-	-	-	-	325,275
-	-	-	-	-	-	-	48,459
-	-	16,504	-	-	-	-	18,390
105,407	-	-	-	-	-	-	110,927
-	-	-	-	-	-	-	19,363
<u>261,263</u>	<u>133,109</u>	<u>3,177,714</u>	<u>164,573</u>	<u>7,888</u>	<u>26,409</u>	<u>535,646</u>	<u>6,862,484</u>
23,272	2,810	-	-	-	-	-	101,149
-	-	-	-	-	-	-	12,277
10,852	828	-	-	-	-	-	77,816
86,068	-	-	-	2,035	26,067	-	114,170
<u>120,192</u>	<u>3,638</u>	<u>-</u>	<u>-</u>	<u>2,035</u>	<u>26,067</u>	<u>-</u>	<u>305,412</u>
-	-	-	-	-	-	-	48,146
-	32,563	-	-	-	-	-	301,326
-	<u>32,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,472</u>
-	-	-	-	-	-	-	19,363
100,485	-	-	164,573	-	-	535,646	816,293
9,677	96,908	-	-	-	342	-	106,927
-	-	-	-	-	-	-	492,614
-	-	-	-	-	-	-	779,710
-	-	-	-	-	-	-	41,013
24,109	-	-	-	-	-	-	24,109
-	-	-	-	5,853	-	-	5,853
6,800	-	-	-	-	-	-	6,800
-	-	-	-	-	-	-	737,204
-	-	3,177,714	-	-	-	-	3,177,714
<u>141,071</u>	<u>96,908</u>	<u>3,177,714</u>	<u>164,573</u>	<u>5,853</u>	<u>342</u>	<u>535,646</u>	<u>6,207,600</u>
<u>\$ 261,263</u>	<u>\$ 133,109</u>	<u>\$ 3,177,714</u>	<u>\$ 164,573</u>	<u>\$ 7,888</u>	<u>\$ 26,409</u>	<u>\$ 535,646</u>	<u>\$ 6,862,484</u>

**GREGG COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**

	Special Revenue				
	Airport	Law Enforcement	Court Technology and Security	Records Management and Preservation	Voting and Elections
<b>REVENUES</b>					
Current property taxes	\$ 1,485,913	\$ -	\$ -	\$ -	\$ -
Delinquent property taxes	47,282	-	-	-	-
Intergovernmental	23,760	-	-	-	3,964
Charges for services	19,190	-	84,135	193,991	28,544
Fines and forfeitures	-	-	-	-	-
Interest	45,618	-	-	4,973	-
Rent and commissions	359,877	-	-	-	-
Miscellaneous	542	-	-	-	-
Total revenues	1,982,182	-	84,135	198,964	32,508
<b>EXPENDITURES</b>					
Current:					
General government	1,197,917	-	-	198,976	22,237
Judicial	-	-	7,532	3,982	-
Public safety	982,775	-	6,515	-	-
Health and human services	-	-	-	-	-
Capital outlay	52,998	-	3,637	-	-
Total expenditures	2,233,690	-	17,684	202,958	22,237
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(251,508)	-	66,451	(3,994)	10,271
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	38,359	-
Transfers out	(50,000)	-	-	-	-
Sale of capital assets	4,209	-	-	-	-
Total other financing sources (uses)	(45,791)	-	-	38,359	-
<b>NET CHANGE IN FUND BALANCES</b>	(297,299)	-	66,451	34,365	10,271
<b>FUND BALANCES, BEGINNING</b>	1,053,866	15,589	426,163	745,345	30,742
<b>FUND BALANCES, ENDING</b>	\$ 756,567	\$ 15,589	\$ 492,614	\$ 779,710	\$ 41,013

Special Revenues

Grant	Law Library	Health Care	Code Enforcement	VIT Operating	District Attorney	Sheriff	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,485,913
-	-	-	-	-	-	-	47,282
471,133	-	63,273	-	-	7,641	-	569,771
-	90,446	-	-	11,359	17,160	7,698	452,523
-	-	-	67,769	-	-	292,503	360,272
-	-	78,039	852	20	-	5,160	134,662
-	-	-	-	-	-	328,575	688,452
113,381	315	-	-	-	8,858	15	123,111
<u>584,514</u>	<u>90,761</u>	<u>141,312</u>	<u>68,621</u>	<u>11,379</u>	<u>33,659</u>	<u>633,951</u>	<u>3,861,986</u>
116,344	-	-	-	10,340	-	-	1,545,814
170,799	72,461	-	-	-	54,243	-	309,017
9,001	-	-	280,037	-	-	656,199	1,934,527
369,133	-	20,000	-	-	-	-	389,133
-	2,400	-	-	-	-	-	59,035
<u>665,277</u>	<u>74,861</u>	<u>20,000</u>	<u>280,037</u>	<u>10,340</u>	<u>54,243</u>	<u>656,199</u>	<u>4,237,526</u>
(80,763)	15,900	121,312	(211,416)	1,039	(20,584)	(22,248)	(375,540)
128,149	-	-	-	-	-	-	166,508
-	-	-	-	-	-	-	(50,000)
-	-	-	-	-	-	-	4,209
<u>128,149</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,717</u>
47,386	15,900	121,312	(211,416)	1,039	(20,584)	(22,248)	(254,823)
93,685	81,008	3,056,402	375,989	4,814	20,926	557,894	6,462,423
<u>\$ 141,071</u>	<u>\$ 96,908</u>	<u>\$ 3,177,714</u>	<u>\$ 164,573</u>	<u>\$ 5,853</u>	<u>\$ 342</u>	<u>\$ 535,646</u>	<u>\$ 6,207,600</u>

**GREGG COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Current property taxes	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Delinquent property taxes	5,080	5,080	1,655	(3,425)
Investment earnings	165,000	165,000	400,219	235,219
Total revenues	171,080	171,080	401,874	230,794
<b>EXPENDITURES</b>				
Debt service:				
Principal	550,000	550,000	512,749	37,251
Interest and fiscal charges	25,000	25,000	16,631	8,369
Capital outlay	3,667,896	4,612,333	3,706,901	905,432
Total expenditures	4,242,896	5,187,333	4,236,281	951,052
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,071,816)	(5,016,253)	(3,834,407)	1,181,846
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,616,052	3,741,536	309,484	(3,432,052)
Transfers out	(4,298,052)	(4,868,804)	(563,916)	4,304,888
Sale of capital assets	-	76,631	76,631	-
Disposal of capital assets	470,000	470,000	-	(470,000)
Insurance recoveries	-	75,438	75,438	-
Capital lease	(530,000)	(530,000)	-	530,000
Total other financing sources (uses)	(742,000)	(1,035,199)	(102,363)	932,836
<b>NET CHANGE IN FUND BALANCE</b>	(4,813,816)	(6,051,452)	(3,936,770)	2,114,682
<b>FUND BALANCE, BEGINNING</b>	18,786,931	18,786,931	18,786,931	-
<b>FUND BALANCE, ENDING</b>	\$ 13,973,115	\$ 12,735,479	\$ 14,850,161	\$ 2,114,682

**GREGG COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**AIRPORT CAPITAL IMPROVEMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 630,000	\$ 1,215,595	\$ 1,059,468	\$ (156,127)
Charges for services	65,000	65,000	122,032	57,032
Total revenues	695,000	1,280,595	1,181,500	(99,095)
<b>EXPENDITURES</b>				
Current:				
Capital outlay	947,000	1,597,662	1,373,482	224,180
Total expenditures	947,000	1,597,662	1,373,482	224,180
<b>(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	(252,000)	(317,067)	(191,982)	125,085
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	947,000	1,016,318	260,226	(756,092)
Total other financing sources (uses)	947,000	1,016,318	260,226	(756,092)
<b>NET CHANGE IN FUND BALANCE</b>	695,000	699,251	68,244	(631,007)
<b>FUND BALANCE, BEGINNING</b>	170,368	170,368	170,368	-
<b>FUND BALANCE, ENDING</b>	\$ 865,368	\$ 869,619	\$ 238,612	\$ (631,007)

**GREGG COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**AIRPORT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Current property taxes	\$ 1,505,972	\$ 1,505,972	\$ 1,485,913	\$ (20,059)
Delinquent property taxes	43,911	43,911	47,282	3,371
Intergovernmental	21,000	21,000	23,760	2,760
Charges for services	16,500	16,500	19,190	2,690
Investment earnings	8,000	8,000	45,618	37,618
Rents and commissions	309,096	309,096	359,877	50,781
Miscellaneous	-	-	542	542
Total revenues	<u>1,904,479</u>	<u>1,904,479</u>	<u>1,982,182</u>	<u>77,703</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,349,644	1,353,305	1,197,917	155,388
Public safety	1,024,573	1,024,573	982,775	41,798
Capital outlay	44,400	40,739	52,998	(12,259)
Total expenditures	<u>2,418,617</u>	<u>2,418,617</u>	<u>2,233,690</u>	<u>184,927</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(514,138)	(514,138)	(251,508)	262,630
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(50,000)	(50,000)	(50,000)	-
Sale of capital assets	-	-	4,209	4,209
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(45,791)</u>	<u>4,209</u>
<b>NET CHANGE IN FUND BALANCE</b>	(564,138)	(564,138)	(297,299)	266,839
<b>FUND BALANCE, BEGINNING</b>	<u>1,053,866</u>	<u>1,053,866</u>	<u>1,053,866</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 489,728</u>	<u>\$ 489,728</u>	<u>\$ 756,567</u>	<u>\$ 266,839</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, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Current:				
Judicial	3,552	3,552	-	3,552
Total expenditures	3,552	3,552	-	3,552
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(3,552)	(3,552)	-	3,552
<b>FUND BALANCE, BEGINNING</b>	15,589	15,589	15,589	-
<b>FUND BALANCE, ENDING</b>	\$ 12,037	\$ 12,037	\$ 15,589	\$ 3,552



**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, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 75,380	\$ 75,380	84,135	\$ 8,755
Total revenues	75,380	75,380	84,135	8,755
<b>EXPENDITURES</b>				
Current:				
Judicial	46,550	46,550	7,532	39,018
Public Safety	6,760	6,757	6,515	242
Capital Outlay	19,000	19,000	3,637	15,363
Total expenditures	72,310	72,307	17,684	54,623
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	3,070	3,073	66,451	63,378
<b>FUND BALANCE, BEGINNING</b>	426,163	426,163	426,163	-
<b>FUND BALANCE, ENDING</b>	\$ 429,233	\$ 429,236	\$ 492,614	\$ 63,378

**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, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 186,025	\$ 186,025	\$ 193,991	\$ 7,966
Investment earnings	-	-	4,973	4,973
Total revenues	<u>186,025</u>	<u>186,025</u>	<u>198,964</u>	<u>12,939</u>
<b>EXPENDITURES</b>				
Current:				
General government	211,212	262,857	198,976	63,881
Judicial	38,285	32,350	3,982	28,368
Total expenditures	<u>249,497</u>	<u>295,207</u>	<u>202,958</u>	<u>92,249</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(63,472)	(109,182)	(3,994)	105,188
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	35,300	38,359	38,359	-
Transfers out	<u>(10,300)</u>	<u>(10,300)</u>	<u>-</u>	<u>10,300</u>
Total other financing sources	<u>25,000</u>	<u>28,059</u>	<u>38,359</u>	<u>10,300</u>
<b>NET CHANGE IN FUND BALANCE</b>	(38,472)	(81,123)	34,365	115,488
<b>FUND BALANCE, BEGINNING</b>	<u>745,345</u>	<u>745,345</u>	<u>745,345</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 706,873</u>	<u>\$ 664,222</u>	<u>\$ 779,710</u>	<u>\$ 115,488</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, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 3,964	\$ 3,964	\$ -
Charges for services	-	-	28,544	28,544
Total revenues	-	3,964	32,508	28,544
<b>EXPENDITURES</b>				
Current:				
General government	-	3,965	22,237	(18,272)
Total expenditures	-	3,965	22,237	(18,272)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	(1)	10,271	10,272
<b>FUND BALANCE, BEGINNING</b>	30,742	30,742	30,742	-
<b>FUND BALANCE, ENDING</b>	\$ 30,742	\$ 30,741	\$ 41,013	\$ 10,272

**GREGG COUNTY, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GRANT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,054,014	\$ 1,054,014	\$ 471,133	\$ (582,881)
Miscellaneous	-	-	113,381	113,381
Total revenues	<u>1,054,014</u>	<u>1,054,014</u>	<u>584,514</u>	<u>(469,500)</u>
<b>EXPENDITURES</b>				
Current:				
General government	375,000	375,000	116,344	258,656
Judicial	183,369	183,369	170,799	12,570
Public safety	9,001	9,001	9,001	-
Health and human services	603,994	603,994	369,133	234,861
Total expenditures	<u>1,171,364</u>	<u>1,171,364</u>	<u>665,277</u>	<u>506,087</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(117,350)</u>	<u>(117,350)</u>	<u>(80,763)</u>	<u>36,587</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	108,734	108,734	128,149	19,415
Total other financing sources (uses)	<u>108,734</u>	<u>108,734</u>	<u>128,149</u>	<u>19,415</u>
<b>NET CHANGE IN FUND BALANCE</b>	(8,616)	(8,616)	47,386	56,002
<b>FUND BALANCE, BEGINNING</b>	<u>93,685</u>	<u>93,685</u>	<u>93,685</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 85,069</u>	<u>\$ 85,069</u>	<u>\$ 141,071</u>	<u>\$ 56,002</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, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 86,500	\$ 86,500	\$ 90,446	\$ 3,946
Miscellaneous	150	150	315	165
Total revenues	<u>86,650</u>	<u>86,650</u>	<u>90,761</u>	<u>4,111</u>
<b>EXPENDITURES</b>				
Current:				
Judicial	81,490	81,490	72,461	9,029
Capital outlay	-	-	2,400	(2,400)
Total expenditures	<u>81,490</u>	<u>81,490</u>	<u>74,861</u>	<u>6,629</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	5,160	5,160	15,900	10,740
<b>FUND BALANCE, BEGINNING</b>	<u>81,008</u>	<u>81,008</u>	<u>81,008</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 86,168</u>	<u>\$ 86,168</u>	<u>\$ 96,908</u>	<u>\$ 10,740</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, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 55,000	\$ 55,000	\$ 63,273	\$ 8,273
Investment earnings	34,000	34,000	78,039	44,039
Total revenues	<u>89,000</u>	<u>89,000</u>	<u>141,312</u>	<u>52,312</u>
<b>EXPENDITURES</b>				
Current:				
Health and human services	20,000	20,000	20,000	-
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	69,000	69,000	121,312	52,312
<b>FUND BALANCE, BEGINNING</b>	<u>3,056,402</u>	<u>3,056,402</u>	<u>3,056,402</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ 3,125,402</u></u>	<u><u>\$ 3,125,402</u></u>	<u><u>\$ 3,177,714</u></u>	<u><u>\$ 52,312</u></u>

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## **INTERNAL SERVICE FUNDS**

**Internal Service Funds** are used to account for services provided to other departments or agencies of the County on a cost-reimbursement basis.

**Print Shop Fund** – This fund was established in 2001 and accounts for printing functions provided to County departments. Operational cost associated with the print shop are supported by charges to user departments.

**Self-insurance Fund** – This fund accounts for revenues and expenses related to employee insurance benefits. The County provides health and dental benefits for full-time employees. The County transitioned to self-funded medical plan out of the traditional fully-insured mode in fiscal year 2001 to help lower costs and maintain stability in premiums.



**GREGG COUNTY, TEXAS**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2019**

	Print Shop	Self- Insurance	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 13,650	\$ 573,521	\$ 587,171
Accounts receivable, net of allowance	709	45,989	46,698
Inventory	8,435	-	8,435
Total current assets	<u>22,794</u>	<u>619,510</u>	<u>642,304</u>
Noncurrent assets:			
Capital assets:			
Equipment	49,288	-	49,288
Less accumulated depreciation	<u>(49,288)</u>	<u>-</u>	<u>(49,288)</u>
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>22,794</u>	<u>619,510</u>	<u>642,304</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,683	10,833	12,516
Accrued liabilities	<u>1,543</u>	<u>737,506</u>	<u>739,049</u>
Total liabilities	<u>3,226</u>	<u>748,339</u>	<u>751,565</u>
<b>NET POSITION</b>			
Unrestricted	<u>19,568</u>	<u>(128,829)</u>	<u>(109,261)</u>
Total net position	<u>\$ 19,568</u>	<u>(128,829)</u>	<u>(109,261)</u>

**GREGG COUNTY, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Print Shop	Self- Insurance	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 43,313	\$ 7,118,694	\$ 7,162,007
Total operating revenues	43,313	7,118,694	7,162,007
<b>OPERATING EXPENSES</b>			
Salaries	27,476	-	27,476
Fringe benefits	16,114	-	16,114
Materials and supplies	21,624	-	21,624
Insurance consultant	-	65,000	65,000
Claims	-	6,820,717	6,820,717
Administrative	-	761,370	761,370
Depreciation	1,243	-	1,243
Total operating expenses	66,457	7,647,087	7,713,544
<b>OPERATING LOSS</b>	(23,144)	(528,393)	(551,537)
<b>NONOPERATING REVENUES</b>			
Investment earnings	-	19,006	19,006
<b>CHANGE IN NET POSITION</b>	(23,144)	(509,387)	(532,531)
<b>TOTAL NET POSITION, BEGINNING</b>	42,712	380,558	423,270
<b>TOTAL NET POSITION, ENDING</b>	\$ 19,568	\$ (128,829)	\$ (109,261)

**GREGG COUNTY, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Print Shop	Self- Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from interfund charges for print shop services	\$ 43,104	\$ -	\$ 43,104
Cash receipts from interfund charges for self-insurance services	-	6,972,354	6,972,354
Payments to suppliers for goods and services	(20,381)	(7,620,583)	(7,640,964)
Payments to employees for salaries and benefits	(43,138)	-	(43,138)
Net cash used in operating activities	(20,415)	(648,229)	(668,644)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Payments from other funds	4,723	-	4,723
Payments to other funds	-	(4,723)	(4,723)
Net cash flows provided by (used in) noncapital financing activities	4,723	(4,723)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale and maturities of securities	-	1,204,900	1,204,900
Earnings on investments	-	21,573	21,573
Net cash flows provided by investing activities	-	1,226,473	1,226,473
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(15,692)	573,521	557,829
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	29,342	-	29,342
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 13,650	\$ 573,521	\$ 587,171
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES</b>			
Operating loss	\$ (23,144)	\$ (528,393)	\$ (551,537)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Depreciation	1,243	-	1,243
Changes in assets and liabilities:			
(Increase) decrease in assets:			
Inventory	714	-	714
Accounts receivable	(209)	(44,867)	(45,076)
Increase (decrease) in liabilities:			
Accounts payable	725	4,834	5,559
Accrued liabilities	256	(79,803)	(79,547)
Net cash used in operating activities	\$ (20,415)	\$ (648,229)	\$ (668,644)

## **FIDUCIARY FUNDS AGENCY FUNDS**

**Agency funds** are used to account for short-term custodial collections of resources on behalf of another individual, entity, or government.

**Tax Assessor-Collector Fund** – This fund is used to account for funds held by the Tax Office as an agent for other taxing entities. Collections are initially accounted for here and subsequently submitted to the appropriate State, County or other taxing entity. It is also used to account for interest earned on the Vehicle Inventory Tax for the Tax Assessor-Collector to defray the cost of administration of the prepayment procedure.

**County Clerk Fund** – This fund is used to account for the collection of fees and other costs by the County Clerk and the distribution of those monies or interest earnings and principal cash established by the Court for various reasons within the Court’s jurisdiction. Upon completion and court order, the latter funds are remitted to the appropriate individuals

**District Clerk Fund** – This fund is used to account for the collection of fees and other costs by the District Clerk and the distribution of those monies or interest earnings and principal cash established by the Court for various reasons within the Court’s jurisdiction. Upon completion and court order, the latter funds are remitted to the appropriate individuals.

**Sheriff Fund** – This fund is used to account for monies of County inmates held in escrow on their behalf. The monies are disbursed to the jail commissary and other parties upon direction from the inmates. This fund is also used to account for various monies collected or deposited with the County associated with activities such as bail bonds of individuals, restitution and attorneys’ fees awarded by the Courts and seizures pending. The monies are disbursed to the parties for whom the assets are held by order of the Courts.

**District Attorney Fund** – This fund is used to account for restitution payable to victims and temporarily holds fees collected on hot checks.

**Code Forfeiture Pending Fund** – This funding is used to account for monies seized in criminal cases. The funds are held until their disposition, primarily as forfeitures to law enforcement agencies and the District Attorney’s office, as established by court order.

**State Fees Fund** – This fund is used to account for the collection and payment of State fees that are included in court costs of civil and criminal cases.

**Gregg/Harrison First Call Warning Fund** – This fund is used to account for donations and payments of funding for software to run a First Call Warning system. The fund has been inactive in recent years.

**Juvenile Probation Fund** – This fund is used to account for funds held by the County for the Gregg County Juvenile Probation Department or the Gregg County Juvenile Detention Center.

**Adult Probation Fund** – This fund is used to account for funds held by the County for the Gregg County Adult Probation Department or the Gregg County Community and Correction Department.

**GREGG COUNTY, TEXAS  
 AGENCY FUNDS  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 SEPTEMBER 30, 2019**

	<u>Tax Assessor- Collector</u>	<u>County Clerk</u>	<u>District Clerk</u>	<u>Sheriff</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,024,395	\$ 733,320	\$ 2,829,606	\$ 385,412
Total assets	<u>\$ 3,024,395</u>	<u>\$ 733,320</u>	<u>\$ 2,829,606</u>	<u>\$ 385,412</u>
<b>LIABILITIES</b>				
Due to others	\$ 3,024,395	\$ 733,320	\$ 2,829,606	\$ 385,412
Total liabilities	<u>\$ 3,024,395</u>	<u>\$ 733,320</u>	<u>\$ 2,829,606</u>	<u>\$ 385,412</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>Adult Probation</u>	<u>Totals</u>
\$ 170,204	\$ 43,199	\$ 287,597	\$ 10,107	\$ 292,921	\$ 2,601,622	\$ 10,378,383
<u>\$ 170,204</u>	<u>\$ 43,199</u>	<u>\$ 287,597</u>	<u>\$ 10,107</u>	<u>\$ 292,921</u>	<u>\$ 2,601,622</u>	<u>\$ 10,378,383</u>
\$ 170,204	\$ 43,199	\$ 287,597	\$ 10,107	\$ 292,921	\$ 2,601,622	\$ 10,378,383
<u>\$ 170,204</u>	<u>\$ 43,199</u>	<u>\$ 287,597</u>	<u>\$ 10,107</u>	<u>\$ 292,921</u>	<u>\$ 2,601,622</u>	<u>\$ 10,378,383</u>

**GREGG COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND**  
**LIABILITIES - AGENCY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<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 cash equivalents	\$ <u>2,893,291</u>	\$ <u>268,292,387</u>	\$ <u>268,161,283</u>	\$ <u>3,024,395</u>
Liabilities:				
Due to others	\$ <u>2,893,291</u>	\$ <u>268,292,387</u>	\$ <u>268,161,283</u>	\$ <u>3,024,395</u>
<b><u>COUNTY CLERK</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>924,924</u>	\$ <u>1,747,460</u>	\$ <u>1,939,064</u>	\$ <u>733,320</u>
Liabilities:				
Due to others	\$ <u>924,924</u>	\$ <u>1,747,460</u>	\$ <u>1,939,064</u>	\$ <u>733,320</u>
<b><u>DISTRICT CLERK</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>3,913,429</u>	\$ <u>2,376,465</u>	\$ <u>3,460,288</u>	\$ <u>2,829,606</u>
Liabilities:				
Due to others	\$ <u>3,913,429</u>	\$ <u>2,376,465</u>	\$ <u>3,460,288</u>	\$ <u>2,829,606</u>
<b><u>SHERIFF</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>293,661</u>	\$ <u>1,838,025</u>	\$ <u>1,746,274</u>	\$ <u>385,412</u>
Liabilities:				
Due to others	\$ <u>293,661</u>	\$ <u>1,838,025</u>	\$ <u>1,746,274</u>	\$ <u>385,412</u>
<b><u>DISTRICT ATTORNEY</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>87,970</u>	\$ <u>289,538</u>	\$ <u>207,304</u>	\$ <u>170,204</u>
Liabilities:				
Due to others	\$ <u>87,970</u>	\$ <u>289,538</u>	\$ <u>207,304</u>	\$ <u>170,204</u>

**GREGG COUNTY, TEXAS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND**  
**LIABILITIES - AGENCY FUNDS**  
**CONTINUED**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<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 cash equivalents	\$ <u>46,257</u>	\$ <u>32,847</u>	\$ <u>35,905</u>	\$ <u>43,199</u>
Liabilities:				
Due to others	\$ <u>46,257</u>	\$ <u>32,847</u>	\$ <u>35,905</u>	\$ <u>43,199</u>
<b><u>STATE FEES</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>292,147</u>	\$ <u>1,243,637</u>	\$ <u>1,248,187</u>	\$ <u>287,597</u>
Liabilities:				
Due to others	\$ <u>292,147</u>	\$ <u>1,243,637</u>	\$ <u>1,248,187</u>	\$ <u>287,597</u>
<b><u>GREGG / HARRISON FIRST CALL WARNING</u></b>				
Assets:				
Cash and cash equivalents	\$ <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 cash equivalents	\$ <u>206,565</u>	\$ <u>3,121,400</u>	\$ <u>3,035,044</u>	\$ <u>292,921</u>
Liabilities:				
Due to others	\$ <u>206,565</u>	\$ <u>3,121,400</u>	\$ <u>3,035,044</u>	\$ <u>292,921</u>
<b><u>ADULT PROBATION</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>1,952,050</u>	\$ <u>7,599,517</u>	\$ <u>6,949,945</u>	\$ <u>2,601,622</u>
Liabilities:				
Due to others	\$ <u>1,952,050</u>	\$ <u>7,599,517</u>	\$ <u>6,949,945</u>	\$ <u>2,601,622</u>
<b><u>TOTALS - ALL AGENCY FUNDS</u></b>				
Assets:				
Cash and cash equivalents	\$ <u>10,620,401</u>	\$ <u>286,541,276</u>	\$ <u>286,783,294</u>	\$ <u>10,378,383</u>
Liabilities:				
Due to others	\$ <u>10,620,401</u>	\$ <u>286,541,276</u>	\$ <u>286,783,294</u>	\$ <u>10,378,383</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 – Governmental 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.

**GREGG COUNTY TEXAS**  
**Table 1.1 NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2010	2011	2012	2013
Governmental activities:				
Net investment in capital assets	\$ 63,282,308	\$ 63,355,158	\$ 59,664,989	\$ 58,814,064
Restricted for:				
Archive restoration	766,580	743,251	813,419	475,923
Transportation and road improvements	-	-	4,789,161	5,447,169
Public safety operations	-	-	606,516	527,863
Judicial operations	-	-	131,596	139,605
Bail bond board operations	-	-	-	29,439
Airport operations	-	-	170,363	197,781
Court technology and security	-	-	210,598	239,711
Records management and preservation	-	-	702,052	755,926
Voting and elections	-	-	35,366	24,643
Health and human services operations	-	-	56,341	71,209
Vehicle inventory tax administration	-	-	-	-
Water system improvements	-	-	-	-
Permanent improvements	-	-	4,272,310	4,659,594
Unrestricted	<u>63,683,421</u>	<u>66,288,684</u>	<u>62,548,344</u>	<u>61,863,595</u>
Total governmental activities net position	<u>\$ 127,732,309</u>	<u>\$ 130,387,093</u>	<u>\$ 134,001,055</u>	<u>\$ 133,246,522</u>
Business-type activities:				
Net investment in capital assets	\$ -	\$ -	\$ 313,158	\$ 298,645
Unrestricted	<u>-</u>	<u>-</u>	<u>49,553</u>	<u>(6,125)</u>
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,711</u>	<u>\$ 292,520</u>
Primary government:				
Net investment in capital assets	\$ 63,282,308	\$ 63,355,158	\$ 59,978,147	\$ 59,112,709
Restricted for:				
Archive restoration	766,580	743,251	813,419	475,923
Transportation and road improvements	-	-	4,789,161	5,447,169
Public safety operations	-	-	606,516	527,863
Bail bond board operations	-	-	-	29,439
Judicial operations	-	-	131,596	139,605
Airport operations	-	-	170,363	197,781
Court technology and security	-	-	210,598	239,711
Records management and preservation	-	-	702,052	755,926
Voting and elections	-	-	35,366	24,643
Health and human services operations	-	-	56,341	71,209
Vehicle inventory tax administration	-	-	-	-
Water system improvements	-	-	-	-
Permanent improvements	-	-	4,272,310	4,659,594
Unrestricted	<u>63,683,421</u>	<u>66,288,684</u>	<u>62,597,897</u>	<u>61,857,470</u>
Total primary government net position	<u>\$ 127,732,309</u>	<u>\$ 130,387,093</u>	<u>\$ 134,363,766</u>	<u>\$ 133,539,042</u>

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 58,218,734	\$ 63,174,980	\$ 64,504,455	\$ 65,833,674	\$ 64,668,350	\$ 63,600,358	
506,979	549,472	415,018	447,686	252,514	263,928	
7,664,128	6,608,420	5,488,768	5,567,382	5,316,591	4,326,763	
561,196	584,247	467,702	477,648	1,018,044	816,293	
164,282	126,653	110,549	126,704	144,327	139,507	
34,820	36,169	38,600	41,973	44,334	46,313	
203,040	170,363	170,363	170,368	208,385	286,758	
313,465	344,102	345,819	418,139	490,523	563,116	
919,572	932,554	912,570	911,568	921,998	977,970	
23,195	25,158	35,722	19,402	30,742	41,013	
29,250	33,771	22,797	26,055	29,940	39,193	
1,589	2,673	11,801	8,224	4,814	5,853	
-	-	-	-	-	6,800	
4,573,899	4,959,943	3,865,325	3,615,437	3,907,542	3,039,599	
<u>63,043,040</u>	<u>60,350,642</u>	<u>60,883,184</u>	<u>53,811,155</u>	<u>53,841,001</u>	<u>55,859,382</u>	
\$ <u>136,257,189</u>	\$ <u>137,899,147</u>	\$ <u>137,272,673</u>	\$ <u>131,475,415</u>	\$ <u>130,879,105</u>	\$ <u>130,012,846</u>	
\$ 490,770	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>(93,857)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
\$ <u>396,913</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	
\$ 58,709,504	\$ 63,174,980	\$ 64,504,455	\$ 65,833,674	\$ 64,668,350	\$ 63,600,358	
506,979	549,472	415,018	447,686	252,514	263,928	
7,664,128	6,608,420	5,488,768	5,567,382	5,316,591	4,326,763	
561,196	584,247	467,702	477,648	1,018,044	816,293	
34,820	36,169	38,600	41,973	44,334	46,313	
164,282	126,653	110,549	126,704	144,327	139,507	
203,040	170,363	170,363	170,368	208,385	286,758	
313,465	334,102	345,819	418,139	490,523	563,116	
919,572	932,554	912,570	911,568	921,998	977,970	
23,195	25,158	35,722	19,402	30,742	41,013	
29,250	33,771	22,797	26,055	29,940	39,193	
1,589	2,673	11,801	8,224	4,814	5,853	
-	-	-	-	-	6,800	
4,573,899	4,959,943	3,865,325	3,615,437	3,907,542	3,039,599	
<u>62,949,183</u>	<u>60,350,642</u>	<u>60,883,184</u>	<u>53,811,155</u>	<u>53,841,001</u>	<u>55,859,382</u>	
\$ <u>136,654,102</u>	\$ <u>137,889,147</u>	\$ <u>137,272,673</u>	\$ <u>131,475,415</u>	\$ <u>130,879,105</u>	\$ <u>130,012,846</u>	

**GREGG COUNTY TEXAS**  
**Table 1.2 CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2010	2011	2012	2013
<b>EXPENSES</b>				
<i>Governmental activities:</i>				
General government	\$ 11,102,197	\$ 12,066,388	\$ 11,829,723	\$ 12,874,593
Judicial	6,485,552	6,926,043	7,263,692	7,604,265
Public safety	14,826,537	14,857,301	15,617,020	15,872,926
Health and human services	2,952,009	3,566,125	2,938,243	2,828,937
Public buildings	2,864,443	2,921,703	3,021,237	3,244,751
Transportation and roads	7,531,204	10,119,148	6,551,074	13,154,752
Interest on long-term debt	18,506	12,105	1,250	590
Total expenses, governmental activities	<u>45,780,448</u>	<u>50,468,813</u>	<u>47,222,239</u>	<u>55,580,815</u>
<i>Business-type activities:</i>				
Longview community center	-	-	111,194	148,929
Total expenses, business-type activities	<u>-</u>	<u>-</u>	<u>111,194</u>	<u>148,929</u>
Total expenses, primary government	<u>\$ 45,780,448</u>	<u>\$ 50,468,813</u>	<u>\$ 47,333,433</u>	<u>\$ 55,729,744</u>
<b>PROGRAM REVENUES</b>				
<i>Governmental activities:</i>				
Charges for services:				
General government	\$ 2,795,666	\$ 2,867,886	\$ 2,787,306	\$ 2,812,045
Judicial	1,837,417	1,788,901	1,706,448	1,548,149
Public safety	1,444,761	1,306,073	1,393,005	1,157,352
Health and human services	175,972	124,161	196,892	193,902
Public buildings	3,349,981	3,341,469	2,773,416	2,680,598
Transportation and roads	2,018,074	1,752,571	2,079,088	1,841,454
Operating grants and contributions	1,514,592	1,981,326	1,245,358	1,052,759
Capital grants and contributions	1,099,734	1,263,850	380,331	2,312,910
Total program revenue, governmental activities	<u>14,236,197</u>	<u>14,426,237</u>	<u>12,561,844</u>	<u>13,599,169</u>
<i>Business-type activities:</i>				
Charges for services:				
Longview community center	-	-	54,936	63,738
Total program revenue, business-type activities	<u>-</u>	<u>-</u>	<u>54,936</u>	<u>63,738</u>
Total program revenue, primary government	<u>\$ 14,236,197</u>	<u>\$ 14,426,237</u>	<u>\$ 12,616,780</u>	<u>\$ 13,662,907</u>
<b>NET (EXPENSE) REVENUE</b>				
Governmental activities	(31,544,251)	(36,042,576)	(34,660,395)	(41,981,646)
Business-type activities	<u>-</u>	<u>-</u>	<u>(56,258)</u>	<u>(85,191)</u>
Total primary government net expense	<u>\$ (31,544,251)</u>	<u>\$ (36,042,576)</u>	<u>\$ (34,716,653)</u>	<u>\$ (42,066,837)</u>

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 12,848,089	\$ 12,705,059	\$ 13,609,494	\$ 13,851,975	\$ 13,927,884	\$ 14,797,092	
7,554,982	7,775,332	8,195,921	8,797,765	8,526,064	8,900,412	
16,931,848	16,649,033	18,879,371	19,802,883	18,729,013	21,021,882	
2,771,049	3,026,687	2,969,427	2,875,016	2,033,655	2,188,647	
3,273,248	3,399,292	3,266,908	3,475,073	3,684,481	3,778,985	
7,929,120	9,132,170	7,449,750	9,063,627	6,665,651	6,642,772	
74	5,242	7,698	10,115	13,262	10,838	
<u>51,308,410</u>	<u>52,692,815</u>	<u>54,378,569</u>	<u>57,876,454</u>	<u>53,580,010</u>	<u>57,340,628</u>	
159,406	-	-	-	-	-	
<u>159,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>\$ 51,467,816</u>	<u>\$ 52,692,815</u>	<u>\$ 54,378,569</u>	<u>\$ 57,876,454</u>	<u>\$ 53,580,010</u>	<u>\$ 57,340,628</u>	
\$ 2,825,010	\$ 2,767,426	\$ 2,752,922	\$ 2,923,510	\$ 3,185,507	\$ 3,112,835	
1,630,996	1,415,001	1,446,437	1,428,754	1,628,129	1,739,059	
1,239,998	1,177,427	1,880,271	1,423,690	2,213,009	1,785,996	
178,194	38,970	39,331	33,871	35,003	41,469	
2,118,869	1,880,943	2,090,108	1,214,336	1,082,799	1,615,833	
2,040,208	1,920,942	2,176,065	1,999,583	2,070,214	2,292,409	
1,014,974	1,785,205	1,743,595	1,570,400	1,612,051	1,236,127	
<u>3,274,049</u>	<u>4,647,778</u>	<u>3,331,207</u>	<u>3,355,888</u>	<u>573,426</u>	<u>1,059,468</u>	
<u>14,322,298</u>	<u>15,633,692</u>	<u>15,459,936</u>	<u>13,950,032</u>	<u>12,400,138</u>	<u>12,883,196</u>	
50,633	-	-	-	-	-	
<u>50,633</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>\$ 14,372,931</u>	<u>\$ 15,633,692</u>	<u>\$ 15,459,936</u>	<u>\$ 13,950,032</u>	<u>\$ 12,400,138</u>	<u>\$ 12,883,196</u>	
(36,986,112)	(37,059,123)	(38,918,633)	(43,926,422)	(41,179,872)	(44,457,432)	
<u>(108,773)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>\$ (37,094,885)</u>	<u>\$ (37,059,123)</u>	<u>\$ (38,918,633)</u>	<u>\$ (43,926,422)</u>	<u>\$ (41,179,872)</u>	<u>\$ (44,457,432)</u>	

**GREGG COUNTY TEXAS**  
**Table 1.2 CHANGES IN NET POSITION**  
**(Continued)**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**

	Fiscal Year			
	2010	2011	2012	2013
<b>General revenue and other changes in net position</b>				
<i>Governmental activities</i>				
Property taxes	\$ 21,372,685	\$ 21,302,750	\$ 21,177,159	\$ 21,660,737
Sales taxes	15,129,279	16,912,110	16,902,274	18,981,037
Alcoholic beverage taxes	214,451	203,001	189,867	190,613
Other taxes	86,280	77,913	112,333	116,369
Unrestricted investment earnings	250,028	260,974	177,938	137,628
Gain on sale of assets	205,243	-	37,865	98,775
Insurance settlement	7,097	25,612	-	-
Gain on extinguishment of debt	-	-	-	-
Miscellaneous	-	-	95,890	56,954
Transfers	(80,000)	(85,000)	(418,969)	(15,000)
Total governmental activities	<u>37,185,063</u>	<u>38,697,360</u>	<u>38,274,357</u>	<u>41,227,113</u>
<i>Business-type activities</i>				
Unrestricted investment earnings	-	-	-	-
Transfers	-	-	418,969	15,000
Total business-type activities	<u>-</u>	<u>-</u>	<u>418,969</u>	<u>15,000</u>
Total primary government	<u>37,185,063</u>	<u>38,697,360</u>	<u>38,693,326</u>	<u>41,242,113</u>
<b>Changes in net position</b>				
Governmental activities	5,640,812	2,654,784	3,613,962	(754,533)
Business-type activities	<u>-</u>	<u>-</u>	<u>362,711</u>	<u>(70,191)</u>
Total primary government	<u>\$ 5,640,812</u>	<u>\$ 2,654,784</u>	<u>\$ 3,976,673</u>	<u>\$ (824,724)</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 21,899,820	\$ 22,016,974	\$ 21,975,330	\$ 21,712,637	\$ 21,963,195	\$ 22,412,596
17,854,086	16,542,149	15,317,566	15,403,190	17,484,152	18,380,283
234,572	245,031	256,688	268,852	284,838	314,175
91,337	98,421	103,769	106,430	81,127	92,634
130,130	236,805	578,646	440,265	629,133	2,109,272
-	87,374	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	21,892	70,160	197,790	141,117	282,213
(213,166)	396,913	-	-	-	-
<u>39,996,779</u>	<u>39,645,559</u>	<u>38,302,159</u>	<u>38,129,164</u>	<u>40,583,562</u>	<u>43,591,173</u>
-	-	-	-	-	-
213,166	(396,913)	-	-	-	-
<u>213,166</u>	<u>(396,913)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>40,209,945</u>	<u>39,248,646</u>	<u>38,302,159</u>	<u>38,129,164</u>	<u>40,583,562</u>	<u>43,591,173</u>
3,010,667	2,586,436	(616,474)	(5,797,258)	(596,310)	(866,259)
104,393	(396,913)	-	-	-	-
<u>\$ 3,115,060</u>	<u>\$ 2,189,523</u>	<u>\$ (616,474)</u>	<u>\$ (5,797,258)</u>	<u>\$ (596,310)</u>	<u>\$ (866,259)</u>



**GREGG COUNTY, TEXAS**  
**Table 1.3 FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	2010	2011	2012	2013
General fund:				
Unreserved	\$ 20,726,797	\$ -	\$ -	\$ -
Reserved	849,537	-	-	-
Nonspendable	-	41,219	27,517	23,827
Restricted	-	770,646	832,926	591,407
Assigned	-	29,136	256,442	217,040
Unassigned	-	27,494,970	32,672,039	38,422,086
Total general fund	<u>21,576,334</u>	<u>28,335,971</u>	<u>33,788,924</u>	<u>39,254,360</u>
All other governmental funds				
Reserved	210,891	-	-	-
Unreserved reported in:				
Special revenue funds	10,265,799	-	-	-
Debt service fund	-	-	-	-
Capital projects fund	27,172,920	-	-	-
Nonspendable	-	103,010	112,030	134,282
Restricted	-	9,326,086	10,724,171	11,883,420
Committed	-	2,687,276	1,399,986	4,357,002
Assigned	-	21,271,834	20,033,666	13,029,616
Unassigned	-	-	(718)	-
Total all other governmental funds	<u>37,649,610</u>	<u>33,388,206</u>	<u>32,269,135</u>	<u>29,404,320</u>
Total governmental funds	<u>\$ 59,225,944</u>	<u>\$ 61,724,177</u>	<u>\$ 66,058,059</u>	<u>\$ 68,658,680</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

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
7,216	3,260	7,963	16,045	2,701	25,667
583,839	629,028	486,486	522,785	330,859	344,832
450,410	598,796	1,470,589	266,892	252,619	295,795
<u>34,676,637</u>	<u>32,520,331</u>	<u>31,124,930</u>	<u>29,882,152</u>	<u>34,153,891</u>	<u>41,665,065</u>
<u>35,718,102</u>	<u>33,751,415</u>	<u>33,089,968</u>	<u>30,687,874</u>	<u>34,740,070</u>	<u>42,331,359</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
133,327	896,741	1,005,349	1,082,534	929,661	956,563
12,428,031	11,631,632	9,110,706	8,980,072	9,650,677	7,534,919
4,569,024	4,059,191	4,037,226	4,076,286	4,104,224	3,914,918
18,344,340	17,800,616	19,758,839	18,173,388	14,894,318	11,819,913
-	-	-	-	-	-
<u>35,474,722</u>	<u>34,388,180</u>	<u>33,912,120</u>	<u>32,312,280</u>	<u>29,578,880</u>	<u>24,226,313</u>
\$ <u>71,192,824</u>	\$ <u>68,139,595</u>	\$ <u>67,002,088</u>	\$ <u>63,000,154</u>	\$ <u>64,318,950</u>	\$ <u>66,557,672</u>

**GREGG COUNTY, TEXAS**  
**Table 1.4 CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	2010	2011	2012	2013
<b>REVENUES</b>				
Taxes	\$ 37,149,062	\$ 38,362,150	\$ 38,594,743	\$ 40,895,686
Licenses and permits	1,291,763	1,237,844	1,398,039	1,342,638
Intergovernmental	3,135,838	3,731,436	2,061,285	3,755,376
Charges for services	3,810,630	3,774,549	3,713,143	3,754,191
Fines and forfeitures	1,156,767	1,168,021	1,444,602	1,217,869
Investment earnings	237,182	251,352	171,354	137,628
Rents and commissions	965,940	1,033,682	3,352,952	3,273,148
Miscellaneous	3,301,639	3,327,129	359,238	255,947
Total revenues	<u>51,048,821</u>	<u>52,886,163</u>	<u>51,095,356</u>	<u>54,632,483</u>
<b>EXPENDITURES</b>				
General government	8,667,764	9,404,049	9,325,778	10,270,374
Judicial	6,503,219	6,887,259	7,285,879	7,563,512
Public safety	14,677,211	14,585,933	15,429,054	16,140,745
Health and human services	2,837,450	3,630,641	2,944,827	2,816,765
Public buildings	2,029,427	2,082,011	2,130,553	2,214,203
Transportation and roads	8,469,360	10,272,011	4,924,912	11,348,421
Debt service:				
Principal	408,879	507,108	6,478	5,619
Interest	19,711	20,810	1,250	590
Capital outlay	1,426,316	3,037,040	1,823,401	4,752,119
Total expenditures	<u>45,039,337</u>	<u>50,426,862</u>	<u>43,872,132</u>	<u>55,112,348</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,009,484</u>	<u>2,459,301</u>	<u>7,223,224</u>	<u>(479,865)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	20,571,490	5,658,471	569,510	7,232,851
Transfers out	(20,571,490)	(5,667,406)	(669,510)	(7,247,851)
Issuance of capital lease	495,976	-	-	-
Sale of capital assets	513,467	22,255	44,658	108,642
Sale of right-of-way	20,000	-	-	-
Insurance recoveries	7,097	25,612	95,890	56,954
Total other financing sources and uses	<u>1,036,540</u>	<u>38,932</u>	<u>40,548</u>	<u>150,596</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 7,046,024</u>	<u>\$ 2,498,233</u>	<u>\$ 7,263,772</u>	<u>\$ (329,269)</u>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	0.9%	1.1%	0.0%	0.0%

Fiscal Year

2014	2015	2016	2017	2018	2019
\$ 40,075,700	\$ 38,883,763	\$ 37,680,522	\$ 37,397,684	\$ 39,832,098	\$ 41,073,738
1,391,051	1,318,187	1,368,688	1,611,272	1,640,018	1,671,693
4,716,379	6,706,941	6,002,423	5,290,478	2,532,804	2,667,343
3,675,306	3,657,872	3,762,203	3,652,141	3,813,950	3,898,398
1,237,949	1,020,076	1,053,456	908,746	1,855,873	1,396,983
128,868	230,099	566,938	430,102	605,223	2,090,265
2,694,410	2,468,488	2,681,868	1,885,931	1,762,233	2,413,561
285,407	288,464	266,969	484,111	626,993	411,416
<u>54,205,070</u>	<u>54,573,890</u>	<u>53,383,067</u>	<u>51,660,465</u>	<u>52,669,192</u>	<u>55,623,397</u>
10,139,547	10,242,264	10,732,178	10,156,100	10,547,494	11,006,600
7,870,174	7,996,962	8,189,239	8,304,087	8,511,970	8,611,558
16,782,174	16,404,214	17,735,449	17,792,423	17,872,901	19,256,488
2,779,179	3,035,557	2,942,710	2,769,152	2,018,964	2,128,033
2,220,231	2,283,921	2,068,225	2,061,398	2,253,368	2,251,114
6,690,923	7,120,809	5,337,956	7,011,659	4,812,169	4,511,345
2,216	-	390,689	393,659	510,408	513,665
74	-	8,853	9,163	12,285	16,853
<u>5,312,160</u>	<u>10,956,107</u>	<u>8,005,304</u>	<u>8,271,961</u>	<u>5,932,875</u>	<u>5,319,966</u>
<u>51,796,678</u>	<u>58,039,834</u>	<u>55,410,603</u>	<u>56,769,602</u>	<u>52,472,434</u>	<u>53,615,622</u>
<u>2,408,392</u>	<u>(3,465,944)</u>	<u>(2,027,536)</u>	<u>(5,109,137)</u>	<u>196,758</u>	<u>2,007,775</u>
9,447,050	11,108,908	4,803,175	3,305,204	2,266,067	1,179,908
(9,447,050)	(11,202,765)	(4,803,175)	(3,305,204)	(2,266,067)	(1,179,908)
-	390,689	393,063	514,252	512,749	-
64,243	93,991	426,806	420,632	590,000	147,750
-	-	-	-	-	-
<u>61,408</u>	<u>21,892</u>	<u>70,160</u>	<u>172,319</u>	<u>19,289</u>	<u>83,196</u>
<u>125,651</u>	<u>412,715</u>	<u>890,029</u>	<u>1,107,203</u>	<u>1,122,038</u>	<u>230,946</u>
\$ <u>2,534,043</u>	\$ <u>(3,053,229)</u>	\$ <u>(1,137,507)</u>	\$ <u>(4,001,934)</u>	\$ <u>1,318,796</u>	\$ <u>2,238,721</u>
0.0%	0.0%	0.8%	0.8%	1.1%	1.1%

**GREGG COUNTY, TEXAS**  
**Table 2.1 ASSESSED VALUE AND ESTIMATED TAXABLE VALUE OF PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Real Property Residential	Real Property Commercial and Industrial	Personal Property	All Other	Total Assessed Value	Total Direct Tax Rate	Total Estimated Adjusted Taxable Value	Ratio of Assessed to Taxable Value
2019	\$ 4,937,491,609	\$ 1,869,971,596	\$ 2,450,970,628	\$ 1,351,949,475	\$ 10,610,383,308	0.2625	\$ 9,271,817,888	87.38%
2018	4,816,156,986	1,715,120,893	2,257,125,453	1,241,121,407	10,029,524,739	0.2625	8,807,335,194	87.81%
2017	4,783,998,161	1,683,497,067	2,201,544,674	1,195,065,994	9,864,105,896	0.2625	8,613,348,448	87.32%
2016	4,703,337,968	1,680,887,027	2,245,585,257	1,114,605,868	9,744,416,120	0.2625	8,508,354,050	87.32%
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%

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**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Direct rates:										
Gregg County general rate	0.2622	0.2597	0.2572	0.2572	0.2572	0.2572	0.2572	0.2572	0.2572	0.2572
Gregg Co. special road and bridge rate	<u>0.0053</u>	<u>0.0053</u>	<u>0.0053</u>	<u>0.0053</u>	<u>0.0053</u>	<u>0.0053</u>	<u>0.0053</u>	<u>0.0053</u>	<u>0.0053</u>	<u>0.0053</u>
<b>Total direct debt</b>	<u>0.2675</u>	<u>0.2650</u>	<u>0.2625</u>	<u>0.2625</u>	<u>0.2625</u>	<u>0.2625</u>	<u>0.2625</u>	<u>0.2625</u>	<u>0.2625</u>	<u>0.2625</u>
Overlapping debt:										
City rates:										
Clarksville City	0.4649	0.4886	0.4196	0.4501	0.4501	0.5999	0.7399	0.6442	0.6135	0.5713
East Mountain	0.1000	0.1000	0.1000	0.1000	0.1200	0.1200	0.1400	0.1334	0.2500	0.1401
Easton	0.0820	0.0794	0.0913	0.2500	0.2500	0.2500	0.2500	0.2500	0.1334	0.2500
Gladewater	0.6123	0.6426	0.6426	0.6445	0.6414	0.6563	0.7499	0.7500	0.7500	0.7500
Kilgore	0.3994	0.3900	0.4000	0.4200	0.4500	0.4731	0.5057	0.5390	0.5390	0.5390
Lakeport	0.6299	0.5915	0.6023	0.6275	0.6145	0.5820	0.5820	0.5799	0.5799	0.5799
Longview	0.4840	0.5009	0.5009	0.5009	0.5099	0.5099	0.5099	0.5099	0.5099	0.5589
Warren City	0.5000	0.5000	0.2500	0.2500	0.2500	0.2500	0.2500	0.2403	0.2500	0.2500
White Oak	0.5200	0.5200	0.5200	0.5201	0.5317	0.5469	0.5868	0.5863	0.5863	0.6024
School districts:										
Gladewater ISD	1.1700	1.1700	1.1700	1.1700	1.4900	1.5650	1.5650	1.5650	1.5650	1.4634
Kilgore ISD	1.1092	1.3092	1.3092	1.3092	1.3092	1.3092	1.3092	1.3092	1.3092	1.2392
Longview ISD	1.5130	1.5130	1.5130	1.5130	1.5130	1.5130	1.5130	1.5130	1.5130	1.4430
Pine Tree ISD	1.3785	1.5110	1.5110	1.5500	1.5550	1.5550	1.5550	1.5550	1.5250	1.4233
Sabine ISD	1.0400	1.0400	1.0400	1.2928	1.2730	1.3014	1.3014	1.3014	1.3014	1.2314
Spring Hill ISD	1.5400	1.5400	1.6700	1.6700	1.6700	1.6700	1.6700	1.6700	1.6700	1.5683
White Oak ISD	1.2408	1.2439	1.2333	1.2432	1.2460	1.2360	1.2475	1.5030	1.4493	1.3665
Special district rates:										
Gregg Co. ESD #1	0.0983	0.0983	0.0983	0.0983	0.0983	0.0983	0.9829	0.0983	0.0983	0.0983
Gregg Co. ESD #2						0.1000	0.1000	0.1000	0.1000	0.1000
Gregg Co. ESD #3										0.1000
Kilgore Junior College	<u>0.1540</u>	<u>0.1540</u>	<u>0.1540</u>	<u>0.1540</u>	<u>0.1540</u>	<u>0.1750</u>	<u>0.1750</u>	<u>0.1750</u>	<u>0.1750</u>	<u>0.1750</u>
<b>Total direct and overlapping rates</b>	<u>13.3039</u>	<u>13.6574</u>	<u>13.4880</u>	<u>14.0261</u>	<u>14.3886</u>	<u>14.7735</u>	<u>15.9958</u>	<u>15.2854</u>	<u>15.1807</u>	<u>14.7125</u>

Source: Gregg County Appraisal District

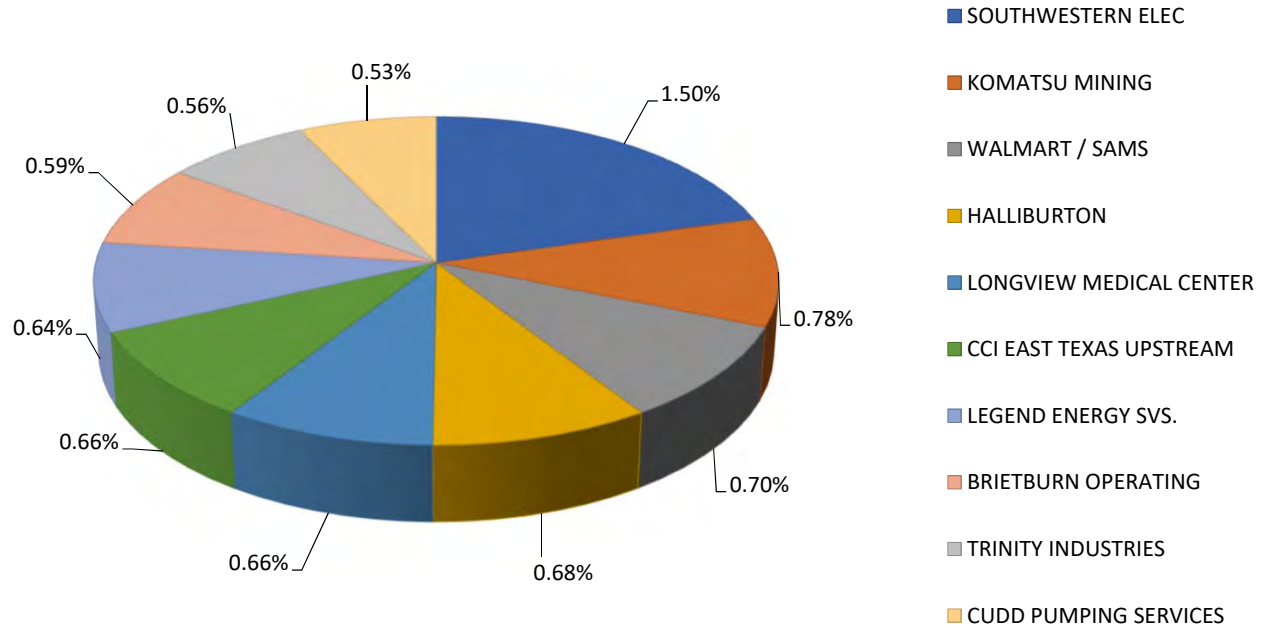
GREGG COUNTY, TEXAS

Table 2.3 - PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2019			2010		
	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.	\$ 149,976,270	1	1.50%	\$ 98,018,050	3	1.01%
Komatsu Mining Corp	78,236,190	2	0.78%			
Wal-Mart / Sam's	70,478,470	3	0.70%	76,591,020	4	0.79%
Halliburton Co./Halliburton Energy	68,221,040	4	0.68%	143,164,930	2	1.48%
Longview Medical Center/Longview Regional Hospital/Texas HCP Holding	66,540,540	5	0.66%	52,527,110	9	0.54%
CCI East Texas Upstream LLC	66,006,246	6	0.66%			
Legend Energy Services LLC	64,622,890	7	0.64%			
Breitburn Operating LP/Quantum Resources LLC Temp/Unk	59,468,733	8	0.59%			
Trinity Industries Inc/Trinity Tank Car	56,573,110	9	0.56%			
Cudd Pumping Service/Cudd Pressure Control (CPS)	53,313,380	10	0.53%			
Letourneau Inc				164,778,660	1	1.71%
Well Services Division				62,962,540	5	0.65%
J-W Power / J-W Operating				61,552,480	6	0.64%
Liberty Pressure Pumping LP				61,390,720	7	0.64%
BJ Services/BJ coiltech/BJ Dynacoil				59,546,670	8	0.62%
XTO Energy				46,807,040	10	0.48%
Total	\$ <u>733,436,869</u>		<u>7.31%</u>	\$ <u>827,339,220</u>		<u>8.56%</u>

Source: Gregg County Appraisal District

### 2019 TOP TEN TAXPAYERS





**GREGG COUNTY, TEXAS**  
**Table 2.4 PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Tax Levy for Fiscal Year	Collected Within Fiscal Year of Levy		Adjustments to Levy in Subsequent Years	Total Adj. Levy	Collections in Subsequent Years	Total Collections to Date		Delinquent Taxes 09/30/19	Delinquent Taxes to Total Adj. Levy
		Levy Collected	Percent of Original Levy				Total Collections To Date	Percent of Adjusted Levy		
2019	22,783,600	22,401,181	98.32%	61,169	22,844,769	-	22,401,181	98.06%	443,588	1.94%
2018	22,252,567	21,904,972	98.44%	22,970	22,275,537	160,659	22,065,631	99.06%	209,906	0.94%
2017	21,970,434	21,583,173	98.24%	( 30,642)	21,939,792	228,730	21,811,903	99.42%	127,890	0.58%
2016	22,328,401	21,950,095	98.31%	( 54,223)	22,274,177	222,145	22,172,240	99.54%	101,937	0.46%
2015	22,365,509	22,035,855	98.53%	( 31,658)	22,333,851	217,090	22,252,945	99.64%	80,906	0.36%
2014	22,067,295	21,783,376	98.71%	( 26,901)	22,040,394	193,393	21,976,769	99.71%	63,625	0.29%
2013	22,022,808	21,567,906	97.93%	( 141,720)	21,881,089	252,830	21,820,736	99.72%	60,353	0.28%
2012	21,541,094	21,294,083	98.85%	52,539	21,593,633	248,755	21,542,838	99.76%	50,794	0.24%
2011	21,259,861	21,016,555	98.86%	50,487	21,310,348	241,898	21,258,453	99.76%	51,895	0.24%
2010	21,713,885	21,571,949	99.35%	184,625	21,898,510	277,869	21,849,818	99.78%	48,692	0.22%

- (1) Taxes are levied on assessed property values on January 1 of prior calendar year (i.e., in 2019, taxes are levied on calendar year 2018)
- (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 GOVERNMENTAL REVENUE BY SOURCE**

Fiscal Year	Taxes	Licenses and Permits	Inter- Governmental	Charges for Services	Fines and Forfeitures	Investment Earnings	Rents and Commissions	Miscellaneous	Totals
2019	\$ 41,073,738	\$ 1,671,693	\$ 2,667,343	\$ 3,898,398	\$ 1,396,983	\$ 2,090,265	\$ 2,413,561	\$ 411,416	\$ 55,623,397
2018	39,832,100	1,640,018	2,532,805	3,813,949	1,855,873	605,222	1,762,233	626,993	52,669,192
2017	37,397,684	1,611,272	5,290,478	3,652,141	908,746	430,102	1,885,931	484,111	51,660,465
2016	37,680,521	1,368,687	6,002,422	3,762,205	1,053,456	567,035	2,681,868	266,871	53,383,067
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

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

**GREGG COUNTY, TEXAS**  
**Table 3.1 RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Capital Leases	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
2019	\$ 2,332	\$ 2,332	*	*
2018	515,997	515,997	0.01%	4.17
2017	513,656	513,656	0.01%	4.16
2016	393,063	393,063	0.01%	3.18
2015	390,689	390,689	0.01%	3.15
2014	-	-	0.00%	-
2013	2,216	2,216	0.00%	0.02
2012	7,833	7,833	0.00%	0.06
2011	13,658	13,658	0.00%	0.11
2010	522,190	522,190	0.01%	4.28

<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**

The County has had no general bonded debt outstanding in the past ten fiscal years.

**GREGG COUNTY, TEXAS**  
**Table 3.3 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2019**

Government Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
<b>Direct Debt:</b>			
Gregg County	\$ 2,332	100.00%	\$ 2,332
Total Direct Debt	<u>2,332</u>		<u>2,332</u>
<b>Overlapping Debt:</b>			
Clarksville City, City of	2,600,000	99.97%	2,599,220
Gladewater, City of	20,860,050	60.66%	12,653,706
Kilgore, City of	9,381,179	87.18%	8,178,512
Kilgore Independent School District	45,430,125	73.46%	33,372,970
Lakeport, City of	135,582	100.00%	135,582
Longview, City of	107,450,890	94.30%	101,326,189
Gladewater Independent School District	32,532,900	54.70%	17,795,496
Longview Independent School District	209,308,291	100.00%	209,308,291
Pine Tree Independent School District	59,850,890	100.00%	59,850,890
Sabine Independent School District	18,505,613	100.00%	18,505,613
Spring Hill Independent School District	42,776,620	100.00%	42,776,620
White Oak Independent School District	<u>20,377,817</u>	100.00%	<u>20,377,817</u>
Total Overlapping Debt	<u>569,209,957</u>		<u>526,880,907</u>
 Total Direct and Overlapping Debt	 <u>\$ 569,212,289</u>		 <u>\$ 526,883,239</u>

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

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**GREGG COUNTY, TEXAS**  
**Table 3.4 LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	Fiscal Year			
	2010	2011	2012	2013
Debt Limit	\$ 2,023,484,071	\$ 2,068,576,145	\$ 2,132,856,856	\$ 2,137,867,790
Total net debt applicable to limit	-	-	-	-
Legal Debt Margin	<u>\$ 2,023,484,071</u>	<u>\$ 2,068,576,145</u>	<u>\$ 2,132,856,856</u>	<u>\$ 2,137,867,790</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 2,167,091,354	\$ 2,467,145,007	\$ 2,436,104,030	\$ 2,466,026,474	\$ 2,507,381,185	\$ 2,652,595,827	
-	-	-	-	-	-	
<u>\$ 2,167,091,354</u>	<u>\$ 2,467,145,007</u>	<u>\$ 2,436,104,030</u>	<u>\$ 2,466,026,474</u>	<u>\$ 2,507,381,185</u>	<u>\$ 2,652,595,827</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**

Year	Population	Personal Income (thousands of dollars)	Per Capita Income	Unemployment Rate
2019	*	*	*	3.7%
2018	123,707	\$ 5,616,460	\$ 45,401	4.0%
2017	123,367	5,437,195	44,073	4.5%
2016	123,745	5,516,563	44,580	6.6%
2015	124,108	5,791,380	46,664	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%

Sources: Texas Workforce Commission  
Bureau of Economic Analysis

\* Data unavailable

**GREGG COUNTY, TEXAS**  
**Table 4.2 PRINCIPAL EMPLOYERS**  
**CURRENT YEAR**

Employer	2019	
	Employees	Percentage of Total County Employees
Christus Good Shepherd Health System	2,532	3.8%
Eastman Chemical	1,447	2.2%
Longview ISD	1,400	2.1%
Longview Regional Medical Center	1,125	1.7%
Wal-Mart	1,057	1.6%
Trinity Rail, LLC	960	1.4%
City of Longview	880	1.3%
Pine Tree ISD	680	1.0%
Komatsu	604	0.9%
Gregg County	<u>575</u>	<u>0.9%</u>
Total	<u><u>11,260</u></u>	<u><u>16.8%</u></u>

Source: Longview Economic Development Corporation

Notes: Percentage of total County employment is based on County employment of 66,905.

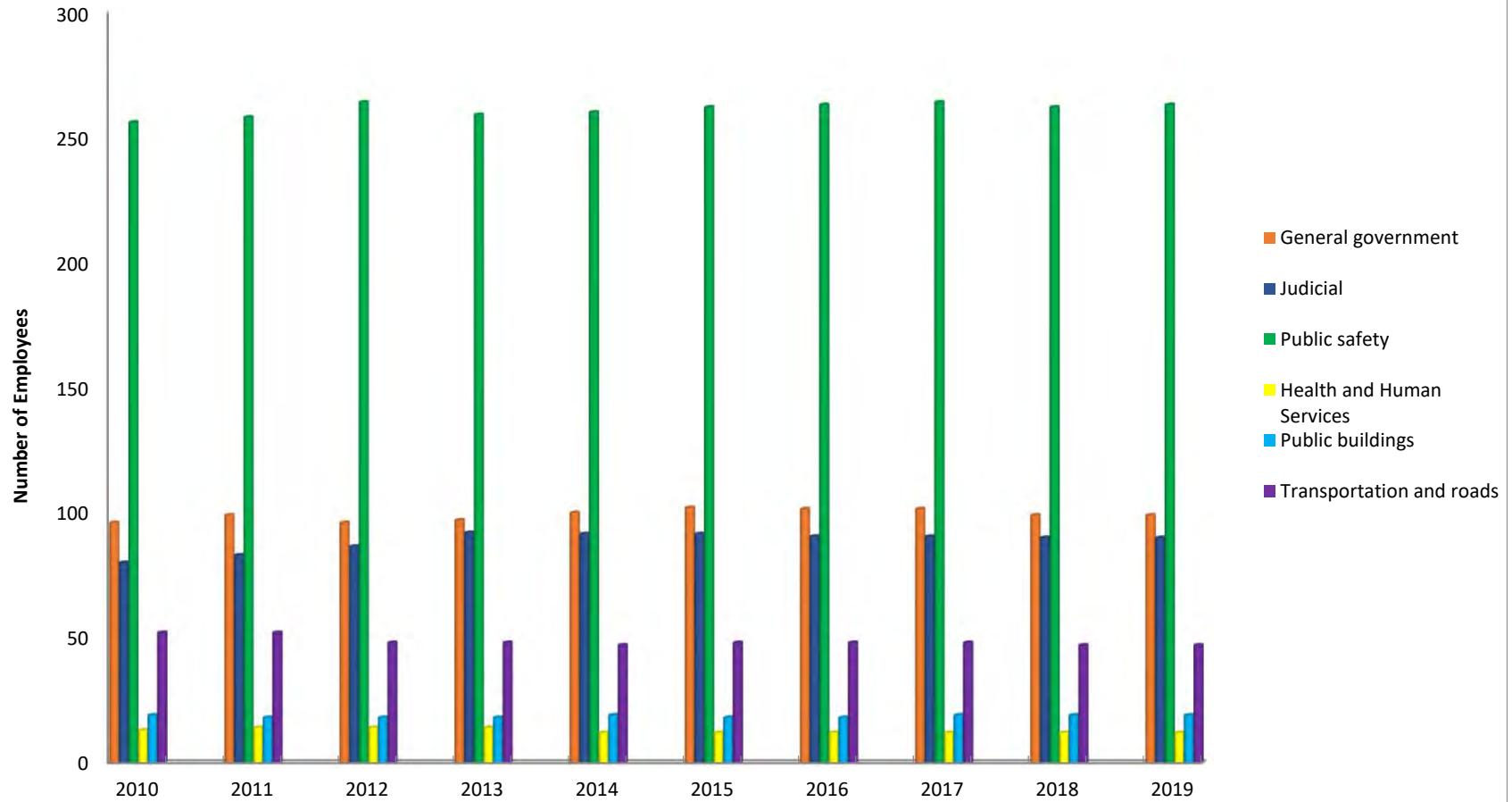
\* Information for 9 years prior was not available.

**GREGG COUNTY, TEXAS**  
**Table 5.1 COUNTY EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**SEPTEMBER 30, 2019**

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government	96	99	96	97	100	102	102	102	99	99
Judicial	80	83	87	92	92	92	91	91	90	90
Public safety	256	258	264	259	260	262	263	264	262	263
Health and Human Services	13	14	14	14	12	12	12	12	12	12
Public buildings	19	18	18	18	19	18	18	19	19	19
Transportation and roads	<u>52</u>	<u>52</u>	<u>48</u>	<u>48</u>	<u>47</u>	<u>48</u>	<u>48</u>	<u>48</u>	<u>47</u>	<u>47</u>
Totals	<u>516</u>	<u>524</u>	<u>527</u>	<u>528</u>	<u>530</u>	<u>534</u>	<u>533</u>	<u>535</u>	<u>529</u>	<u>530</u>

Source: Gregg County Budget

## Employees By Function



**GREGG COUNTY, TEXAS**  
**Table 5.2 OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**SEPTEMBER 30, 2019**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
<b>County Finance</b>										
Accounts Payable Checks Processed	8,321	7,845	8,409	8,789	8,493	8,365	8,592	8,652	8,786	8,466
<b>Tax Office (1)</b>										
Motor vehicle registrations	127,751	129,604	133,481	133,761	134,302	131,334	129,890	128,866	130,036	131,713
Motor vehicle titles issued	39,992	45,622	49,178	49,411	48,757	47,843	45,630	45,020	49,307	49,024
<b>Elections Office</b>										
Registered Voters	68,612	64,458	66,464	65,680	66,146	65,678	68,833	67,696	69,321	69,316
Number of Elections Held	13	5	11	10	11	6	10	4	9	8
<b>Judicial</b>										
<b>District Court level</b>										
Civil & Family cases filed	4,076	3,319	3,064	3,417	3,297	3,091	3,253	3,004	2,788	2,711
Criminal cases filed	1,751	1,304	1,266	1,389	1,519	1,266	1,368	1,233	1,326	1,665
<b>County Court level</b>										
Probate/Mental Health cases filed	528	591	629	525	516	542	627	621	556	549
<b>Statutory County Court level (2)</b>										
Civil cases filed	413	1,181	1,174	1,180	1,117	1,195	1,108	1,083	1,173	1,324
Criminal cases filed	4,895	4,328	4,005	4,129	3,684	3,541	3,300	3,250	3,671	3,868
<b>Law Enforcement/Corrections (3)</b>										
<b>Jail facilities</b>										
Jail Book-ins	10,519	10,556	10,696	10,282	9,419	9,098	9,171	9,150	9,550	9,862
<b>Law Enforcement</b>										
Warrants executed	4,358	4,462	4,340	5,770	4,496	4,461	4,469	4,225	5,377	4,849
Civil process served	4,853	4,585	4,165	3,523	4,629	4,314	4,780	3,218	2,879	2,885
<b>Health &amp; Human Services</b>										
Patients seen by Doctor	769	841	757	646	477	603	586	617	479	518
Patients seen by Nurse	2,266	2,501	2,848	2,354	2,032	2,433	2,676	2,764	2,436	2,161
Immunizations (# of shots)	7,142	11,158	7,504	5,440	5,254	5,077	4,962	4,374	4,120	5,367
Welfare Applicants	1,359	1,444	1,377	1,004	820	1,274	1,235	1,291	1,124	1,419
<b>Transportation &amp; Roads</b>										
Miles of County Roads	281	281	281	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, 2019**

<u>FUNCTION/PROGRAM</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government										
Vehicles	6	6	6	10	9	10	9	9	9	10
Judicial										
Vehicles	3	3	3	4	5	6	5	5	5	3
Video/sound system	2	2	2	2	2	2	2	2	2	2
Law enforcement/corrections										
Vehicles	77	91	93	99	88	97	98	106	109	103
Transportation and roads										
Road and bridge vehicles	34	34	36	29	31	32	33	31	34	32
Road and bridge equipment	113	113	116	111	111	109	112	118	117	116
Public buildings										
Vehicles	4	4	4	4	4	3	4	3	4	4
Health and human services										
Vehicles	2	2	2	2	2	2	2	2	2	3

Source: Gregg County depreciation schedules

**GREGG COUNTY, TEXAS**  
**Table 5.4 SCHEDULE OF INSURANCE**  
**SEPTEMBER 30, 2019**

Insuring Company	Type of Coverage	Policy From	Policy To	Summary of Coverage	Liability Limits
Texas Public Entity Group Agent: Rooker Downing & Booth	Property	10/01/18	10/01/19	Buildings Personal Property Valuable Papers	\$ 91,097,448 50,000 250,000
Texas Public Entity Group Agent: Rooker Downing & Booth	Commerical Crime	10/01/18	10/01/19	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	10/01/18	10/01/19	Liability Comprehensive  Collision	1,000,000 Actual cash value or cost of repair (lessor of)  Actual cash value or cost of repair (lessor of)
Texas Public Entity Group Agent: Rooker Downing & Booth	Cyber Theft	10/01/18	10/01/19	General Aggregate Crisis Management Security Breach Notification	1,000,000 50,000 50,000
Texas Public Entity Group Agent: Rooker Downing & Booth	Commercial General Liability	10/01/18	10/01/19	General Aggregate	400,000
Texas Public Entity Group Agent: Rooker Downing & Booth	Employee Benefits Liability	10/01/18	10/01/19	Aggregate Limit	3,000,000
Tac Risk Management Pool	Public Officials Liability	10/01/18	10/01/19	Aggregate	2,000,000
JamisonPro	State Judges Professional Liability	01/01/19	01/01/20	Damages / Claims Exp.	1,000,000
Tac Risk Management Pool	Law Enforcement Liability	10/01/18	10/01/19	Aggregate	2,000,000
Landmark American Insurance Agent: Rooker Downing & Booth	Gregg Co. Jail/Medical Services	12/15/18	12/15/19	Aggregate	3,000,000
Admiral Insurance Company Agent: Rooker Downing & Booth	Health Department	10/01/18	10/01/19	Aggregate	1,000,000
Old Republic Insurance Company Agent: Rooker Downing & Booth	East Texas Regional Airport	10/01/18	10/01/19	Products Personal Injury Malpractice Hangar keepers Fire Damage	5,000,000 5,000,000 5,000,000 5,000,000 50,000
Nautilus Insurance Company	Storage Tank Systems	08/04/19	08/04/20	Clean up costs, Third Party Liability, Property damage Liability	1,000,000

**SINGLE AUDIT SECTION**



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## INDEPENDENT AUDITOR'S 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

The Honorable County Judge  
and Members of the Commissioners Court  
Gregg County,  
Longview, 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Gregg County, Texas (the "County"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated March 27, 2020.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County's 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 of County's internal control. Accordingly, we do not express an opinion on the effectiveness of County's 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 County's 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.

Longview, Texas  
March 27, 2020



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

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

We have audited Gregg County, Texas (the “County”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of County’s major federal programs for the year ended September 30, 2019. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the County’s major federal 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County’s compliance.

***Opinion on Each Major Federal Program***

In our opinion, the County 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 programs for the year ended September 30, 2019.

**Report on Internal Control over Compliance**

Management of the County 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 the County’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over compliance.

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

Henry E. Peters, PC

Longview, Texas  
March 27, 2020

**GREGG COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Federal Grantor or Pass-through Entity Identifying Number	Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>U.S. Department of Justice</u></b>				
Direct Programs:				
FY 2019 Task Force Agmt T328226	Drug Enforcement Administration Overtime Grant ATF Task Force	16.001 16.U01	\$ 18,151 12,467	- -
	Total Direct Programs		<u>30,618</u>	<u>-</u>
Passed Through the Texas Office of the Governor- Criminal Justice Division:				
2929702	Crime Victim Assistance	16.575	-	-
2929703	Crime Victim Assistance	16.575	38,669	-
WF-17-V30-28165-03	Violence Against Women Formula Grant	16.588	-	-
WF-18-V30-28165-04	Violence Against Women Formula Grant	16.588	62,908	-
WF-18-V30-28165-05	Violence Against Women Formula Grant	16.588	10,322	-
	Total CFDA 16.588		<u>73,230</u>	<u>-</u>
2019-AP-BX-0259	SCAAP Program FY18	16.606	40,915	-
	Total Passed Through the Texas Office of Governor- Criminal Justice Division		<u>152,814</u>	<u>-</u>
	Total U.S. Department of Justice		<u>183,432</u>	<u>-</u>
<b><u>U.S. Department of Transportation</u></b>				
Direct Programs:				
3-48-0137-045-2018	Airport Improvement Program	20.106	1,059,468	-
	Total Direct Programs		<u>1,059,468</u>	<u>-</u>
	Total U.S. Department of Transportation		<u>1,059,468</u>	<u>-</u>

**GREGG COUNTY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Federal Grantor or Pass-through Entity Identifying Number	Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>U.S. Department of Health &amp; Human Services</u></b>				
Passed through the Texas Department of State Health Services				
537-18-0058-00001	Immunization Branch- Locals	93.268	193,684	-
537-18-0058-00001	Immunization Branch - Locals	93.268	<u>13,380</u>	-
	Total Passed through the Texas Department of State Health Services		<u>207,064</u>	-
Passed through the Texas Department of Family and Protective Services:				
23938980	Child Welfare Board	93.658	7,903	-
23938981	Legal Services Title IV-E	93.658	<u>22,533</u>	-
	Total Passed through the Texas Department of Family & Protective Services:		<u>30,436</u>	-
	Total Passed Through the U.S. Department of Health & Human Services:		<u>237,500</u>	-
<b><u>U.S. Department of Homeland Security:</u></b>				
Direct Programs:				
HSTS0216HSLR854	Law Enforcement Officer Reimbursement Agreement Program	97.09	<u>23,760</u>	-
	Total Direct Programs		<u>23,760</u>	-
	Total U.S. Department of Homeland Security		<u>23,760</u>	-
	Total Federal Awards		<u>\$ 1,504,160</u>	-

**GREGG COUNTY, TEXAS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**SEPTEMBER 30, 2019**

**1. GENERAL**

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

**2. BASIS OF ACCOUNTING**

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

**3. INDIRECT COST**

The County has elected not to use the 10% de minimis indirect cost rate as allowed in the *Uniform Guidance*.

**GREGG COUNTY, TEXAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

**Section I - Summary of Auditor's Results**

**Summary of Auditor's Results**

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Financial Statements:

Type of auditor's report issued	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	___ Yes <u>X</u> No
Significant deficiency(ies) identified?	___ Yes <u>X</u> None reported
Noncompliance material to financial statements noted?	___ Yes <u>X</u> No

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	___ Yes <u>X</u> No
Significant deficiency(ies) identified?	___ Yes <u>X</u> None reported

Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
--	-------------------

Any audit findings disclosed that are required to be reported in accordance with the <i>Uniform Guidance</i>	___ Yes <u>X</u> No
--	---------------------

Identification of major programs:

CFDA Number: 20.106	Name of Federal Program: Airport Improvement Program
------------------------	---

Dollar threshold used to distinguish between type A and type B programs	<u>\$ 750,000</u>
---	-------------------

Auditee qualified as a low-risk auditee?	<u>X</u> Yes ___ No
--	---------------------

**Section II - Findings Required to be Reported by *Government Auditing Standards***

No matters requiring reporting were noted.

**Section III - Findings Required to be Reported by the *Uniform Guidance***

No matters requiring reporting were noted.



**GREGG COUNTY, TEXAS  
SUMMARY OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

None